

SIXTY-THIRD ANNUAL REPORT

of the

C O N T R O L L E R

Of



Armstrong
County

SIXTY-THIRD ANNUAL REPORT

of the

CONTROLLER

of

Armstrong County

MYRA L. MILLER

County Controller

AMANDA C. HILES

First Deputy Controller
Chief Accountant/Auditor

TAMMIE L. GAFF

Second Deputy Controller
A/P Supervisor

STAFF:

CHERRIO L. MILLER

SHARON L. COGLEY

SUE E. BURK

TERESA A. HORGOS

SIXTY-THIRD ANNUAL REPORT OF ARMSTRONG COUNTY
TO THE TAXPAYERS OF ARMSTRONG COUNTY

This, the Sixty-Third Annual Report of the Controller of Armstrong County has been prepared primarily for your information. The office of the Controller is mandated by law with the responsibility of safeguarding the financial interests of the taxpayers of Armstrong County. To this end, we see that all monies received and taxes collected by the County are properly accounted for and legally distributed.

The Controller's Office prepares all checks for the County and maintains appropriate monthly reports of all receipts and expenditures. We also maintain valuable County documents and perform periodic audits of various County offices and agencies. The Controller, as specified by law, is Secretary of the Armstrong County Employees Retirement Board and is also a member of both the Armstrong County Salary Board and the Armstrong County Prison Board.

The cooperation given this office by the many departments and agencies within the County government has been a major factor in reaching our goal of complete and centralized control of reporting the County's finances. The liaison and communications between the Controller's Office and the County Commissioners is especially open and mutual desire exists to attain a high level of performance in offering maximum service for each dollar of the taxpayer's money.

This report has been prepared for the information benefit of the taxpayer and is presented here in summary form. The amounts listed herein are supported by detailed statements of receipts and expenditures and are available to the general public during the course of the normal business day.

Anyone interested in reviewing our records or desiring any further explanation of the fiscal affairs of Armstrong County may, at any time, contact this office. Your comments and suggestions concerning the operation of the Controller's Office or the fiscal affairs of the County in general would be most welcome.

Respectfully submitted,

A handwritten signature in cursive script that reads "Myra L. Miller".

Myra L. Miller
County Controller

Honorable Kenneth Valasek
President Judge of the Court
of Common Pleas
Kittanning, PA 16201

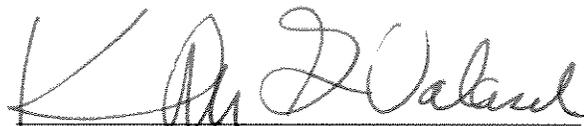
I, Myra L. Miller, Controller of Armstrong County, Commonwealth of Pennsylvania; in accordance with the Act of Assembly creating the office of County Controller, herewith submit a statement of the fiscal affairs of Armstrong County for the period from January 1, 2010 to December 31, 2010.

Respectfully,



Myra L. Miller
County Controller

Now, July 7, 2011, the within report made in open court and same is ordered file.



Honorable Kenneth Valasek

Armstrong County Officials - As of 12/31/10

- **JUDICIARY**

The Honorable Kenneth G. Valasek, President Judge
The Honorable James Panchik, Judge
The Honorable Joseph A. Nickleach, Senior Judge

- **COMMISSIONERS**

Patricia L. Kirkpatrick, Chairman
Richard L. Fink
James V. Scahill

- **CONTROLLER**

Myra L. Miller

- **TREASURER**

Sonie Mervis

- **RECORDER OF DEEDS**

Marianne Hileman

- **PROTHONOTARY**

Brenda C. George

- **SHERIFF**

Larry R. Crawford

- **CORONER**

Robert Bower

- **JURY COMMISSIONERS**

Patricia G. Fiorina
Karen J. Schrecengost

**2010 COUNTY ANNUAL
FINANCIAL REPORT**



Armstrong
County

County of Armstrong
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
December 31, 2010

PRIMARY GOVERNMENT				
CURRENT ASSETS	CURRENT ASSETS:	GOVERNMENTAL	BUSINESS-TYPE	
		ACTIVITIES	ACTIVITIES	TOTAL
	Cash and cash equivalents	21,025,222	433,136	21,458,358
Investments	73	-	73	
Receivables (net allowance for uncollectibles)	2,279,721	1,183,720	3,463,441	
Due from other governments	1,012,337	-	1,012,337	
Internal balances	-	-	-	
Inventories	9,663	44,791	54,454	
Prepays	102,240	13,339	115,579	
Deferred charges	-	-	-	
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	-	
Investments	-	-	-	
Intergovernmental receivable	-	-	-	

NON-CURRENT ASSETS	NON-CURRENT ASSETS:				
	Permanently restricted:				
	Investments	-	-	-	
Capital assets not being depreciated:					
Land	747,040	-	747,040		
Construction in progress	208,862	-	208,862		
Capital assets net of accumulated depreciation:					
Buildings and system	16,209,454	1,040,513	17,249,967		
Improvements other than buildings	441,436	16,206	457,642		
Machinery and equipment	3,108,134	1,709,543	4,817,677		
Infrastructure	6,496,205	-	6,496,205		
Other	-	-	-		
Other	-	-	-		

TOTAL ASSETS	\$ 51,640,387	\$ 4,441,248	\$ 56,081,635
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PRIMARY GOVERNMENT			
LIABILITIES:	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	
Accounts payable	1,568,011	1,277,021	2,845,032
Due to other governments	-	-	-
Deferred Revenue	284,831	-	284,831
Funds held as fiduciary	128,177	-	128,177
Other current liabilities	-	-	-
Noncurrent liabilities:			
Debt due within one year	10,056,786	-	10,056,786
Debt due in more than one year	40,407,999	-	40,407,999
Other non-current liabilities	-	-	-
Other Accrued Compensated Absences	801,414	550,495	1,351,909
Other Accrued Self-ins Workers Comp Claims	322,844	-	322,844
TOTAL LIABILITIES	\$ 53,570,062	\$ 1,827,516	\$ 55,397,578

NET ASSETS	NET ASSETS:		
	Investment in capital assets, net of related debt	(1,148,350)	1,798,124
Restricted	461,565	-	461,565
Unrestricted	(1,242,890)	815,608	(427,282)
TOTAL NET ASSETS	\$ (1,929,675)	\$ 2,613,732	\$ 684,057

County of Armstrong
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
December 31, 2010

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES & CHANGES IN NET ASSETS		
	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	PRIMARY GOVERNMENT		
					Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government - administrative	6,036,468	2,108,842	246,020	11,170,044	7,488,438		7,488,438
General government - judicial	5,442,094	1,689,296	939,483	-	(2,613,315)		(2,613,315)
Public safety	6,280,334	1,430,996	678,429	-	(4,170,909)		(4,170,909)
Highways and streets	1,697,537	322,651	971,120	-	(293,766)		(293,766)
Sanitation	-	-	-	-	-		-
Health and welfare	7,243,924	292,282	6,753,732	-	(197,910)		(197,910)
Culture-recreation	675,046	530,794	-	-	(144,252)		(144,252)
Conservation	379,681	17,469	-	-	(362,212)		(362,212)
Community/urban redevelopment & housing	1,620,608	57,403	1,436,904	-	(126,301)		(126,301)
Economic development & assistance	525,713	-	-	-	(525,713)		(525,713)
Economic opportunity	5,885,743	-	5,927,035	-	41,292		41,292
Interest on long term debt	1,937,961	-	-	-	(1,937,961)		(1,937,961)
Unallocated depreciation	-	-	-	-	-		-
Other	-	-	-	-	-		-
Other	-	-	-	-	-		-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 37,615,109	\$ 6,649,733	\$ 16,952,723	\$ 11,170,044	\$ (2,842,609)	\$ -	\$ (2,842,609)

Major Business Type Activities:								
BUSINESS-TYPE ACTIVITIES	1 Health Center	8,232,369	8,129,175	49,572	-		(53,622)	(53,622)
	2	-	-	-	-		-	-
	3	-	-	-	-		-	-
	4	-	-	-	-		-	-
	5	-	-	-	-		-	-
	Other Business Type	-	-	-	-		-	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 8,232,369	\$ 8,129,175	\$ 49,572	\$ -	\$ -	\$ (53,622)	\$ (53,622)	

TOTAL PRIMARY GOVERNMENTS	\$ 45,847,478	\$ 14,778,908	\$ 17,002,295	\$ 11,170,044	\$ (2,842,609)	\$ (53,622)	\$ (2,896,231)
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NET (EXPENSES) REVENUES & CHANGES IN NET ASSETS

PRIMARY GOVERNMENT

Governmental

Business-type

Activities

Activites

Total

TOTAL PRIMARY GOVERNMENTS

\$	(2,842,609)	\$	(53,622)	\$	(2,896,231)
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GENERAL REVENUES:

Taxes:

GENERAL REVENUES AND TRANSFERS

Real Estate	14,127,673	-	14,127,673
Per Capita	7,047	-	7,047
Sales	-	-	-
Other <u>Hotel Room Rental Tax</u>	41,931	-	41,931
Other	-	-	-
Licenses and permits	157,374	-	157,374
Grant and contributions not restricted	-	-	-
Unrestricted investment earnings	148,410	1,506	149,916
Other <u>Rent</u>	128,594	-	128,594
Other <u>Transfers</u>	138,035	(138,035)	-
Other	-	-	-
Other	-	-	-
Transfers	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS	\$ 14,749,064	\$ (136,529)	\$ 14,612,535

CHANGE IN NET ASSETS

NET ASSETS - BEGINNING OF YEAR

PRIOR PERIOD ADJUSTMENT

NET ASSETS - END OF YEAR

\$	11,906,465	\$	(190,151)	\$	11,716,304
	(13,836,130)		2,803,883		(11,032,247)
					-
\$	(1,929,675)	\$	2,613,732	\$	684,057

County of Armstrong
BALANCE SHEET - GOVERNMENT FUNDS
(Including the Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Units)
December 31, 2010

ASSETS	ASSETS:	General	Major # 1	Major # 2	Major # 3
			Area Agency on		
			Aging	Children & Youth	Liquid Fuel
	Cash and cash equivalents	4,848,388	1,004,608	373,476	936,668
	Investments	-	-	-	-
	Receivables (net of allowance for uncollectibles)	1,734,422	363	144,860	-
	Due from other funds	1,260,301	-	-	-
	Due from other governments	195,499	115,008	560,685	47,531
	Inventories	9,663	-	-	-
	Prepays	58,486	30,627	12,489	-
	Deferred charges	-	-	-	-
	Restricted assets:				
	Temporarily restricted:				
	Cash and cash equivalents	-	-	-	-
	Investments	-	-	-	-
	Intergovernmental receivable	-	-	-	-
	Permanently restricted:				
	Investments	-	-	-	-
	Other	-	-	-	-
	Other	-	-	-	-
	TOTAL ASSETS	\$ 8,106,759	\$ 1,150,606	\$ 1,091,510	\$ 984,199

LIABILITIES	LIABILITIES:				
		General	Major # 1	Major # 2	Major # 3
	Accounts Payable	722,035	160,212	351,188	62,144
	Due to other governments	-	-	-	-
	Due to other funds	-	2,090	738,616	-
	Deferred revenue	1,073,038	215,211	-	-
	Other Funds Held in Escrow	124,371	-	1,706	-
	Other	-	-	-	-
	TOTAL LIABILITIES	\$ 1,919,444	\$ 377,513	\$ 1,091,510	\$ 62,144

FUND BALANCE	FUND BALANCE:				
		General	Major # 1	Major # 2	Major # 3
	Fund Balance, reserved	496,104	-	-	-
	Fund Balance, unreserved	5,691,211	773,093	-	922,055
	TOTAL FUND BALANCE	\$ 6,187,315	\$ 773,093	\$ -	\$ 922,055

TOTAL LIABILITIES & FUND BALANCE	\$ 8,106,759	\$ 1,150,606	\$ 1,091,510	\$ 984,199
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ASSETS:	Major # 4	Major # 5	Major # 6	Other	Total
	Debt Service	Capital	Community Action Agency	Governmental Funds	Governmental Funds
	Cash and cash equivalents	130,844	11,007,226	121	2,435,586
Investments	-	-	-	73	73
Receivables (net of allowance for uncollectibles)	321,759	-	-	78,317	2,279,721
Due from other funds	(144,979)	-	-	1,435	1,116,757
Due from other governments	-	-	78,675	158,017	1,155,415
Inventories	-	-	-	-	9,663
Prepays	-	-	-	638	102,240
Deferred charges	-	-	-	-	-
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	-	-	-	-	-
Investments	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Permanently restricted:					
Investments	-	-	-	-	-
Other	-	-	-	-	-
Other	-	-	-	-	-
TOTAL ASSETS	\$ 307,624	\$ 11,007,226	78,796	\$ 2,674,066	\$ 25,400,786

LIABILITIES:	Major # 4	Major # 5	Major # 6	Other	Total
	Accounts Payable	-	6,457	-	88,829
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	519,129	1,259,835
Deferred revenue	265,238	-	-	-	1,553,487
Other Funds Held in Escrow	-	-	-	2,100	128,177
Other	-	-	-	-	-
TOTAL LIABILITIES	\$ 265,238	\$ 6,457	-	\$ 610,058	4,332,364

FUND BALANCE:	Major # 4	Major # 5	Major # 6	Other	Total
	Fund Balance, reserved	-	-	-	-
Fund Balance, unreserved	42,386	11,000,769	78,796	2,064,008	20,572,318
TOTAL FUND BALANCE	\$ 42,386	\$ 11,000,769	78,796	\$ 2,064,008	21,068,422

TOTAL LIABILITIES & FUND BALANCE	\$ 307,624	\$ 11,007,226	78,796	\$ 2,674,066	\$ 25,400,786
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Amounts reported for governmental activities in the statement of net assets are different because:		
Internal service funds are used by management to change the certain costs to county departments and employees.		
The net assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets		(34,539)
Long-term liabilities, are not due and payable in the current period and therefore are not reported as a fund liability		(51,443,345)
The difference in net assets between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two methods		1,268,656
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.....		27,211,131
Other		-
Other		-
NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$ (1,929,675)

County of Armstrong
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

REVENUES					
		General	Major # 1	Major # 2	Major # 3
			Area Agency on		
Taxes:		Aging	Children & Youth	Liquid Fuel	
Real estate taxes	11,613,271	-	-	-	
Per capita taxes	7,047	-	-	-	
Personal property taxes	-	-	-	-	
Hotel room rental taxes	-	-	-	-	
Sales taxes	-	-	-	-	
Other	-	-	-	-	
Other	-	-	-	-	
TOTAL TAXES	\$ 11,620,318	\$ -	\$ -	\$ -	
Intergovernmental Revenues:					
Federal	129,926	1,153,535	1,332,573	-	
State	1,277,351	2,075,894	1,828,252	964,941	
Local government units	-	-	-	6,179	
Combination	-	-	-	-	
TOTAL INTERGOVERNMENTAL REVENUES	\$ 1,407,277	\$ 3,229,429	\$ 3,160,825	\$ 971,120	
Charges for Service	4,915,405	173,004	128,510	-	
Miscellaneous Revenues:					
Interest earnings	54,223	6,709	5,642	6,441	
Rents	128,594	-	-	-	
Other <u>Private Donations</u>	-	-	-	-	
Other <u>Bond Proceeds</u>	-	-	-	-	
Other <u>Licenses/Permits</u>	157,374	-	-	-	
Other	-	-	-	-	
TOTAL MISCELLANEOUS REVENUES	\$ 340,191	\$ 6,709	\$ 5,642	\$ 6,441	
TOTAL REVENUES:		\$ 18,283,191	\$ 3,409,142	\$ 3,294,977	\$ 977,561

REVENUES

REVENUES:	Major # 4	Major # 5	Major # 6	Other	Governmental	Total
	Community			Funds		
Taxes:	Debt Service	Capital	Action Agency			
Real estate taxes	2,562,762	-	-	-	-	14,176,033
Per capita taxes	-	-	-	-	-	7,047
Personal property taxes	-	-	-	-	-	-
Hotel room rental taxes	-	-	-	41,931	-	41,931
Sales taxes	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL TAXES	\$ 2,562,762	\$ -	\$ -	\$ 41,931	\$ -	\$ 14,225,011

Intergovernmental Revenues:

Federal	-	-	281,235	1,909,040	4,806,309
State	-	-	382,866	347,997	6,877,301
Local government units	-	-	-	-	6,179
Combination	-	-	5,262,934	-	5,262,934
TOTAL INTERGOVERNMENTAL REVENUES	\$ -	\$ -	\$ 5,927,035	\$ 2,257,037	\$ 16,952,723

Charges for Service

	-	-	-	1,346,567	6,563,486
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Miscellaneous Revenues:

Interest earnings	554	47,972	253	24,645	146,439
Rents	-	-	-	-	128,594
Other Private Donations	-	-	-	7,430	7,430
Other Bond Proceeds	-	11,074,095	-	-	11,074,095
Other Licenses/Permits	-	-	-	-	157,374
Other Interest BAB reimb	88,519	-	-	-	88,519
TOTAL MISCELLANEOUS REVENUES	\$ 89,073	\$ 11,122,067	\$ 253	\$ 32,075	\$ 11,602,451

TOTAL REVENUES:	\$ 2,651,835	\$ 11,122,067	\$ 5,927,288	\$ 3,677,610	\$ 49,343,671
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EXPENDITURES

EXPENDITURES:

	Area Agency on			
	Major # 1	Major # 2	Major # 3	
	General	Aging	Children & Youth	Liquid Fuel
General government	10,318,991	-	-	-
Public Safety	4,807,274	-	-	-
Highways and streets	-	-	-	938,937
Sanitation	-	-	-	-
Health and welfare	865,210	3,211,868	3,152,146	-
Culture - recreation	-	-	-	-
Conservation	379,681	-	-	-
Community/urban redevelopment and housing	-	-	-	-
Economic development and assistance	461,369	-	-	-
Economic opportunity	-	-	-	-
Debt service	-	-	-	-
Capital outlay	38,485	-	648,600	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	\$ 16,869,010	\$ 3,211,868	\$ 3,600,746	\$ 938,937

OTHER FINANCING SOURCES/(USES):

Interfund operating transfers	(1,052,554)	-	505,769	-
Sale of capital assets	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Refund of bonds	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	\$ (1,052,554)	\$ -	\$ 505,769	\$ -

CHANGE IN FUND BALANCE

CHANGE IN FUND BALANCE	\$ 361,627	\$ 197,274	\$ -	\$ 38,624
FUND BALANCE - BEGINNING OF YEAR	6,158,068	612,481	-	883,431
PRIOR PERIOD ADJUSTMENT	(332,380)	(36,662)	-	-
FUND BALANCE - END OF YEAR	\$ 6,187,315	\$ 773,093	\$ -	\$ 922,055

EXPENDITURES

EXPENDITURES:

	Major # 4	Major # 5	Major # 5	Other	
	Community			Governmental	Governmental
	Debt Service	Capital	Action Agency	Funds	Total
General government	-	81,914	-	775,860	11,174,765
Public Safety	-	75,283	-	1,158,784	6,041,341
Highways and streets	-	-	-	-	938,937
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	-	7,229,224
Culture - recreation	-	-	-	676,069	676,069
Conservation	-	-	-	-	379,681
Community/urban redevelopment and housing	-	-	-	1,620,608	1,620,608
Economic development and assistance	-	-	-	41,956	503,325
Economic opportunity	-	-	5,885,743	-	5,885,743
Debt service	2,973,756	-	-	-	2,973,756
Capital outlay	-	381,965	-	-	1,069,050
Other	-	-	-	-	-
Other	-	-	-	-	-
TOTAL EXPENDITURES	\$ 2,973,756	\$ 539,162	\$ 5,885,743	\$ 4,273,277	\$ 38,492,499

OTHER FINANCING SOURCES/(USES):

Interfund operating transfers	236,290	192,030	-	256,500	138,035
Sale of capital assets	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-
Refund of bonds	-	-	-	-	-
Other	-	-	-	-	-
Other	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	\$ 236,290	\$ 192,030	\$ -	\$ 256,500	\$ 138,035

CHANGE IN FUND BALANCE

\$ (85,631)	\$ 10,774,935	\$ 41,545	\$ (339,167)	\$ 10,989,207
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FUND BALANCE - BEGINNING OF YEAR

128,017	225,834	542,184	2,478,055	\$ 11,028,070
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PRIOR PERIOD ADJUSTMENT

-	-	(504,933)	(74,880)	\$ (948,855)
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FUND BALANCE - END OF YEAR

\$ 42,386	\$ 11,000,769	\$ 78,796	\$ 2,064,008	\$ 21,068,422
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County of Armstrong
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
 For the Year Ended December 31, 2010

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balance - total governmental funds	10,989,207
The net revenue of certain activities of the internal services fund is reported with governmental activities	(11,028)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Additionally, various other long-term liabilities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. This amount is the net effect of the differences in the treatment of long-term liabilities on the statement of activities.	976,636
The difference in the change in net assets between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two accounting methods	(48,360)
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net assets	-
Other	-
Other	-
Other	-
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 11,906,455

County of Armstrong
STATEMENT OF NET ASSETS FUNDS
Proprietary Funds
December 31, 2010

BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS					
	Major Bus. #1	Major Bus. #2	Major Bus. #3	Major Bus. #4	
CURRENT ASSETS:	Health Center				
CURRENT ASSETS	Cash and cash equivalents	433,136	-	-	-
	Investments	-	-	-	-
	Receivables (net of allowance for uncollectibles)	1,183,720	-	-	-
	Due from other governments	-	-	-	-
	Due from other funds	-	-	-	-
	Inventories	44,791	-	-	-
	Prepays	13,339	-	-	-
	Deferred charges	-	-	-	-
	Restricted assets:				
	Temporarily restricted:				
	Cash or cash equivalents	-	-	-	-
	Investments	-	-	-	-
	intergovernmental receivables	-	-	-	-
	Other	-	-	-	-
	Other	-	-	-	-
	TOTAL CURRENT ASSETS	\$ 1,674,986	\$ -	\$ -	\$ -

NON-CURRENT ASSETS:					
NON-CURRENT ASSETS	Permanently restricted:				
	Investments	-	-	-	-
	Capital assets not being depreciated:				
	Land	-	-	-	-
	Construction in progress	-	-	-	-
	Capital assets net of accumulated depreciation:				
	Buildings and system	1,040,513	-	-	-
	Improvements other than buildings	16,206	-	-	-
	Machinery and equipment	1,709,543	-	-	-
	Infrastructure	-	-	-	-
	Other	-	-	-	-
	Other	-	-	-	-
	TOTAL NON-CURRENT ASSETS	\$ 2,766,262	\$ -	\$ -	\$ -

TOTAL ASSETS	\$ 4,441,248	\$ -	\$ -	\$ -
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	BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS			GOVERNMENTAL
				ACTIVITIES
	Major Bus. #5	Other Business Funds	Total Business Funds	Internal Service Fund
CURRENT ASSETS:				
Cash and cash equivalents	-	-	433,136	288,305
Investments	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	1,183,720	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	44,791	-
Prepays	-	-	13,339	-
Deferred charges	-	-	-	-
Restricted assets:				
Temporarily restricted:				
Cash or cash equivalents	-	-	-	-
Investments	-	-	-	-
Intergovernmental receivables	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL CURRENT ASSETS	-	-	\$ 1,674,986	\$ 288,305

NON-CURRENT ASSETS:				
Permanently restricted:				
Investments	-	-	-	-
Capital assets not being depreciated:				
Land	-	-	-	-
Construction in progress	-	-	-	-
Capital assets net of accumulated depreciation:				
Buildings and system	-	-	1,040,513	-
Improvements other than buildings	-	-	16,206	-
Machinery and equipment	-	-	1,709,643	-
Infrastructure	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL NON-CURRENT ASSETS	\$ -	\$ -	\$ 2,766,262	\$ -

TOTAL ASSETS	\$ -	\$ -	\$ 4,441,248	\$ 288,305
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BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS

Major Bus. #1 Major Bus. #2 Major Bus. #3 Major Bus. #4

CURRENT LIABILITIES

CURRENT LIABILITIES:

Health Center

Accounts payable	1,277,021	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Non-current liabilities-due in less than 1 year	-	-	-	-
Other current liabilities	-	-	-	-
Other Accrued Self-Insurance Claims	-	-	-	-
Other	-	-	-	-
TOTAL CURRENT LIABILITIES	\$ 1,277,021	\$ -	\$ -	\$ -

NON-CURRENT LIABILITIES

NON-CURRENT LIABILITIES:

Debt due in more than 1 year	-	-	-	-
Other non-current liabilities	-	-	-	-
Other Accrued Compensated Absences	550,495	-	-	-
Other	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	\$ 550,495	\$ -	\$ -	\$ -

TOTAL LIABILITIES	\$ 1,827,516	\$ -	\$ -	\$ -
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NET ASSETS

NET ASSETS:

Investment in capital assets, net of related debt	1,798,124	-	-	-
Restricted	-	-	-	-
Unrestricted	815,608	-	-	-
TOTAL NET ASSETS	\$ 2,613,732	\$ -	\$ -	\$ -

TOTAL LIABILITIES AND NET ASSETS	\$ 4,441,248	\$ -	\$ -	\$ -
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CURRENT LIABILITIES	BUSINESS - TYPE ACTIVITIES / PROPRIETARY FUNDS			GOVERNMENTAL
	Major Bus. #5	Other	Total	ACTIVITIES
		Business	Business	Internal
		Funds	Funds	Service
				Fund
CURRENT LIABILITIES:				
Accounts payable	-	-	1,277,021	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Non-current liabilities-due in less than 1 year	-	-	-	-
Other current liabilities	-	-	-	-
Other	Accrued Self-Insurance Claims	-	-	322,844
Other		-	-	-
TOTAL CURRENT LIABILITIES		\$ -	\$ 1,277,021	\$ 322,844

NON-CURRENT LIABILITIES	NON-CURRENT LIABILITIES:			
	Debt due in more than 1 year	-	-	-
Other non-current liabilities	-	-	-	-
Other	Accrued Compensated Absences	-	550,495	-
Other		-	-	-
TOTAL NON-CURRENT LIABILITIES		\$ -	\$ 550,495	\$ -

TOTAL LIABILITIES	\$ -	\$ -	\$ 1,827,516	\$ 322,844
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NET ASSETS	NET ASSETS:			
	Investment in capital assets, net of related debt	-	-	1,798,124
Restricted	-	-	-	(34,539)
Unrestricted	-	-	815,608	-
TOTAL NET ASSETS		\$ -	\$ 2,613,732	\$ (34,539)

TOTAL LIABILITIES AND NET ASSETS	\$ -	\$ -	\$ 4,441,248	\$ 288,305
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County of Armstrong
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -
Proprietary Funds
For the Year Ended December 31, 2010

OPERATING REVENUES	BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS			
	Major # 1	Major # 2	Major # 3	Major # 4
	Health Center			
OPERATING REVENUES:				
Charges for service	8,129,175	-	-	-
Operating grants	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL OPERATING REVENUES	\$ 8,129,175	\$ -	\$ -	\$ -

OPERATING EXPENSES:				
Personnel services	5,365,235	-	-	-
Contracted Services	-	-	-	-
Supplies and materials	887,897	-	-	-
Repairs and maintenance	66,862	-	-	-
Utilities	224,217	-	-	-
Other services and charges	1,688,158	-	-	-
Depreciation and amortization	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL OPERATING EXPENSES	\$ 8,232,369	\$ -	\$ -	\$ -

OPERATING INCOME	\$ (103,194)	-	-	-
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NONOPERATING REVENUES/(EXPENSES):				
Intergovernmental	49,572	-	-	-
Investment earnings	1,506	-	-	-
Interest expense	-	-	-	-
Gain/(loss) on sale of assets	-	-	-	-
Other Independent Living-purchase of minor equip	-	-	-	-
Other-Donations	-	-	-	-
TOTAL NONOPERATING REVENUES/(EXPENSES)	\$ 51,078	\$ -	\$ -	\$ -

OPERATING TRANSFER IN/(OUT)	(138,035)	-	-	-
CHANGE IN NET ASSETS	\$ (190,151)	-	-	-
NET ASSETS - BEGINNING OF YEAR	2,803,883	-	-	-
PRIOR PERIOD ADJUSTMENT	-	-	-	-
NET ASSETS - END OF YEAR	\$ 2,613,732	-	-	-

OPERATING REVENUES	BUSINESS-TYPE ACTIVITIES (PROPRIETARY FUNDS)			GOVERNMENTAL ACTIVITIES
	Major # 5	Other Business Funds	Business Total	Internal Service Fund
OPERATING REVENUES:				
Charges for service	-	-	6,129,175	86,247
Operating grants	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ 6,129,175	\$ 86,247

OPERATING EXPENSES:				
Personnel services	-	-	5,365,235	-
Contracted Services	-	-	-	-
Supplies and materials	-	-	887,897	-
Repairs and maintenance	-	-	66,862	-
Utilities	-	-	224,217	-
Other services and charges	-	-	1,688,158	99,246
Depreciation and amortization	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ 8,232,369	\$ 99,246

OPERATING INCOME	-	-	\$ (103,194)	\$ (12,999)
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NONOPERATING REVENUES/(EXPENSES):				
Intergovernmental	-	-	49,572	-
Investment earnings	-	-	1,506	2,962
Interest expense	-	-	-	-
Gain/(loss) on sale of assets	-	-	-	(991)
Other Independent Living-purchase of minor equip	-	-	-	-
Other	-	-	-	-
TOTAL NONOPERATING REVENUES/(EXPENSES)	\$ -	\$ -	\$ 51,078	\$ 1,971

OPERATING TRANSFER IN/(OUT)	-	-	(138,035)	-
CHANGE IN NET ASSETS	-	-	\$ (190,151)	\$ (11,028)
NET ASSETS - BEGINNING OF YEAR	-	-	2,803,883	(23,511)
PRIOR PERIOD ADJUSTMENT	-	-	-	-
NET ASSETS - END OF YEAR	-	-	\$ 2,613,732	\$ (34,539)
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				-
Changes in Net Assets of Business-type Activities			\$ (190,151)	

County of Armstrong
STATEMENT OF FIDUCIARY NET ASSETS
Fiduciary Funds
December 31, 2010

ASSETS		Fiduciary #1	Fiduciary #2	Fiduciary #3	Fiduciary #4	Fiduciary #5	Total
		Employee	Other				Fiduciary
		Retirement	Agency Funds				
ASSETS:							
Cash and cash equivalents		4,945,161	2,388,799	-	-	-	7,333,960
Receivables		797	-	-	-	-	797
Investments, at fair value		42,521,922	-	-	-	-	42,521,922
Due from other funds		-	-	-	-	-	-
Restricted assets:							
Temporarily restricted:							
Cash and cash equivalents		-	-	-	-	-	-
Investments		-	-	-	-	-	-
Intergovernmental receivable		-	-	-	-	-	-
Permanently restricted:							
investments		-	-	-	-	-	-
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
TOTAL ASSETS:		\$ 47,467,880	\$ 2,388,799	\$ -	\$ -	\$ -	\$ 49,856,679

LIABILITIES:							
Accounts payable and other current liabilities		-	716,350	-	-	-	716,350
Due to other funds		-	-	-	-	-	-
Due to other governments		-	-	-	-	-	-
Other	Funds Held in Escrow	-	1,672,449	-	-	-	1,672,449
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
TOTAL LIABILITIES		\$ -	\$ 2,388,799	\$ -	\$ -	\$ -	\$ 2,388,799

NET ASSETS:							
Held for specific purpose		47,467,880	-	-	-	-	47,467,880
Unrestricted (deficit)		-	-	-	-	-	-
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
TOTAL NET ASSETS		\$ 47,467,880	\$ -	\$ -	\$ -	\$ -	\$ 47,467,880

TOTAL LIABILITIES AND NET ASSETS		\$ 47,467,880	\$ 2,388,799	\$ -	\$ -	\$ -	\$ 49,856,679
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County of Armstrong
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Fiduciary Funds
December 31, 2010

	Fiduciary #1	Fiduciary #2	Fiduciary #3	Fiduciary #4	Fiduciary #5	Total
	Employee					Fiduciary
	Retirement					
ADDITIONS:						
Contributions:						
Employer	1,918,816	-	-	-	-	1,918,816
Plan Members	796,269	-	-	-	-	796,269
Private donations	-	-	-	-	-	-
Other- Reimburse overpayment	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL CONTRIBUTIONS	\$ 2,715,085	\$ -	\$ -	\$ -	\$ -	\$ 2,715,085
Investment Earnings:						
Interest	987,530	-	-	-	-	987,530
Net increase/decrease in the fair value of investments	4,608,256	-	-	-	-	4,608,256
Other Litigation revenues	17,675	-	-	-	-	17,675
TOTAL INVESTMENT EARNINGS	\$ 5,613,461	\$ -	\$ -	\$ -	\$ -	\$ 5,613,461
Less investment expenses	(183,732)	-	-	-	-	(183,732)
TOTAL ADDITIONS	\$ 8,144,814	\$ -	\$ -	\$ -	\$ -	\$ 8,144,814

DEDUCTIONS:						
Benefits	2,497,691	-	-	-	-	2,497,691
Administrative expenses	78,233	-	-	-	-	78,233
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL DEDUCTIONS	\$ 2,575,924	\$ -	\$ -	\$ -	\$ -	\$ 2,575,924

CHANGE IN NET ASSETS	\$ 5,568,890	-	-	-	-	\$ 5,568,890
NET ASSETS - BEGINNING OF YEAR	41,898,990	-	-	-	-	41,898,990
PRIOR PERIOD ADJUSTMENT		-	-	-	-	
NET ASSETS - END OF YEAR	\$ 47,467,880	-	-	-	-	\$ 47,467,880

DEBT STATEMENT

GENERAL OBLIGATION	List Each Issue or Loan	Year of Issue	Original Amount of Issue	Outstanding January 1st or Issued During Year	Principal Paid During Year	Principal Outstanding December 31st
	General Obligation Bonds and Notes					
	First Commonwealth Trust	2001	27,320,000	24,975,000	15,350,000	9,625,000
	Northwest Savings Bank	2004	2,000,000	493,258	104,370	388,888
	Merchant's National Bank	2007	8,120,000	8,110,000	10,000	8,100,000
	SunTrust Guaranteed Energy Phase I	2008	2,432,139	2,317,301	127,149	2,190,152
	SunTrust Guaranteed Energy Phase II	2008	315,113	170,645	9,900	160,745
	PNC	2010	17,190,000	17,190,000	-	17,190,000
	PNC	2010	11,300,000	11,300,000	-	11,300,000
	PNC	2010	1,510,000	1,510,000	-	1,510,000

REVENUE	Revenue Bonds and Notes					

LEASE RENTAL	Lease Rental Debt of Authority					

TAX REVENUE ANTICIPATION	Tax and Revenue Anticipation Notes					
		-	-	-	-	-

TOTAL DEBT AND REVENUE ANTICIPATION NOTES	\$ 50,464,785
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STATEMENT OF CAPITAL EXPENDITURES

GOVERNMENTAL - TYPE ACTIVITY	Capital Purchases	Capital Construction	Total
General government - administrative	201,324	-	201,324
General government - judicial	5,935	-	5,935
Public safety	-	-	-
Police	-	-	-
Fire	-	-	-
Corrections	-	-	-
Emergency services	213,191	-	213,191
Other	-	-	-
Public works	-	-	-
Highways and streets	-	648,600	648,600
Sanitation	-	-	-
Other	-	-	-
Health and welfare	-	-	-
Culture - recreation	-	-	-
Conservation	-	-	-
Community/urban redevelopment & housing	-	-	-
Economic development and assistance	-	-	-
Economic opportunity	-	-	-
BUSINESS - TYPE ACTIVITY			
Major Bus. Type 1 Health Center	-	-	-
Major Bus. Type 2	-	-	-
Major Bus. Type 3	-	-	-
Major Bus. Type 4	-	-	-
Major Bus. Type 5	-	-	-
Other Business Type	-	-	-
Airport (if not listed above)	-	-	-
Parking facility (if not listed above)	-	-	-
Transportation system (if not listed above)	-	-	-
Other	-	-	-
Other	-	-	-
TOTAL CAPITAL EXPENDITURES	\$ 420,450	\$ 648,600	\$ 1,069,050

TAX RATES & EMPLOYEE COMPENSATION	
TAX RATES:	
General Purposes	12.5 mills
Debt Purposes	3.0 mills
All Other Purposes	mills
TOTAL	15.5 mills
EMPLOYEE COMPENSATION:	
Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)...	\$ 13,857,725

ELECTED CONTROLLER'S / AUDITOR'S CERTIFIED OPINION

To the: Governing Body of the County
 President Judge of the Court of Common Pleas
 Secretary of the Department of Community and Economic Development

I / We,*the undersigned, the duly elected (or appointed replacement) and acting Controller/Auditors* of the County of Armstrong have audited, adjusted, and settled the accounts of the County of Armstrong for the year ended December 31, 2010. My / Our* audit, adjustment, and settlement was made in accordance with Act 103 of 2002 rather than with U.S. generally accepted auditing standards.

The County has prepared these financial statements on basis of accounting consistent with U.S. generally accepted accounting principles; consisting of the accrual basis for the government-wide, proprietary fund and fiduciary fund financial statements and the modified accrual basis for the governmental fund financial statements.

Due to the absence of notes and other disclosures required by U.S. generally accepted accounting principles, these financial statements are not intended to be a complete presentation in accordance with U.S. generally accepted accounting principles.

In my / our* opinion, these financial statements accurately reflect the results of operations and the financial position of the County of Armstrong for the year ended December 31, 2010.

SIGNATURE AND VERIFICATION

Signed: *Megan L. Miller*

Controller / Auditor*

Subscribed and sworn to before me this 7th day of July, 2011.
Protectorary and Clerk of Courts
Armstrong County, Penna.

Signed: *Elizabeth A. Smith Deputy*
Witness (Controller)/Auditor (Auditors)
MY COMM. EXPIRES 1ST
MON. JAN. 2012

(SEAL)

Counties are encouraged to have financial statement audits performed in accordance with U.S. generally accepted auditing standards or the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Controllers may submit opinions resulting from such audits in lieu of this page.

* Circle One