

July 31, 2017

Mr. Arch Liston, City Manager
City of Johnstown
City Hall
Johnstown, Pennsylvania 15901

Dear Mr. Liston:

We are enclosing two (2) copies of the 2016 Annual Audit and Financial Report for the City of Johnstown for the year ended December 31, 2016.

The electronic copy of this report should be filed online with the Department of Community and Economic Development which will also require you to upload a copy of our audit report.

Website: <https://munstats.pa.gov/forms/login.aspx>
User: jbunk
Password: fkxoraia

Please mail one (1) copy to DCED with the following page disclosing additional details on the reconciliation to amounts reported in the prior year. The remaining copy of this report is for your office files. Please contact our office with any questions.

Very truly yours,

WESSEL & COMPANY
Certified Public Accountants



Joel C. Valentine, CPA, CM&AA
Shareholder

JCV/MVL/aah

www.wesselcpa.com

NOTE 14 – INTERFUND ELIMINATIONS, RECLASSIFICATION OF NET POSITION, AND CONVERSION OF FUND TYPES

During 2016, the City reorganized its reporting structure to more accurately reflect each fund’s true net position/fund balance. Additionally, due to the parking fund not generating enough revenue to cover the debt service and the loan restructuring as disclosed in Note 9, the parking fund was converted from a Business Type Activity to a Governmental Activity. The following summarizes the reclassification of unrestricted fund balance/net position and the conversion of net position invested in capital assets net of related debt.

	<u>Governmental</u>	<u>Business</u>
<u>Interfund Eliminations</u>		
<u>General Fund</u>		
Elimination of Parking receivable	\$ (2,090,257)	\$ ---
Elimination of Recreation receivable	(201,300)	---
Elimination of Sanitation receivable	(15,390)	---
Elimination of Debt Service payable	208,952	---
Elimination of Capital Projects payable	688,766	---
	<u>(1,409,229)</u>	<u>---</u>
<u>Capital Projects Fund</u>		
Elimination of General Fund receivable	(688,766)	---
<u>Debt Service Fund</u>		
Elimination of Parking receivable	(624,236)	---
Elimination of General Fund receivable	(208,952)	---
	<u>(833,188)</u>	<u>---</u>
<u>Recreation Fund</u>		
Elimination of General Fund payable	201,300	---
<u>Sanitation Fund</u>		
Elimination of General Fund payable	15,390	---
<u>Parking Fund</u>		
Elimination of General Fund payable	2,090,257	---
Elimination of Debt Service payable	624,236	---
	<u>2,714,493</u>	<u>---</u>
Net Interfund Eliminations	<u>\$ ---</u>	<u>\$ ---</u>
<u>Reclassification of Net Position and Conversion of Fund Types</u>		
Reclassification of Unrestricted Fund Balance/Net Position	(2,838,405)	2,838,405
Net Position in Capital Assets, net of related debt	<u>11,275,145</u>	<u>(11,275,145)</u>
Total Reclassification of Net Position and Conversion of Fund Types	<u>\$ 8,436,740</u>	<u>\$ (8,436,740)</u>