NOTE 16: BEGINNING FUND BALANCE/EQUITY, AS RESTATED

Beginning fund equity of the Internal Service Funds has been restated to correct an oversight in the accounting for the Telecommunications subfund's PBX System equipment that was expensed instead of being capitalized in the year purchased.

Fund equity, June 30, 1999, as previously reported	$	24,589
PBX System expense - Telecommunications Fund		189
Fund equity, July 1, 1999, as adjusted	$	24,778

Beginning fund balance of the Special Revenue Funds has been restated to include the entire activity of the School Reserve Fund. In previous years, only the material portion, consisting of grant activity, of the School Reserve Fund has been included in the Other Special Revenue Grants Fund.

Fund balance, June 30, 1999, as previously reported	$	29,431
School Reserve Fund		1,816
Fund balance, July 1, 1999, as adjusted	$	31,247

DISCRETELY PRESENTED COMPONENT UNITS

Beginning fund equity of the MDWID, a discretely presented component unit, has been restated to reflect the termination on July 1, 1999, of the intergovernmental agreement (IGA) that had existed between MDWID and the Town of Oro Valley on behalf of the Oro Valley Water Improvement District #1 (OVWID) since September 28, 1992. The IGA had been in effect for MDWID to manage and operate the water distribution system that included customers within the town limits of Oro Valley. Upon the termination of the IGA, the portion of retained earnings that related to this operation was distributed to Oro Valley.

Fund equity, June 30, 1999, as previously reported	$	10,707
OVWID share of retained earnings for termination as of July 1, 1999		(416)
Fund equity, July 1, 1999, as adjusted	$	10,291