

NOTE 2 –Changes in Accounting Principle (continued)

Restatement of Equity

The impact of the restatements on fund balances/net assets as previously reported by fund is presented below:

	Community Development Special Revenue Fund	Municipal Parking	Sewer Rental	Solid Waste and Recycling	Water Works	Internal Service Funds
Fund balance/net assets, January 1, 2001 as previously reported	\$ 67,528	\$ 75,671	\$ 78,727	\$ 9,755	\$ 94,082	\$ (54,407)
Restatements:						
Reclassification of capital project and debt service funds	175,727	-	-	-	-	-
Changes in accounting principle due to GASB Statement No. 34	38,923	(403)	187,629	(29)	1,251	17,555
Change in fund balance/net income for the year ended December 31, 2001	<u>19,399</u>	<u>2,525</u>	<u>14,817</u>	<u>1,257</u>	<u>8,628</u>	<u>4,637</u>
Fund balance/net assets - December 31, 2001	<u>\$ 301,577</u>	<u>\$ 77,793</u>	<u>\$ 281,173</u>	<u>\$ 10,983</u>	<u>\$ 103,961</u>	<u>\$ (32,215)</u>

During the implementation of GASB Statement No. 34, the following restatements occurred:

- Amounts previously reported in the Community Development Capital Project and Debt Service Funds were reclassified to improve presentation and consolidate reporting of governmental activities and business-type activities.
- The City changed its capitalization policies in 2001 to improve its asset management procedures. Assets with a historical value less than \$5,000 were removed from the enterprise fund balance sheets and will not be reported on the government-wide statement of net assets.
- Sewer assets previously excluded from the City’s capital asset listing were identified and added to amounts reported on the enterprise fund’s balance sheet and statement of net assets.
- Assets managed by internal service funds were identified and capitalized in 2001. Additionally, the debts related to these assets were reclassified to these fund to improve the debt to asset presentation.

NOTE 3 – DEPOSITS AND INVESTMENTS

The City’s and its discretely presented component units’ bank balances of deposits at December 31, 2002, were entirely insured or collateralized with securities held and segregated by the Federal Reserve in the name of the City or the MCDA. The City does not maintain a separate record of investments for discretely presented component units. As a result, the investment amounts reported by Credit Risk Category include the primary government and discretely presented component units.

Investments are categorized into three categories of custodial credit risk as follows:

- Insured or registered, or securities held by the City or its agent in the City’s name.
- Uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the City’s name.
- Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City’s name.

NOTE 3 – DEPOSITS AND INVESTMENTS (continued)

Investments at December 31, 2002:

Security Type	Custodian Credit Risk Category			Fair Value
	1	2	3	
U.S. Treasury Obligations	\$ 37,661	\$ -	\$ -	\$ 37,661
U.S. Federal Agency Obligations	187,163	17,097	-	204,260
Municipal Bonds	44,638	-	1,190	45,828
Corporate Bonds	1,241	-	740	1,981
Commercial Paper	102,170	-	-	102,170
Common Stock	-	-	2,442	2,442
	<u>\$ 372,873</u>	<u>\$ 17,097</u>	<u>\$ 4,372</u>	
Mutual Fund				132,878
Insurance Annuities - Trustee				396
Guaranteed Investment Contracts				20,578
Total				<u>\$ 548,194</u>

Deposits and investments as described above appear in the financial statements consistent with the following analysis:

Deposits	\$ 2,026
Investments	548,194
Imprest cash held by City	246
Total	<u>\$ 550,466</u>
Primary Government:	
Cash and cash equivalents	\$ 415,348
Fund investments	27,444
Deposits with fiscal agents	396
Investments with trustees	72,893
Total primary government	<u>516,085</u>
Discretely Presented Component Units:	
Park Board:	
Cash and cash equivalents	<u>23,172</u>
Library Board:	
Cash and cash equivalents	4,715
Fund investments	5,279
Total Library Board	<u>9,994</u>
Municipal Building Commission:	
Cash and cash equivalents	<u>1,219</u>
Total	<u>\$ 550,466</u>