

City of Tampa, Florida

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities For the fiscal year ended September 30, 2004 (in thousands)

Net change in fund balances - total governmental funds (page 28) \$ (17,911)

Amounts reported for governmental activities in the statement of activities (page 25) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the current period. 17,014

The net effect of various transactions involving capital assets (i.e., donations, disposals, and sales) is to decrease net assets. (14,842)

Revenues that provide current financial resources are reported in the funds. Revenues relating to prior periods that became available in the current period are not current-period revenues in the statement of activities. (2,917)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,251

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these difference's in the treatment of long-term debt and related items. 21,438

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (36,876)

The net revenue of certain activities of internal service funds is reported with governmental activities. 1,047

Change in net assets of governmental activities (page 25) \$ (31,796)

The notes to the financial statements are an integral part of this statement.