

**TOWN OF LIMON, COLORADO  
GOVERNMENTAL FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>GENERAL</u>	<u>HEAD START FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
<b>REVENUES:</b>				
Taxes	\$ 1,442,205			\$ 1,442,205
Fines, Licenses and Permits	57,322			57,322
Intergovernmental:				
Local	140,519		\$ 166,496	307,015
Federal	169,547	\$ 604,467	372,691	1,146,705
Charges for Services	503,016		2,600	505,616
Interest	27,101		483	27,584
Donated	32,431		10,000	42,431
Miscellaneous	29,606		48,990	78,596
<b>TOTAL REVENUES</b>	<u>2,401,747</u>	<u>604,467</u>	<u>601,260</u>	<u>3,607,474</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Administration	550,405			550,405
Airport	15,787			15,787
Public Works - Streets	455,206			455,206
Public Works - Sanitation	159,258			159,258
Public Safety - Police & Fire	358,295			358,295
Public Health - Cemetery	41,570			41,570
Culture & Recreation	216,770		1,399	218,169
Head Start Program		604,467		604,467
Rural Development			87,000	87,000
Rural Health			49,886	49,886
Capital Outlay	474,779		462,947	937,726
Debt Service:				
Principal - Lease Purchase	8,571			8,571
Principal - Bonded Debt	80,000			80,000
Interest	44,760			44,760
<b>TOTAL EXPENDITURES</b>	<u>2,405,401</u>	<u>604,467</u>	<u>601,232</u>	<u>3,611,100</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,654)	-	28	(3,626)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Fixed Assets	1,150			1,150
Insurance Proceeds	11,522			11,522
Operating Transfer In (Out)	(80,216)		5,973	(74,243)
<b>NET CHANGE IN FUND BALANCE</b>	(71,198)	-	6,001	(65,197)
<b>FUND BALANCES, BEGINNING</b>	<u>667,927</u>		<u>63,559</u>	<u>731,486</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 596,729</u>	<u>\$ -</u>	<u>\$ 69,560</u>	<u>\$ 666,289</u>

The accompanying accountant's report and notes are integral parts of the financial statements.

**TOWN OF LIMON, COLORADO  
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, 2007**

Net change in fund balances - total governmental funds	\$ (65,197)
Amounts reported for governmental activities in the statement of activities 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 of \$937,726 exceeded depreciation \$272,323 in the current period.	665,403
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	8,571
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	80,000
This is the current-period increase in the liability for compensated absences	(1,820)
Special assessment revenues in the governmental funds that provide current financial resources, but have been included in the statement of activities in prior years.	(16,906)
Bond issuance costs are reported on the statement of net assets as a deferred charge and amortized over the life of the debt. Current period amortization as reported on the statement of net activities.	(3,956)
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Current year provision for bad debt on special assessment receivable.	407
Donated capital assets included in the statement of activities do not provide current financial resources and are not reported as revenue in the governmental funds.	2,511,005
The statement of activities reports a gain or loss on the sale of assets based on the proceeds received and the net book value of the assets at the time of sale. The loss on disposal is calculated as follows:	
Cost of assets disposed	(472,382)
Accumulated depreciation of assets disposed	202,975
	\$2,908,100
Change in net assets of governmental activitie	\$2,908,100