

**TOWN OF LIMON, COLORADO  
GOVERNMENTAL FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>GENERAL</u>	<u>HEAD START FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
<b>REVENUES:</b>				
Taxes	\$ 1,354,551			\$ 1,354,551
Fines, Licenses and Permits	42,006			42,006
Intergovernmental:				
Local	143,490		\$ 282,830	426,320
Federal	35,435	\$ 608,099	77,309	720,843
Charges for Services	372,348		95,294	467,642
Interest	25,744		459	26,203
Donated	9,139			9,139
Miscellaneous	33,209			33,209
<b>TOTAL REVENUES</b>	<u>2,015,922</u>	<u>608,099</u>	<u>455,892</u>	<u>3,079,913</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Administration	419,821			419,821
Airport	12,064			12,064
Public Works - Streets	439,007			439,007
Public Works - Sanitation	167,004			167,004
Public Safety - Police & Fire	347,937			347,937
Public Health - Cemetery	44,096			44,096
Culture & Recreation	214,565		1,000	215,565
Head Start Program		608,099		608,099
Rural Development			139,290	139,290
Rural Health			15,000	15,000
Capital Outlay	383,376		203,323	586,699
Debt Service:				
Principal - Lease Purchase	8,000			8,000
Principal - Bonded Debt	60,000			60,000
Interest	39,094			39,094
<b>TOTAL EXPENDITURES</b>	<u>2,134,964</u>	<u>608,099</u>	<u>358,613</u>	<u>3,101,676</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(119,042)	-	97,279	(21,763)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfer (Out)	(60,540)		(6,595)	(67,135)
<b>NET CHANGE IN FUND BALANCE</b>	(179,582)	-	90,684	(88,898)
<b>FUND BALANCES, BEGINNING</b>	847,509		(27,125)	820,384
<b>FUND BALANCES, ENDING</b>	<u>\$ 667,927</u>	<u>\$ -</u>	<u>\$ 63,559</u>	<u>\$ 731,486</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, 2006**

Net change in fund balances - total governmental funds	\$ (88,898)
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 \$586,699 exceeded depreciation \$209,616 in the current period.	377,083
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	8,000
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	60,000
This is the current-period increase in the liability for compensated absences	(1,307)
Special assessment revenues in the governmental funds that provide current financial resources, but have been included in the statement of activities in prior years.	(38,397)
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.	(3,957)
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.	(6,465)
Change in net assets of governmental activities	\$ 306,059