

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, 2011

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|---|----------------------------|
| Net change in fund balances - total governmental funds | \$ (146,281) |
| 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 capitalized outlays of \$246,428 were less than depreciation of \$392,569 in the current year. | (146,141) |
| 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 | 44,055 |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets | 140,000 |
| This is the current-period increase in the liability for compensated absences | (4,204) |
| Special assessment revenues in the governmental funds that provide current financial resources, but have not been included in the statement of activities. | (21,472) |
| 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. | (7,319) |
| 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 | (73,577) |
| Accumulated depreciation of assets disposed | <u>63,085</u> |
| Net loss on disposal of assets | (10,492) |
| Change in net assets of governmental activities | <u>\$ (151,854)</u> |

The accompanying notes are an integral part of these financial statements.