

**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, 2015**

Net change in fund balances - total governmental funds	\$ (2,578)
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 \$283,834 were less than depreciation of \$398,063 in the current year.	(114,229)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	40,939
This is the current-period decrease in the liability for compensated absences	1,067
Special assessment revenues in the governmental funds that provide current financial resources, but have not been included in the statement of activities.	(13,794)
Pension expense does not use current financial resources and is not included in fund financial statements.	(66,758)
The statement of activities reports a gain or loss on the sale or transfer 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 transferred/disposed	(514,450)
Accumulated depreciation of assets transferred/disposed	<u>255,008</u>
Net loss on transfer/disposal of assets	(259,442)
 <b>Change in net position of governmental activities</b>	 <b><u>\$ (414,795)</u></b>

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