

**ROCK SOIL AND WATER CONSERVATION DISTRICT  
LIVERNE, MINNESOTA**

**EXHIBIT 2**

**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE AND GOVERNMENTAL ACTIVITIES – STATEMENT OF ACTIVITIES  
WITH ADJUSTMENTS TO RECONCILE BETWEEN MODIFIED ACCRUAL AND FULL  
ACCRUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General Fund	Adjustments	Statement of Activities
<b>Revenues</b>			
Intergovernmental	\$ 746,573	\$ -	\$ 746,573
Charges for services	28,774	-	28,774
Investment earnings	17,412	143	17,555
Miscellaneous	842	-	842
<b>Total Revenues</b>	<b>\$ 793,601</b>	<b>\$ 143</b>	<b>\$ 793,744</b>
<b>Expenditures/Expenses</b>			
<b>Current</b>			
<b>Public safety</b>			
Conservation	\$ 777,642	\$ 3,234	\$ 780,876
<b>Total Expenditures/Expenses</b>	<b>\$ 777,642</b>	<b>\$ 3,234</b>	<b>\$ 780,876</b>
<b>Net Change in Fund Balance/Net Position</b>	<b>\$ 15,959</b>	<b>\$ (3,091)</b>	<b>\$ 12,868</b>
<b>Fund Balance/Net Position - January 1</b>	<b>103,077</b>	<b>18,490</b>	<b>121,567</b>
<b>Fund Balance/Net Position - December 31</b>	<b>\$ 119,036</b>	<b>\$ 15,399</b>	<b>\$ 134,435</b>
<b>Reconciliation of the Statement of General Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities</b>			
Net Change in Fund Balance			\$ 15,959
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.			
Current year depreciation expense		\$ (3,234)	(3,234)
In governmental funds, under the modified accrual basis, receivables not available for expenditure are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenue between the General Fund statement of revenues, expenditures, and changes in fund balance and the statement of activities is the increase or decrease in revenue deferred as unavailable.			
Unavailable revenue - December 31		\$ 143	
Unavailable revenue - January 1		-	143
<b>Change in Net Position of Governmental Activities</b>			<b>\$ 12,868</b>

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