

Exhibit B

Bradley County, Tennessee
Statement of Activities
For the Year Ended June 30, 2003

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|--|-----------------------|----------------------------|---|---|---|---|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total | Component Units | | |
| | | | | | | Bradley County School Department | Bradley County Memorial Hospital | Bradley Healthcare and Rehabilitation Center |
| Primary Government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General Government | \$ 2,199,215 | \$ 1,074,572 | \$ 23,556 | \$ 0 | \$ (1,101,087) | \$ 0 | \$ 0 | \$ 0 |
| Finance | 1,719,385 | 1,805,508 | 22,597 | 0 | 108,720 | 0 | 0 | 0 |
| Administration of Justice | 1,954,308 | 1,995,752 | 321,900 | 8,643 | 371,987 | 0 | 0 | 0 |
| Public Safety | 8,672,534 | 687,703 | 537,508 | 0 | (7,447,323) | 0 | 0 | 0 |
| Public Health and Welfare | 3,670,897 | 2,323,178 | 445,488 | 601,230 | (301,001) | 0 | 0 | 0 |
| Social, Cultural and Rec Services | 1,269,906 | 0 | 49,836 | 0 | (1,220,070) | 0 | 0 | 0 |
| Agriculture & Natural Resources | 273,696 | 0 | 0 | 0 | (273,696) | 0 | 0 | 0 |
| Other Operations | 1,620,484 | 0 | 0 | 0 | (1,620,484) | 0 | 0 | 0 |
| Highways/Public Works | 3,818,551 | 0 | 2,121,701 | 202,747 | (1,494,103) | 0 | 0 | 0 |
| Education (Payment to CU) | 344,153 | 0 | 0 | 0 | (344,153) | 0 | 0 | 0 |
| Interest on Long-term Debt | 2,928,254 | 0 | 0 | 0 | (2,928,254) | 0 | 0 | 0 |
| Other Debt Service | 3,129 | 0 | 0 | 2,000,000 | 1,996,871 | 0 | 0 | 0 |
| Total Governmental Activities | \$ 28,474,512 | \$ 7,886,713 | \$ 3,522,586 | \$ 2,812,620 | \$ (14,252,593) | \$ 0 | \$ 0 | \$ 0 |
| Total Primary Government | \$ 28,474,512 | \$ 7,886,713 | \$ 3,522,586 | \$ 2,812,620 | \$ (14,252,593) | \$ 0 | \$ 0 | \$ 0 |
| Component Units: | | | | | | | | |
| Bradley County School Department | \$ 48,901,420 | \$ 1,686,576 | \$ 6,038,159 | \$ 141,892 | \$ 0 | \$ (41,034,793) | \$ 0 | \$ 0 |
| Bradley County Memorial Hospital | 66,176,347 | 61,894,569 | 0 | 0 | 0 | 0 | (4,281,778) | 0 |
| Bradley Healthcare and Rehabilitation Center | 9,401,497 | 9,684,242 | 0 | 0 | 0 | 0 | 0 | 282,745 |
| Total Component Units | \$ 124,479,264 | \$ 73,265,387 | \$ 6,038,159 | \$ 141,892 | \$ 0 | \$ (41,034,793) | \$ (4,281,778) | \$ 282,745 |

(Continued)

Exhibit B

Bradley County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|--|----------|----------------------------|---|---|---|---|---|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Component Units | | | |
| | | | | | Bradley County School Department | Bradley County Memorial Hospital | Bradley Healthcare and Rehabilitation Center | |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes levied for general purposes | | | | | \$ 10,356,774 | \$ 9,494,483 | \$ 0 | \$ 0 |
| Property taxes levied for debt service | | | | | 5,754,591 | 0 | 0 | 0 |
| Local option sales tax | | | | | 3,028,941 | 6,378,550 | 0 | 0 |
| Other local taxes | | | | | 1,960,856 | 16,434 | 0 | 0 |
| Grants & Contributions not restricted for specific programs | | | | | 984,293 | 24,271,342 | 228,160 | 697 |
| Unrestricted Investment Earnings | | | | | 431,722 | 181,478 | 247,239 | 2,957 |
| Miscellaneous | | | | | 307,085 | 248,532 | 0 | 12,000 |
| Total General Revenues | | | | | \$ 22,824,262 | \$ 40,590,819 | \$ 475,399 | \$ 15,654 |
| Change in net assets | | | | | \$ 8,571,669 | \$ (443,974) | \$ (3,806,379) | \$ 298,399 |
| Net assets, July 1, 2002 | | | | | (14,950,108) | 51,474,677 | 31,532,291 | 3,139,898 |
| Prior Period Adjustment | | | | | 15,048,996 | 0 | 0 | 0 |
| Net assets, June 30, 2003 | | | | | \$ 8,670,557 | \$ 51,030,703 | \$ 27,725,912 | \$ 3,438,297 |

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