

Exhibit B

Marshall County, Tennessee  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2003

|  | Major Funds         |                             |                            | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|--|---------------------|-----------------------------|----------------------------|-------------------------------------|--------------------------------|
|  | General             | Highway/<br>Public<br>Works | General<br>Debt<br>Service | Other<br>Govern-<br>mental<br>Funds |                                |
| <b>Revenues</b>                                      |                     |                             |                            |                                     |                                |
| Local Taxes  | \$ 4,148,754        | \$ 615,553                  | \$ 3,179,253               | \$ 70,731                           | \$ 8,014,291                   |
| Licenses and Permits                                 | 69,509              | 0                           | 0                          | 0                                   | 69,509                         |
| Fines, Forfeitures and Penalties                     | 94,863              | 0                           | 0                          | 55,609                              | 150,472                        |
| Charges for Current Services                         | 939,860             | 176                         | 0                          | 1,500,678                           | 2,440,714                      |
| Other Local Revenues                                 | 261,616             | 42,756                      | 271,486                    | 7,448                               | 583,306                        |
| State of Tennessee                                   | 611,360             | 2,041,356                   | 17,740                     | 22,508                              | 2,692,964                      |
| Federal Government                                   | 32,700              | 31,010                      | 0                          | 0                                   | 63,710                         |
| Other Governments and Citizens Groups                | 39,158              | 0                           | 0                          | 4,743                               | 43,901                         |
| <b>Total Revenues</b>                                | <b>\$ 6,197,820</b> | <b>\$ 2,730,851</b>         | <b>\$ 3,468,479</b>        | <b>\$ 1,661,717</b>                 | <b>\$ 14,058,867</b>           |
| <b>Expenditures</b>                                  |                     |                             |                            |                                     |                                |
| Current:   |                     |                             |                            |                                     |                                |
| General Government                                   | \$ 1,210,250        | \$ 0                        | \$ 0                       | \$ 99,995                           | \$ 1,310,245                   |
| Finance  | 683,280             | 0                           | 0                          | 0                                   | 683,280                        |
| Administration of Justice                            | 510,854             | 0                           | 0                          | 21,386                              | 532,240                        |
| Public Safety  | 1,897,828           | 0                           | 0                          | 4,635                               | 1,902,463                      |
| Public Health and Welfare                            | 1,580,544           | 0                           | 0                          | 417,497                             | 1,998,041                      |
| Social, Cultural, and Recreational Services          | 82,739              | 0                           | 0                          | 0                                   | 82,739                         |
| Agricultural and Natural Resources                   | 74,579              | 0                           | 0                          | 0                                   | 74,579                         |
| Other Operations                                     | 1,279,841           | 0                           | 0                          | 0                                   | 1,279,841                      |
| Highways   | 0                   | 3,446,079                   | 0                          | 0                                   | 3,446,079                      |
| Capital Outlay                                       | 0                   | 0                           | 0                          | 670,000                             | 670,000                        |
| Debt Service:  |                     |                             |                            |                                     |                                |
| Principal  | 0                   | 0                           | 2,953,833                  | 0                                   | 2,953,833                      |
| Interest   | 0                   | 0                           | 1,354,918                  | 0                                   | 1,354,918                      |
| Other Debt Service                                   | 0                   | 0                           | 99,249                     | 0                                   | 99,249                         |
| Capital Projects                                     | 0                   | 0                           | 0                          | 803,770                             | 803,770                        |
| <b>Total Expenditures</b>                            | <b>\$ 7,319,915</b> | <b>\$ 3,446,079</b>         | <b>\$ 4,408,000</b>        | <b>\$ 2,017,283</b>                 | <b>\$ 17,191,277</b>           |
| Excess (Deficiency) of Revenues<br>Over Expenditures |                     |                             |                            |                                     |                                |
|  | \$ (1,122,095)      | \$ (715,228)                | \$ (939,521)               | \$ (355,566)                        | \$ (3,132,410)                 |
| <b>Other Financing Sources (Uses)</b>                |                     |                             |                            |                                     |                                |
| Notes Issued   | \$ 1,430,000        | \$ 600,000                  | \$ 0                       | \$ 670,000                          | \$ 2,700,000                   |
| Transfers In   | 1,234,551           | 0                           | 0                          | 1,395,921                           | 2,630,472                      |
| Transfers Out  | (1,593,761)         | 0                           | 0                          | (1,234,551)                         | (2,828,312)                    |
| <b>Total Other Financing Sources (Uses)</b>          | <b>\$ 1,070,790</b> | <b>\$ 600,000</b>           | <b>\$ 0</b>                | <b>\$ 831,370</b>                   | <b>\$ 2,502,160</b>            |
| Net Change in Fund Balances                          |                     |                             |                            |                                     |                                |
| Fund Balance, July 1, 2002                           | \$ (51,305)         | \$ (115,228)                | \$ (939,521)               | \$ 475,804                          | \$ (630,250)                   |
|  | 1,985,765           | 975,215                     | 6,779,967                  | 731,123                             | 10,472,070                     |
| <b>Fund Balance, June 30, 2003</b>                   | <b>\$ 1,934,460</b> | <b>\$ 859,987</b>           | <b>\$ 5,840,446</b>        | <b>\$ 1,206,927</b>                 | <b>\$ 9,841,820</b>            |

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