

Exhibit B

Montgomery County, Tennessee
Statement of Activities
Montgomery County School Department
For the Year Ended June 30, 2003

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit:					
Governmental Activities:					
Instruction	\$ 76,225,837	\$ 191,939	\$ 5,314,984	\$ 0	\$ (70,718,914)
Support Services	56,885,995	270,032	1,002,632	6,820,884	(48,792,447)
Operation of Noninstructional Services	7,845,599	4,149,898	3,833,364	0	137,663
Interest on Long-Term Debt	47,963	0	0	0	(47,963)
Total Governmental Activities	\$ 141,005,394	\$ 4,611,869	\$ 10,150,980	\$ 6,820,884	\$ (119,421,661)
General Revenues:					
Taxes:					
Property taxes levied for general purposes					\$ 18,398,808
Local option sales tax					23,344,086
Other local taxes					3,347,831
Grants & contributions not restricted for specific programs					74,566,808
Unrestricted investment earnings					21,680
Miscellaneous					603,598
Total General Revenues					\$ 120,282,811
Change in net assets					\$ 861,150
Prior period adjustment					(81,659,478)
Net assets, July 1, 2002					261,045,040
Net assets, June 30, 2003					\$ 180,246,712

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