

Exhibit B

Greene County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2004

| Functions/Programs   | Program Revenues     |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Assets |                                 |                                   |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|---------------------------------|-----------------------------------|
|  | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                              | Component Units                 |                                   |
|  |                      |                      |                                    |                                  | Governmental Activities and Total               | Greene County School Department | Emergency Communications District |
| <b>Primary Government:</b>                                   |                      |                      |                                    |                                  |   |                                 |                                   |
| Governmental Activities:                                     |                      |                      |                                    |                                  |   |                                 |                                   |
| General Government   | \$ 1,058,614         | \$ 570,708           | \$ 24,380                          | \$ 5,900                         | \$ (457,626)                                    | \$ 0                            | \$ 0                              |
| Finance  | 1,339,619            | 1,391,862            | 24,285                             | 0                                | 76,528  | 0                               | 0                                 |
| Administration of Justice                                    | 1,076,743            | 1,303,400            | 88,359                             | 0                                | 315,016   | 0                               | 0                                 |
| Public Safety  | 7,624,671            | 2,568,890            | 278,509                            | 23,977                           | (4,753,295)                                     | 0                               | 0                                 |
| Public Health and Welfare                                    | 4,813,480            | 2,435,864            | 356,148                            | 68,416                           | (1,953,052)                                     | 0                               | 0                                 |
| Social, Cultural and Recreational Services                   | 75,498               | 0                    | 0                                  | 0                                | (75,498)  | 0                               | 0                                 |
| Agricultural and Natural Resources                           | 437,421              | 0                    | 0                                  | 0                                | (437,421)                                       | 0                               | 0                                 |
| Other Operations   | 632,647              | 0                    | 0                                  | 0                                | (632,647)                                       | 0                               | 0                                 |
| Highways   | 4,495,179            | 449,247              | 2,248,887                          | 600,898                          | (1,196,147)                                     | 0                               | 0                                 |
| Education  | 1,116,463            | 0                    | 0                                  | 0                                | (1,116,463)                                     | 0                               | 0                                 |
| Debt Service:  |                      |                      |                                    |                                  |   |                                 |                                   |
| Interest on General Long-term Debt                           | 1,574,497            | 0                    | 0                                  | 0                                | (1,574,497)                                     | 0                               | 0                                 |
| Other Debt Service   | 84,312               | 0                    | 0                                  | 0                                | (84,312)  | 0                               | 0                                 |
| <b>Total Primary Government</b>                              | <b>\$ 24,329,144</b> | <b>\$ 8,719,971</b>  | <b>\$ 3,020,568</b>                | <b>\$ 699,191</b>                | <b>\$ (11,889,414)</b>                          | <b>\$ 0</b>                     | <b>\$ 0</b>                       |
| <b>Component Units:</b>                                      |                      |                      |                                    |                                  |   |                                 |                                   |
| Greene County School Department                              | \$ 38,968,401        | \$ 1,916,362         | \$ 5,533,700                       | \$ 439,296                       | \$ 0  | \$ (31,079,043)                 | \$ 0                              |
| Emergency Communications District                            | 559,827              | 418,086              | 0                                  | 0                                | 0   | 0                               | (141,741)                         |
| <b>Total Component Units</b>                                 | <b>\$ 39,528,228</b> | <b>\$ 2,334,448</b>  | <b>\$ 5,533,700</b>                | <b>\$ 439,296</b>                | <b>\$ 0</b>                                     | <b>\$ (31,079,043)</b>          | <b>\$ (141,741)</b>               |
| <b>General Revenues:</b>                                     |                      |                      |                                    |                                  |   |                                 |                                   |
| Property Taxes   |                      |                      |                                    |                                  | \$ 10,637,869                                   | \$ 4,693,390                    | \$ 0                              |
| Sales Taxes  |                      |                      |                                    |                                  | 1,513,041                                       | 4,471,331                       | 0                                 |
| Franchise Taxes  |                      |                      |                                    |                                  | 156,446   | 0                               | 0                                 |
| Other Taxes  |                      |                      |                                    |                                  | 2,860,091                                       | 7,385                           | 0                                 |
| Grants and Contributions not restricted to specific programs |                      |                      |                                    |                                  | 977,672   | 22,873,043                      | 153,240                           |
| Unrestricted Investment Income                               |                      |                      |                                    |                                  | 180,310   | 93,709                          | 7,169                             |
| Gain on Sale/Disposal of Capital Assets                      |                      |                      |                                    |                                  | 20,000  | 0                               | 0                                 |
| Miscellaneous  |                      |                      |                                    |                                  | 44,571  | 361,638                         | 3,300                             |
| <b>Total General Revenues</b>                                |                      |                      |                                    |                                  | <b>\$ 16,390,000</b>                            | <b>\$ 32,500,496</b>            | <b>\$ 163,709</b>                 |
| Change in Net Assets   |                      |                      |                                    |                                  | \$ 4,500,586                                    | \$ 1,421,453                    | \$ 21,968                         |
| Net Assets - Beginning                                       |                      |                      |                                    |                                  | 1,987,637                                       | 39,374,059                      | 632,556                           |
| Net Assets - Ending  |                      |                      |                                    |                                  | <b>\$ 6,488,223</b>                             | <b>\$ 40,795,512</b>            | <b>\$ 654,524</b>                 |

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