

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental	Unit
					Total	Houston
					Governmental	County
					Activities	School
						Department
Primary Government:						
Governmental Activities:						
General Government	\$ 424,844	\$ 95,533	\$ 31,249	\$ 0	\$ (298,062)	\$ 0
Finance	264,940	161,122	12,229	0	(91,589)	0
Administration of Justice	249,535	110,674	9,000	0	(129,861)	0
Public Safety	1,046,620	142,909	50,322	70,938	(782,451)	0
Public Health and Welfare	802,165	552,362	73,925	2,897	(172,981)	0
Social, Cultural and Recreational Services	212,022	0	0	0	(212,022)	0
Agriculture & Natural Resources	41,904	0	0	0	(41,904)	0
Other Operations	221,810	1,100	9,750	163,151	(47,809)	0
Highway/Public Works	1,444,259	19,675	1,298,587	157,062	31,065	0
Interest on Long-term Debt	231,971	0	400,000	0	168,029	0
Other Debt Service	7,130	0	0	0	(7,130)	0
Total Primary Government	\$ 4,947,200	\$ 1,083,375	\$ 1,885,062	\$ 394,048	\$ (1,584,715)	\$ 0
Component Unit:						
Houston County School Department	\$ 8,919,172	\$ 282,854	\$ 1,244,524	\$ 0	\$ 0	\$ (7,391,794)
Total Component Unit	\$ 8,919,172	\$ 282,854	\$ 1,244,524	\$ 0	\$ 0	\$ (7,391,794)
General Revenues:						
Taxes:						
Property taxes levied for general purposes					\$ 1,820,509	\$ 605,047
Property taxes levied for debt service					187,900	0
Local option sales tax					74,811	454,114
Other local taxes					362,981	20,367
Grants & Contributions not restricted for specific programs					109,911	5,914,190
Unrestricted Investment Earnings					0	86,430
Miscellaneous					31,393	30,745
Gain on Disposal of Assets					39,258	0
Total General Revenues					\$ 2,626,763	\$ 7,110,893
Change in net assets					\$ 1,042,048	\$ (280,901)
Net Assets, July 1, 2003					(6,922,990)	12,852,413
Net Assets, June 30, 2004					\$ (5,880,942)	\$ 12,571,512

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