

Exhibit B

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

	Net (Expense) Revenue and Changes in Net Assets							
	Primary Government				Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities and Total	Sevier County School Department	Emergency Communica-tions District	Public Building Authority
Functions/Programs								
Primary Government:								
Governmental Activities:								
General Government	\$ 3,048,137	\$ 1,904,955	\$ 32,926	\$ 0	\$ (1,110,256)	\$ 0	\$ 0	\$ 0
Finance	1,602,981	2,327,455	40,244	0	764,718	0	0	0
Administration of Justice	1,617,715	1,067,717	40,100	0	(509,898)	0	0	0
Public Safety	6,960,483	742,061	602,870	0	(5,615,552)	0	0	0
Public Health and Welfare	6,507,838	2,685,913	292,445	50,000	(3,479,480)	0	0	0
Social, Cultural and Recreational Services	1,135,109	20,973	64,758	64,000	(985,378)	0	0	0
Agricultural and Natural Resources	167,980	0	0	0	(167,980)	0	0	0
Other Operations	5,800,656	0	0	114,826	(5,685,830)	0	0	0
Highways	12,158,797	63,053	2,310,038	1,529,348	(8,256,358)	0	0	0
Education	9,022,978	437,467	0	0	(8,585,511)	0	0	0
Debt Service:								
Interest on Long-Term Debt	3,216,599	0	0	0	(3,216,599)	0	0	0
Other Debt Service	322,125	0	0	0	(322,125)	0	0	0
Total Primary Government	\$ 51,561,398	\$ 9,249,594	\$ 3,383,381	\$ 1,758,174	\$ (37,170,249)	\$ 0	\$ 0	\$ 0
Component Units:								
Sevier County School Department	\$ 89,271,970	\$ 3,791,875	\$ 6,233,655	\$ 8,007,153	\$ 0	\$ (71,239,287)	\$ 0	\$ 0
Emergency Communications District	611,637	647,883	0	50,000	0	0	86,246	0
Public Building Authority	74,918	0	172,697	1,023,675	0	0	0	1,121,454
Total Component Units	\$ 89,958,525	\$ 4,439,758	\$ 6,406,352	\$ 9,080,828	\$ 0	\$ (71,239,287)	\$ 86,246	\$ 1,121,454
General Revenues:								
Property Taxes					\$ 18,338,911	\$ 14,511,313	\$ 0	\$ 0
Sales Taxes					2,857,210	28,063,085	0	0
Other Taxes					2,207,757	11,621	0	0
Grants and Contributions not restricted to specific programs					5,780,429	32,604,535	0	0
Unrestricted Investment Income					863,287	8,220	2,501	10,370
Gain on Sale of Capital Assets					35,479	40,100	0	0
Miscellaneous					39,157	212,518	0	0
Extraordinary Item- Loss from Early Redemption of Bond Debt					0	0	(3,660)	0
Total General Revenues and Extraordinary Item					\$ 30,122,230	\$ 75,451,392	\$ (1,159)	\$ 10,370
Change in Net Assets					\$ (7,048,019)	\$ 4,212,105	\$ 85,087	\$ 1,131,824
Net Assets - Beginning					(22,603,506)	72,615,475	1,098,634	1,107,484
Restatement for Retroactive Reporting of Infrastructure					77,731,504	0	0	0
Restatement for Capital Assets					(623,180)	7,548,918	0	0
Net Assets - Ending					\$ 47,456,799	\$ 84,376,498	\$ 1,183,721	\$ 2,239,308

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