

Exhibit B

Union County, Tennessee  
Statement of Activities  
Union County School Department  
For the Year Ended June 30, 2004

| <u>Functions/Programs</u>                                    | <u>Program Revenues</u> |                    |                      |                      | <u>Net (Expense)</u>   |
|--|-------------------------|--------------------|----------------------|----------------------|------------------------|
|  | <u>Expenses</u>         | <u>Charges for</u> | <u>Operating</u>     | <u>Capital</u>       | <u>Revenue and</u>     |
|  |                         | <u>Services</u>    | <u>Grants and</u>    | <u>Grants and</u>    | <u>Changes in Net</u>  |
|  |                         |                    | <u>Contributions</u> | <u>Contributions</u> | <u>Assets</u>          |
|  |                         |                    |                      |                      | <u>Governmental</u>    |
|  |                         |                    |                      |                      | <u>Activities</u>      |
|  |                         |                    |                      |                      | <u>and Total</u>       |
| Governmental Activities:                                     |                         |                    |                      |                      |                        |
| Instruction  | \$ 11,712,501           | \$ 20,665          | \$ 2,610,424         | \$ 0                 | \$ (9,081,412)         |
| Support Services   | 6,329,226               | 2,334              | 123,990              | 324,950              | (5,877,952)            |
| Operation of Non-Instructional Services                      | 1,460,992               | 425,160            | 987,063              | 2,000                | (46,769)               |
| Other Debt Service   | 500,000                 | 0                  | 0                    | 0                    | (500,000)              |
| Total  | <u>\$ 20,002,719</u>    | <u>\$ 448,159</u>  | <u>\$ 3,721,477</u>  | <u>\$ 326,950</u>    | <u>\$ (15,506,133)</u> |
|  |                         |                    |                      |                      |                        |
| General Revenues:  |                         |                    |                      |                      |                        |
| Property Taxes   |                         |                    |                      |                      | \$ 1,825,737           |
| Sales Taxes  |                         |                    |                      |                      | 621,604                |
| Other Taxes  |                         |                    |                      |                      | 2,879                  |
| Grants and Contributions not restricted to specific programs |                         |                    |                      |                      | 12,882,562             |
| Miscellaneous  |                         |                    |                      |                      | 32,577                 |
| Total General Revenues                                       |                         |                    |                      |                      | <u>\$ 15,365,359</u>   |
|  |                         |                    |                      |                      |                        |
| Change in Net Assets   |                         |                    |                      |                      | \$ (140,774)           |
| Net Assets - Beginning                                       |                         |                    |                      |                      | <u>17,149,387</u>      |
|  |                         |                    |                      |                      |                        |
| Net Assets - Ending  |                         |                    |                      |                      | <u>\$ 17,008,613</u>   |

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