

Exhibit A

Morgan County, Tennessee  
Combined Balance Sheet - All Fund Types,  
Account Group and Discretely Presented Component Unit  
June 30, 2003

|  | Primary Government      |                 |              |                  |            |                        | Component                       |
|--|-------------------------|-----------------|--------------|------------------|------------|------------------------|---------------------------------|
|  | Governmental Fund Types |                 |              |                  | Fiduciary  | Account                | Unit                            |
|  | General                 | Special Revenue | Debt Service | Capital Projects | Fund Type  | Group                  | Morgan County School Department |
|  |                         |                 |              |                  | Agency     | General Long-term Debt |                                 |
| <u>ASSETS</u>  |                         |                 |              |                  |            |                        |                                 |
| Equity in Pooled Cash and Investments                          | \$ 924,372              | \$ 3,199,925    | \$ 3,956,051 | \$ 1,235,669     | \$ 0       | \$ 0                   | \$ 4,945,242                    |
| Cash   | 0                       | 25,355          | 0            | 0                | 142,074    | 0                      | 20,574                          |
| Accounts Receivable  | 75,528                  | 22,916          | 0            | 0                | 117        | 0                      | 33,002                          |
| Allowance for Uncollectibles                                   | (19,576)                | 0               | 0            | 0                | 0          | 0                      | 0                               |
| Due from Other Governments                                     | 54,093                  | 324,146         | 116,858      | 0                | 43,375     | 0                      | 332,538                         |
| Due from Other Funds   | 38,263                  | 0               | 0            | 0                | 0          | 0                      | 9,182                           |
| Taxes Receivable   | 2,602,294               | 788,051         | 179,321      | 0                | 0          | 0                      | 2,440,348                       |
| Allowance for Uncollectible Taxes                              | (122,143)               | (37,752)        | (10,925)     | 0                | 0          | 0                      | (114,456)                       |
| Prepaid Items  | 30,829                  | 0               | 0            | 0                | 0          | 0                      | 0                               |
| Notes Receivable - Long-term                                   | 0                       | 0               | 0            | 0                | 0          | 0                      | 34,897                          |
| Amount Available in Debt Service Funds                         | 0                       | 0               | 0            | 0                | 0          | 4,000,315              | 0                               |
| Amount to be Provided for Retirement of General Long-term Debt | 0                       | 0               | 0            | 0                | 0          | 12,049,444             | 0                               |
| Total Assets   | \$ 3,583,660            | \$ 4,322,641    | \$ 4,241,305 | \$ 1,235,669     | \$ 185,566 | \$ 16,049,759          | \$ 7,701,327                    |

LIABILITIES AND FUND BALANCES

Liabilities

|  |           |           |         |         |         |         |           |
|--|-----------|-----------|---------|---------|---------|---------|-----------|
| Accounts Payable                             | \$ 34,330 | \$ 29,275 | \$ 0    | \$ 0    | \$ 0    | \$ 0    | \$ 130    |
| Accrued Payroll                              | 0         | 10,020    | 0       | 0       | 0       | 0       | 0         |
| Payroll Deductions Payable                   | 1,466     | 1,406     | 0       | 0       | 0       | 0       | 397,392   |
| Contracts Payable                            | 0         | 0         | 0       | 395,314 | 0       | 0       | 0         |
| Retainage Payable                            | 0         | 0         | 0       | 187,265 | 0       | 0       | 0         |
| Due to Other Funds                           | 0         | 23,601    | 14,662  | 0       | 0       | 0       | 9,182     |
| Due to State of Tennessee                    | 0         | 3         | 0       | 0       | 0       | 0       | 7,500     |
| Due to Other Taxing Units                    | 0         | 0         | 0       | 0       | 43,375  | 0       | 0         |
| Due to Litigants, Heirs and Others           | 0         | 6,896     | 0       | 0       | 142,191 | 0       | 0         |
| Deferred Revenue - Current Taxes             | 2,298,959 | 692,858   | 147,450 | 0       | 0       | 0       | 2,156,265 |
| Deferred Revenue - Delinquent Taxes          | 165,728   | 52,539    | 19,158  | 0       | 0       | 0       | 155,150   |
| Other Deferred Revenues                      | 29,793    | 176,133   | 59,720  | 0       | 0       | 0       | 56,386    |
| General Obligation Bonds Payable - Long-term | 0         | 0         | 0       | 0       | 0       | 615,000 | 0         |
| Capital Outlay Notes Payable - Long-term     | 0         | 0         | 0       | 0       | 0       | 155,123 | 0         |

(Continued)

Exhibit A

Morgan County, Tennessee  
Combined Balance Sheet - All Fund Types  
Account Group and Discretely Presented Component Unit (Cont.)

|  | Primary Government      |                     |                     |                     |                   |                        | Component                       |
|--|-------------------------|---------------------|---------------------|---------------------|-------------------|------------------------|---------------------------------|
|  | Governmental Fund Types |                     |                     |                     | Fiduciary         | Account                | Unit                            |
|  | General                 | Special Revenue     | Debt Service        | Capital Projects    | Agency            | General Long-term Debt | Morgan County School Department |
| <b>LIABILITIES AND FUND BALANCES (Cont.)</b>                   |                         |                     |                     |                     |                   |                        |                                 |
| <b>Liabilities (Cont.)</b>                                     |                         |                     |                     |                     |                   |                        |                                 |
| Accrued Leave  | \$ 0                    | \$ 0                | \$ 0                | \$ 0                | \$ 0              | \$ 64,033              | \$ 0                            |
| Accrued Liability for Landfill Closure/Postclosure Care Costs  | 0                       | 0                   | 0                   | 0                   | 0                 | 173,514                | 0                               |
| Other Loans Payable - Long-term                                | 0                       | 0                   | 0                   | 0                   | 0                 | 15,006,000             | 0                               |
| Other Long-term Liabilities                                    | 0                       | 0                   | 0                   | 0                   | 0                 | 36,089                 | 0                               |
| <b>Total Liabilities</b>                                       | <b>\$ 2,530,276</b>     | <b>\$ 992,731</b>   | <b>\$ 240,990</b>   | <b>\$ 582,579</b>   | <b>\$ 185,566</b> | <b>\$ 16,049,759</b>   | <b>\$ 2,782,005</b>             |
| <b>Fund Balances</b>   |                         |                     |                     |                     |                   |                        |                                 |
| Reserved for Encumbrances                                      | \$ 37,542               | \$ 454,481          | \$ 0                | \$ 1,086,706        | \$ 0              | \$ 0                   | \$ 484,901                      |
| Reserved for Purchase of Electronic Fingerprint Imaging System | 0                       | 29,139              | 0                   | 0                   | 0                 | 0                      | 0                               |
| Reserved for Alcohol and Drug Treatment                        | 29,183                  | 0                   | 0                   | 0                   | 0                 | 0                      | 0                               |
| Reserved for Computer System - Register                        | 37,530                  | 0                   | 0                   | 0                   | 0                 | 0                      | 0                               |
| Reserved for Automation Purposes - Sheriff                     | 1,628                   | 0                   | 0                   | 0                   | 0                 | 0                      | 0                               |
| Reserved for Career Ladder Program                             | 0                       | 0                   | 0                   | 0                   | 0                 | 0                      | 952                             |
| Reserved for BEP Non-Classroom                                 | 0                       | 0                   | 0                   | 0                   | 0                 | 0                      | 1,400,370                       |
| Reserved for Title I Grants to Local Education Agencies        | 0                       | 0                   | 0                   | 0                   | 0                 | 0                      | 72,927                          |
| Reserved for Innovative Education Program Strategies           | 0                       | 0                   | 0                   | 0                   | 0                 | 0                      | 12,213                          |
| Reserved for Special Education - Grants to States              | 0                       | 0                   | 0                   | 0                   | 0                 | 0                      | 176,796                         |
| Other Federal Reserves   | 0                       | 0                   | 0                   | 0                   | 0                 | 0                      | 90,058                          |
| Reserved for Other General Purposes                            | 127,610                 | 0                   | 0                   | 0                   | 0                 | 0                      | 0                               |
| Unreserved:  |                         |                     |                     |                     |                   |                        |                                 |
| Designated for Matching Share of Federal Grant                 | 55,000                  | 0                   | 0                   | 0                   | 0                 | 0                      | 0                               |
| Designated for Vehicle Purchase                                | 0                       | 6,000               | 0                   | 0                   | 0                 | 0                      | 0                               |
| Designated for Building Construction Projects                  | 0                       | 0                   | 0                   | 0                   | 0                 | 0                      | 219,400                         |
| Undesignated (Fund Deficit)                                    | 764,891                 | 2,840,290           | 4,000,315           | (433,616)           | 0                 | 0                      | 2,461,705                       |
| <b>Total Fund Balances</b>                                     | <b>\$ 1,053,384</b>     | <b>\$ 3,329,910</b> | <b>\$ 4,000,315</b> | <b>\$ 653,090</b>   | <b>\$ 0</b>       | <b>\$ 0</b>            | <b>\$ 4,919,322</b>             |
| <b>Total Liabilities And Fund Balances</b>                     | <b>\$ 3,583,660</b>     | <b>\$ 4,322,641</b> | <b>\$ 4,241,305</b> | <b>\$ 1,235,669</b> | <b>\$ 185,566</b> | <b>\$ 16,049,759</b>   | <b>\$ 7,701,327</b>             |

The accompanying notes are an integral part of this statement.