

**City of Mt. Juliet, Tennessee  
Annual Financial Report  
For the Year Ended June 30, 2024**



**City of Mt. Juliet, Tennessee**  
Annual Financial Report  
For the Year Ended June 30, 2024

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## **Introductory Section**

**City of Mt. Juliet, Tennessee**  
Schedule of City Officials (Unaudited)  
For the Year Ended June 30, 2024

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**Elected Officials**

Mayor	James Maness
Vice Mayor	Bill Trivett
Commissioner	Ray Justice
Commissioner	Scott Hefner
Commissioner	Jennifer Milele

**Appointed Officials**

City Manager	Kenneth Martin
Finance Director/CPA, CMFO Designee	Dana Hire
City Recorder	Sheila S. Luckett
Director of Public Works	Matthew White
Chief of Police	Michael Mullins
Fire Chief	Mark Foulks
Director of Economic Development Services	Jennifer Hamblen
Director of Parks	Roger Lee
Director of Human Resources	Lynn Gore
Director of Information Technology	Travis Taylor
Building and Codes Chief	Mark Kirk
City Planner	John Baughman
City Attorney	Gino Marchetti
Utilities Director	Tim Forkum
Director of Engineering	Shane Shamanur

The City of Mt. Juliet maintains a \$250,000 Public Officials conduct insurance policy.

## **Financial Section**

**Independent Auditor's Report**

Honorable Mayor and Board of Commissioners  
City of Mt. Juliet, Tennessee

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mt. Juliet, Tennessee (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the state street aid fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4-15 and the pension and OPEB Information on pages 66-69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules on pages 70-71, and other schedules on pages 72-83 (including the schedule of expenditures of federal awards and state financial assistance, as required by *Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* on page 81) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules on pages 70-71, and other schedules on pages 72-83 (including the schedule of expenditures of federal awards and state financial assistance on page 81) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on page i and other information on pages 82-83 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC  
Mt. Juliet, Tennessee  
December 16, 2024

**City of Mt. Juliet, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2024

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### **Management's Discussion and Analysis**

As management of the City of Mt. Juliet, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. The analysis will focus on significant financial position, budget changes, and variances from the budget, and specific issues related to funds and the economic factors affecting the City. We encourage readers to read the information presented here in conjunction with additional information that is furnished in the City's financial statements, which follow this narrative.

### **Financial Highlights**

- The City of Mt. Juliet was upgraded from AA+ to the AAA rating by Standard and Poor's in May 2024, reflecting the city's continued economic growth, strong budgetary performance, strengthening financial management practices and policies and has been classified as stable since 6/30/2009.
- The assets and deferred outflows of resources of the City of Mt. Juliet, Tennessee exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by more than \$330.7 million.
- The government's total net position increased by more than \$27 million, due to increases in the business type activities net position of over \$16.5 million and over \$10.6 million due to government activity over June 30, 2024.
- As of the close of the current fiscal year, the City of Mt. Juliet's governmental funds reported combined ending fund balances of over \$88 million, an increase of approximately \$7.4 million in comparison with the prior year. Over 47% of this total amount, or \$41.6 million, is available for spending at the government's discretion and is considered unassigned fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$41.6 million, or 74% of total governmental fund expenditures for the fiscal year, excepting the transfers for road paving and debt service.
- The City of Mt. Juliet's long-term debt increased by \$32.4 million (336%) during the current fiscal year. The increase was created by a bond issuance of \$31.8 million for a new Police Headquarters and Fire Station netted against principal payments of \$1 million as scheduled for bonds and capital notes, and the final payoff on capital lease (fire-fighting) obligations of \$300 thousand.
- The City's Net OPEB (Other Post-Employment Benefits) obligation is calculated under GASB (Governmental Accounting Standards Board) Statement 75. The beginning balance was stated at \$279 thousand. Net changes through the year increased this balance by \$115 thousand.

### **Overview of the Financial Statements**

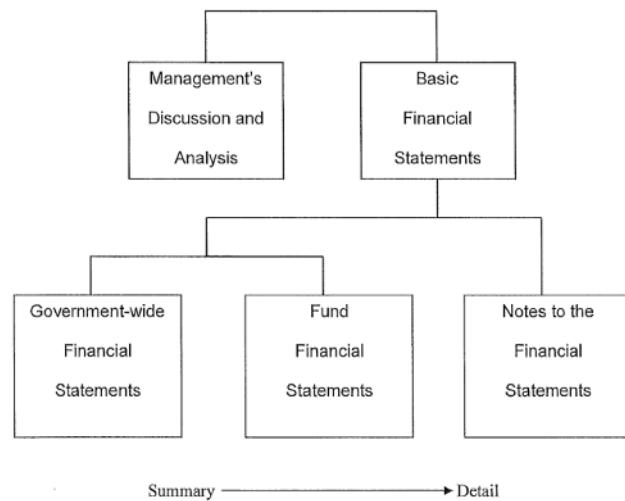
This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other information that will enhance the reader's understanding of the financial condition of the City of Mt. Juliet.

**City of Mt. Juliet, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2024

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**Required Components of Annual Financial Report**

**Figure 1**



**Basic Financial Statements**

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial status.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, additional information is provided to show details about the City's individual funds. Budgetary information required by the General Statutes can also be found in this part of the statements. There are additional financial schedules and other required reports.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The two government-wide statements report the City's net position and how they have changed. Net position is the difference between the City's total assets and total liabilities. Measuring net position is one way to gauge the City's financial condition.

**City of Mt. Juliet, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2024

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### **Government-wide Financial Statements**

The government-wide statements are divided into two categories, governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. Sewer is the only service offered by the City of Mt. Juliet. The City of Mt. Juliet has one discretely presented component unit.

### **Fund Financial Statements**

The fund financial statements (see Figure 1) provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Mt. Juliet, Tennessee, like all other governmental entities in Tennessee, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted to cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

The City of Mt. Juliet adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement shows four columns: 1) the original budget as adopted by the Board of Commissioners; 2) the final budget as amended by the Board of Commissioners; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** – The City of Mt. Juliet has two different kinds of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**City of Mt. Juliet, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2024

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**Proprietary Funds – Internal Service Funds** are an accounting device used to accumulate and allocate costs internally among the functions of the City of Mt. Juliet. The City uses an internal service fund to account for one activity – its Employee Benefit activity. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund assets and liabilities have been included within the governmental activities in the government-wide financial statements with a due to and due from to allocate the proper portion to business type activities.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

#### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the City of Mt. Juliet exceeded liabilities and deferred inflows of resources by more than \$330.7 million as of June 30, 2024. The City's net position increased by more than \$27 million for the fiscal year ended June 30, 2024, when compared to the fiscal year ended June 30, 2023. However, the largest portion, 59% reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding issued to acquire those items. The City of Mt. Juliet uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Mt. Juliet's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Mt. Juliet's net position, 13%, represents resources that are subject to restriction on how they may be used. The remaining balance of over \$91 million, 28% is unrestricted.

**City of Mt. Juliet, Tennessee**  
 Management's Discussion and Analysis (Unaudited)  
 For the Year Ended June 30, 2024

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**Statement of Net Position (In Thousands)**

	<b>Primary Government</b>					
	<b>Governmental</b>		<b>Business-type</b>			
	<b>Activities</b>		<b>Activities</b>		<b>Total</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Assets</b>						
Current and other assets	\$ 99,256	\$ 92,242	\$ 28,697	\$ 25,961	\$ 127,953	\$ 118,203
Capital assets	162,700	125,317	93,408	77,833	256,108	203,150
<b>Total Assets</b>	<b>261,956</b>	<b>217,559</b>	<b>122,105</b>	<b>103,794</b>	<b>384,061</b>	<b>321,353</b>
<b>Deferred Outflows of Resources</b>						
Deferred outflows	7,895	4,881	623	425	8,518	5,306
<b>Liabilities</b>						
Other liabilities	13,296	8,470	3,370	1,374	16,666	9,844
Long-term liabilities	42,157	9,827	-	-	42,157	9,827
<b>Total Liabilities</b>	<b>55,453</b>	<b>18,297</b>	<b>3,370</b>	<b>1,374</b>	<b>58,823</b>	<b>19,671</b>
<b>Deferred Inflows of Resources</b>						
Deferred inflows	2,964	3,326	90	124	3,054	3,450
<b>Net Position</b>						
Net Investment in capital assets						
net of related debt	116,508	113,677	78,936	77,340	195,444	191,017
Restricted	41,518	13,303	2,921	5,101	44,439	18,404
Unrestricted	53,408	73,837	37,411	20,280	90,819	94,117
<b>Total Net Position</b>	<b>\$ 211,434</b>	<b>\$ 200,817</b>	<b>\$ 119,268</b>	<b>\$ 102,721</b>	<b>\$ 330,702</b>	<b>\$ 303,538</b>

Several particular aspects of the City's financial operations positively influenced the total unrestricted governmental net position:

- Local sales tax collection increased due to incoming retail locations and maturity of others.
- An increase in local business tax collections due to increased tourism activities in the area and available hotel/motel space.
- Continued low cost of debt due to the City's high bond rating and the recent upgrade to the AAA rating by Standard & Poor's LLC with the bond issue for the new Police Headquarters and Fire Station.

**City of Mt. Juliet, Tennessee**  
 Management's Discussion and Analysis (Unaudited)  
 For the Year Ended June 30, 2024

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**Statement of Activities (In Thousands)**

	<b>Primary Government</b>					
	<b>Governmental</b>		<b>Business-type</b>			
	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Total</b>	<b>Total</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Program Revenues</b>						
Charges for services	\$ 8,466	\$ 4,755	\$ 9,365	\$ 9,129	\$ 17,831	\$ 13,884
Operating grants and contributions	1,490	1,259	-	-	1,490	1,259
Capital grants and contributions	4,730	10,576	15,065	7,594	19,795	18,170
<b>General Revenues</b>						
Sales Tax	20,366	19,568	-	-	20,366	19,568
Property Tax	2,228	2,232	-	-	2,228	2,232
Other Locally Assessed Taxes	6,270	6,550	-	-	6,270	6,550
Other State Shared Taxes	6,048	5,681	-	-	6,048	5,681
General Grants and Contributions	1,129	10,987	-	-	1,129	10,987
Investment Earnings & Rental Incom	3,070	1,108	1,200	343	4,270	1,451
Other	2,614	1,011	-	-	2,614	1,011
<b>Total Revenues</b>	<b>56,411</b>	<b>63,727</b>	<b>25,630</b>	<b>17,066</b>	<b>82,041</b>	<b>80,793</b>
<b>Expenses</b>						
General government	6,104	7,798	-	-	6,104	7,798
Public safety	25,401	18,233	-	-	25,401	18,233
Recreation and Culture	3,165	2,494	-	-	3,165	2,494
Streets and Public Works	9,568	9,239	-	-	9,568	9,239
Stormwater	845	566	-	-	845	566
Interest on long-term debt	711	210	-	-	711	210
Sewer	-	-	9,083	8,605	9,083	8,605
<b>Total Expenses</b>	<b>45,794</b>	<b>38,540</b>	<b>9,083</b>	<b>8,605</b>	<b>54,877</b>	<b>47,145</b>
Increase (Decrease) in net position	10,617	25,187	16,547	8,461	27,164	33,648
Net Position - Beginning	200,817	175,630	102,721	94,260	303,538	269,890
<b>Net Position - Ending</b>	<b>\$ 211,434</b>	<b>\$ 200,817</b>	<b>\$ 119,268</b>	<b>\$ 102,721</b>	<b>\$ 330,702</b>	<b>\$ 303,538</b>

**City of Mt. Juliet, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2024

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**Governmental Activities:** Governmental activities increased the City's net position by over \$10.6 million, thereby accounting for 70% of the total growth in the net position of the City of Mt. Juliet. Key elements of this increase are as follows:

- Increasing interest rates provided over \$2.3 million in interest revenues on city investments.
- Sales Tax revenues increased over \$971 thousand, or 4% over the prior year, showing continued growth in the City residential and business community.
- The City established a Stormwater Utility with a \$5.40 fee per Equivalent Residential Unit per month which provided revenues of over \$2.3 million for the year ended June 30, 2024.

**Business-type activities:** Business-type activities increased the City of Mt. Juliet's net position by over \$16.5 million, accounting for 16% of the total growth in the government's net position. Key elements of this increase are as follows:

- City codes require developers to build to a certain standard for sewers for which the City assumes responsibility and receives donated infrastructure, which totaled \$11.9 million.
- Development continues to increase the business-type assets with sewer tap fees and sewer development fee requirements.
- Investment earnings totaled \$1.2 million due to increasing interest rates.
- The City has taken a more aggressive approach to the recovery of the sewer services expenditures from customers to recover depreciation instituting a 5% rate increase during fiscal year 2016, and a 3% rate increase in fiscal years 2017, 2018, 2019, 2020, and 2021 respectively. A 4% increase was instituted in fiscal year 2022 with no rate increases in fiscal years 2023 and 2024.
- The City expects to re-examine the sewer rates for 2024-2025 fiscal year.

#### **Financial Analysis of the City of Mt. Juliet Funds**

As noted earlier, the City of Mt. Juliet uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of the City of Mt. Juliet's governmental funds is to provide such information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Mt. Juliet's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Mt. Juliet. At the end of the current fiscal year, unassigned fund balance of the General Fund was over \$41.6 million, while total fund balance was over \$46.9 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 74% of total General Fund expenditures when including amounts transferred to the State Street Aid Fund, Debt Service Fund and Capital Projects Fund and while total fund balance represents 83% of the same expenditures. General Fund expenditures also included one-time investments in capital assets of over \$25 million.

**City of Mt. Juliet, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2024

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**Governmental Funds:** At June 30, 2024, the governmental funds of the City of Mt. Juliet reported a combined fund balance of over \$88 million, an 8.4% increase over last year. Included in this change are fund balance increases in the Drug Fund, Capital Projects Fund and Stormwater Fund and decreases in the General Fund, State Street Aid and Debt Service Funds. The City instituted a property tax for the first time in over 10 years with the year ended 6/30/2012. The property tax was dedicated to the Emergency Services Fund; however, it was moved to the General Fund July 1, 2021, and has raised over \$25.4 million since inception. Although no longer specifically dedicated, the funds raised help with the purchase of capital resources, salaries, and operating costs for and of the Fire Department. The City also created an Emergency Medical Services (EMS) division under the Fire Department which began live operations in March 2023.

**General Fund Budgetary Highlights:** During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Local property tax contributed over \$2.2 million in the current year. Local Option Sales Tax revenues were over 5% above that of the prior year as well as 8.6% above the budget of such revenue, which is the largest City revenue category. The third largest contributor to local revenue, Business Tax was 28% or over \$493 thousand above budget. State Sales tax revenue increased 3.4% or \$158 thousand over the prior year and \$106k or 2.3% over budget. Hotel/Motel Tax decreased \$136k or 10% due to the temporary closing of a local hotel damaged by fire. License and Permit fee revenue increased by \$107k or 5%. Building had slowed due to the completion of several phases of developments however the City is now seeing an increase as several phases of approved developments are now under construction.

The City Manager and Department Heads made every effort to keep expenditures well within budgets to increase the General Fund Balance in anticipation of the City's upcoming projects including the addition of the police department building. The City was able to complete the S. Greenhill Roundabout project and continues working on the Town Center Trail in phases. The Belinda Pkwy wing wall repair and the Lebanon Rd slip ramp at Golden Bear Gateway were also completed.

In addition to completing the I-40 Bridge Widening project, the City is utilizing the Capital Projects Fund to provide the funding for the construction of the widening of the remainder of Golden Bear Gateway from Cedar Creek Road north to Lebanon Road, the widening of Lebanon Road from Park Glen to Golden Bear and the widening of Old Lebanon Dirt Road from west of Cobblestone Landing to Moreland Drive. Projects of this size typically span longer than one fiscal year; however, it is necessary to provide the budgets for the projects in order to begin engineering that would allow the City to be considered for any grants that might become available in the immediate future. Certain grants are more easily obtained when the planning, engineering, and budgets already exist.

**City of Mt. Juliet, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2024

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**Proprietary Funds:** The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Sewer Fund at the end of the fiscal year amounted to \$37.4 million. The total increase in net position for the fund was over \$16.5 million.

- Developers built sewer lines to the required City standard, which were contributed to the City, in the amount of over \$11.9 million. The City assumed responsibility for maintenance, repair, and eventual replacement of these assets.
- Developers also contributed over \$623 thousand in tap fees that will be available for sewer expansion and replacement.

#### **Capital Asset and Debt Administration**

**Capital Assets:** The City of Mt. Juliet's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals over \$256 million (net of accumulated depreciation). These assets include buildings, roads and bridges, land machinery and equipment, park facilities, and vehicles

Major Capital Asset Acquisitions Fiscal Year 2023-2024

<u>Governmental Activities</u>	<u>Business Activities</u>
115 CLEMMONS ROAD BUILDING	\$ 9,403,182
NEW POLICE HEADQUARTERS	\$ 4,723,832
OLD LEBANON DIRT ROAD WIDENING	\$ 2,149,093
LEBANON RD WIDENING & SIDEWALKS PROJECTS	\$ 2,024,463
CITY VEHICLES W/EQUIPMENT	\$ 2,009,900
LAND AT 620 CLEMMONS RD	\$ 1,847,861
CITY EQUIPMENT	\$ 1,796,136
SOUTH GREENHILL ROUNDABOUT	\$ 1,693,480
1025 CHARLIE DANIELS RD BUILDING	\$ 1,560,000
EMS VEHICLES & EQUIPMENT	\$ 1,399,737
PARKS IMPROVEMENTS	\$ 958,760
LAND FOR FIRE STATION #3	\$ 953,432
CENTRAL PIKE INTERCHANGE PROJECT	\$ 880,218
MT JULIET GREENHILL/TCT PROJECT	\$ 846,928
SR-71 MT JULIET RD AT I-40 OVERPASS PROJECT	\$ 840,697
BECKWITH RD IMPROVEMENT & WIDENING PROJECT	\$ 566,269
I-40 INTERCHANGE @ SR-265 (CENTRAL PIKE)	\$ 431,167
CENTRAL PIKE WIDENING	\$ 391,924
EAST DIVISION WIDENING	\$ 356,333
POLICE GUN RANGE BUILDING	\$ 306,881

**City of Mt. Juliet, Tennessee**  
 Management's Discussion and Analysis (Unaudited)  
 For the Year Ended June 30, 2024

**City of Mt. Juliet's Capital Assets (In Thousands)**

<u>Asset Class</u>	Governmental Activities		Business Type Activities		Total		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Land	\$ 14,338	\$ 9,977	\$ 3,333	\$ 3,333	\$ 17,671	\$ 13,310		
Bldgs and Improvements	17,553	7,843	622	514	18,175	8,357		
Improv Other than Bldgs	8,414	8,386	293	293	8,707	8,679		
Machinery and Equipment	27,393	19,057	1,582	1,684	28,975	20,741		
Construction in Progress	32,790	24,075	8,790	4,117	41,580	28,192		
Collection System	-	-	114,836	101,208	114,836	101,208		
Infrastructure	114,669	99,688	-	-	114,669	99,688		
 Total Cost	 \$ 215,157	 \$ 169,026	 \$ 129,456	 \$ 111,149	 \$ 344,613	 \$ 280,175		
Less Accumulated Depreciation	52,457	43,709	36,048	33,316	88,505	77,025		
 Net Capital Assets	 \$ 162,700	 \$ 125,317	 \$ 93,408	 \$ 77,833	 \$ 256,108	 \$ 203,150		

Additional information on the City capital assets can be found in note 5 of the basic Financial Statements

**Long-term Debt:** As of June 30, 2024, the City of Mt. Juliet had total bonded debt, lease-purchases, long-term obligations, and capital notes outstanding of over \$44.9 million. The entire debt is backed by the full faith and credit of the City of Mt. Juliet.

**Long-term Debt (In Thousands)**

	Governmental Activities		Business Type Activities		Total		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
General Obligation Bonds and								
Capital Notes	\$ 41,145	\$ 10,400	-	\$ -	\$ 41,145	\$ 10,400		
Lease	-	570	-	-	-	-		570
Bond Premium	3,750	476	-	-	3,750	476		
 Total	 \$ 44,895	 \$ 11,446	 -	 \$ -	 \$ 44,895	 \$ 11,446		

Impact Fee revenue is allocated to the Debt Service Fund in order to liquidate the City's bonds that were issued to support the City road building projects. This revenue of over \$334 thousand was supplemented with a transfer from the General Fund of \$1.06 million, for the fund to meet the outstanding obligations. The City of Mt. Juliet was upgraded to the AAA rating in May 2024 by Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of the City of Mt. Juliet.

**City of Mt. Juliet, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2024

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The City of Mt. Juliet's debt policy seeks to limit governmental total outstanding debt obligations to five percent (5%) of assessments or \$1,400 per capita, whichever is lower. At June 30 2024, governmental debt was less than 2.15% of assessments and less than \$1,110 per capita.

**Long-term Debt:** Total debt payments for the next fiscal year are near \$2.215 million. Additional information regarding the City of Mt. Juliet's long-term debt can be found in the footnotes.

**Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the City.

- The City's unemployment rate fell from an estimated 3.1% last June to 2.8% which is below the national average of 4.1%, the Tennessee rate of 3% and the Wilson County rate of 3.1%. The rate has continued to recover from a high of 15.3% in April of 2020 due to the pandemic and remain mostly level since August 2021.
- BJ's Wholesale Club opened in December 2023 bringing about 175 jobs and tax revenue to the city.
- The City approved the Legacy Pointe development off Golden Bear Gateway and Interstate 40. This mixed-use development will contain medical offices and retail stores on approximately 85 acres.
- The City saw the opening of Costco within the Legacy Pointe development in June 2024. Costco brings with it approximately 275 jobs along with sidewalk, road and lighting improvements as well as property and sales tax revenue.
- The City continues to attract new restaurants and businesses with Chipotle's second location opening in 2025, and Whataburger approved for a second location, and Mid Tenn Powersports planned relocation to the Legacy Point area. The quickly developing area of Golden Bear Gateway and Interstate 40 has also attracted businesses including Fifth Third Bank, Texas Roadhouse, Eastside Bowl and In and Out Burger.

Budget Highlights for the Fiscal Year ending 6/30/2024

**Governmental Activities:** The City had a healthy growth rate in sales tax with an increase of 4.0% along with a 9% growth in local business tax revenues in fiscal year 2024. This growth is expected to increase as the City brings on new businesses including BJ's and Costco.

The City has experienced significant growth since the last official census which set the population at 39,289. To capture that increase, a Special Census was approved by the Board in FY24. The verified census set the updated population at 40,430. The City receives approximately \$175 per capita in state shared revenues.

The City is utilizing the reserve from hotel/motel tax collections and unrestricted funds to continue to expand the park system including the Town Center Trail and Cedar Creek Greenways to make the city more walkable and bike friendly. The City is also renovating a building at Charlie Daniels Park to provide additional meeting space as well as a toddler park for our littlest citizens.

The City, in its efforts to stay competitive and combat inflation approved a 3.2% increase in employee salaries across the board.

The City's Emergency Medical Services Division began service to citizens in March 2023. The division provides increased medical services to the City and supports the County EMS when necessary. The City approved funding for additional vehicles and equipment to ensure uninterrupted service should mechanical issues arise.

**City of Mt. Juliet, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2024

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The City approved the purchase of land connecting to current city property in an effort to combine the parcels and encourage responsible development of the area.

**Budget Highlights for the Fiscal Year ending 6/30/2025**

**Governmental Activities:** General Fund expenditures are anticipated to increase with the largest increments being in transfers for both debt service due to the issuance of bonds for the new Police Headquarters and a new Fire Station as well as roadway construction including the Golden Bear Gateway Widening to Lebanon Rd. Budgeted expenditures are expected to exceed budgeted revenue for 6/30/2025 by nearly \$35 million due to funding capital purchases and capital projects. The city historically budgets the full cost of projects though the projects take many years to complete. The city continues to have substantial reserves to cover the budget deficit.

The City has been awarded grants to improve the City's sidewalks and bike lanes along the areas of Lebanon Road, complete ADA upgrades along Mt. Juliet Rd and further Greenway development.

The City was also awarded a grant for the design and construction of an ITS and Signal Improvements project. This project will implement an interconnected signal system along Mt. Juliet Road from Central Pike to City Hall for 13 total signals within the corridor. This includes the installation of fiber optic cable, expansion of the traffic operations center at City Hall, implementation of Advanced Signal Control Technology, and the construction of a new signal within the corridor.

**Business-type Activities:** The City projects revenue growth of 3%. Purification costs can be expected to rise 3% due to the CPI and in accordance with the Metro contract. Personnel costs can be expected to rise due to salary adjustments and added personnel. General operating expenses will increase as the number of personnel increases and the City works to maintain the growing system. The City continues to work on the \$7 million Stoner Creek Interceptor Upgrade as well as several other replacement and relocation projects. The Sewer Fund revenue is expected to cover 100% of the costs of operations including depreciation.

**Requests for Information**

This report was designed to provide an overview of the City of Mt. Juliet's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Dana Hire, PO Box 679, Mt. Juliet, TN 37121-0679 or email at [dhire@mtjuliet-tn.gov](mailto:dhire@mtjuliet-tn.gov).

Additional budget information is published on the City of Mt. Juliet's website under Government, Finance Department, Quick Links, and Adopted City Budget.

<http://www.mtjuliet-tn.gov>

**City of Mt. Juliet, Tennessee**

Statement of Net Position

June 30, 2024

	<b>Primary Government</b>			<b>Component Unit</b>	
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>		
<b>Assets</b>					
Cash and cash equivalents	\$ 18,728,409	\$ 3,819,903	\$ 22,548,312	\$ 2,069,557	
Certificates of deposit, current portion	38,490,823	17,564,885	56,055,708		-
Receivables, net					
Property taxes	2,312,117	-	2,312,117		-
Other taxes	1,101,795	-	1,101,795		-
Customers and other	1,854,132	3,846,641	5,700,773		-
Due from other governments	4,754,458	-	4,754,458		-
Interest receivable	814,689	410,095	1,224,784		-
Prepaid expenses	133,048	24,090	157,138		-
Inventories	-	109,856	109,856		-
Restricted assets					
Cash	31,066,387	2,921,119	33,987,506		-
Certificates of deposit, net of current portion	-	-	-		-
Capital assets, net of accumulated depreciation	115,572,217	81,285,809	196,858,026		-
Land and construction in progress, non-depreciable	47,127,832	12,122,411	59,250,243		-
Total assets	261,955,907	122,104,809	384,060,716	2,069,557	
<b>Deferred Outflows of Resources</b>					
Deferred pension outflows of resources	7,574,218	609,100	8,183,318		-
Deferred OPEB outflows of resources	125,653	13,963	139,616		-
Deferred amounts on refunding	194,785	-	194,785		-
Total deferred outflows of resources	7,894,656	623,063	8,517,719		-

*Continued*

**City of Mt. Juliet, Tennessee**

Statement of Net Position

June 30, 2024

	<b>Primary Government</b>		<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Accounts payable	2,627,994	1,222,689	3,850,683
Accrued liabilities	940,405	123,927	1,064,332
Over-recovered costs	-	1,542,574	1,542,574
Other liabilities	1,577,196	247,442	1,824,638
Accrued interest	22,378	-	22,378
Compensated absences	1,376,512	-	1,376,512
Long-term liabilities, current portion	2,737,905	-	2,737,905
Long-term liabilities, net of current portion	42,157,138	-	42,157,138
Net pension liability	3,658,598	193,846	3,852,444
OPEB liability	354,646	39,405	394,051
Total liabilities	55,452,772	3,369,883	58,822,655
<b>Deferred Inflows of Resources</b>			
Deferred pension inflows of resources	538,534	73,028	611,562
Deferred OPEB inflows of resources	156,882	17,430	174,312
Deferred property tax revenues	2,269,037	-	2,269,037
Total deferred inflows of resources	2,964,453	90,458	3,054,911
<b>Net Position</b>			
Net investment in capital assets	116,507,983	78,935,554	195,443,537
Restricted for			
Capital improvements	37,248,307	2,921,119	40,169,426
Debt service	129,735	-	129,735
Streets	137,591	-	137,591
Drug	579,074	-	579,074
Stormwater	3,422,807	-	3,422,807
Specific commercial development	-	-	-
Unrestricted	53,407,841	37,410,858	90,818,699
Total net position	\$ 211,433,338	\$ 119,267,531	\$ 330,700,869
			\$ 2,069,557

**City of Mt. Juliet, Tennessee**  
 Statement of Activities  
 For the Year Ended June 30, 2024

Functions/Programs	Program Revenues						Net (Expenses) Revenues and Changes in Net Position				
							Primary Government			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total				
<b>Primary Government</b>											
<b>Governmental Activities</b>											
General government	6,103,540	\$ 2,617,842	\$ -	\$ -	\$ (3,485,698)	\$ -	\$ (3,485,698)	\$ -	\$ -		
Public safety	25,401,331	1,216,310	-	-	(24,185,021)	-	(24,185,021)	-	-		
Recreation and culture	3,165,282	144,626	-	-	(3,020,656)	-	(3,020,656)	-	-		
Streets and public works	9,567,582	2,136,172	1,490,199	4,729,994	(1,211,217)	-	(1,211,217)	-	-		
Stormwater	844,887	2,351,027	-	-	1,506,140	-	1,506,140	-	-		
Interest on debt	710,576	-	-	-	(710,576)	-	(710,576)	-	-		
Total governmental activities	45,793,198	8,465,977	1,490,199	4,729,994	(31,107,028)	-	(31,107,028)	-	-		
<b>Business-type Activities</b>											
Sewer	9,087,271	9,364,633	-	15,065,422	-	15,342,784	15,342,784	-	-		
Total primary government	\$ 54,880,469	\$ 17,830,610	\$ 1,490,199	\$ 19,795,416	(31,107,028)	15,342,784	(15,764,244)	-	-		
<b>Component Units</b>											
The Industrial Development Board of the City of Mt. Juliet, TN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>General Revenues</b>											
Property taxes					2,228,401	-	2,228,401	-	-		
Sales taxes					20,365,834	-	20,365,834	-	-		
Wholesale beer tax					981,580	-	981,580	-	-		
Wholesale liquor tax					732,798	-	732,798	-	-		
Franchise tax					993,711	-	993,711	-	-		
Hotel/motel tax					1,315,326	-	1,315,326	-	-		
Business tax					2,247,000	-	2,247,000	-	-		
State shared unrestricted taxes											
State shared sales tax					4,847,482	-	4,847,482	-	-		
State shared beer tax					17,269	-	17,269	-	-		
State shared alcoholic beverage tax					265,321	-	265,321	-	-		
State shared income tax					256,037	-	256,037	-	-		
State shared TVA tax					481,490	-	481,490	-	-		
Other unrestricted state shared taxes					180,864	-	180,864	-	-		
Grants and contributions not restricted to specific programs					1,128,730	-	1,128,730	-	-		
Unrestricted investment earnings					3,069,778	1,199,516	4,269,294	-	-		
Other					2,611,650	40,009	2,651,659	-	69,557		
Total general revenues					41,723,271	1,239,525	42,962,796	-	69,557		
Change in net position					10,616,243	16,582,309	27,198,552	-	69,557		
Net position, beginning of year					200,817,095	102,685,222	303,538,370	-	1,972,655		
Net position, end of year					\$ 211,433,338	\$ 119,267,531	\$ 330,700,869	-	\$ 2,042,212		

**City of Mt. Juliet, Tennessee**

Balance Sheet  
Governmental Funds  
June 30, 2024

	<b>Special Revenue</b>			<b>Capital Projects</b>	<b>Debt Service</b>	<b>Other Governmental</b>	<b>Total</b>
	<b>General</b>	<b>State Street</b>	<b>Aid</b>				
<b>Assets</b>							
Cash	\$ 13,436,313	\$ 209,805	\$ 30,626	\$ 147,481	\$ 4,013,751	\$ 17,837,976	
Certificates of deposit, current portion	15,782,137	-	3,142,890	-	-	-	18,925,027
Receivables, net							
Accounts	1,584,149	-	-	-	273,422		1,857,571
Property taxes, net	2,312,117	-	-	-	-		2,312,117
Other taxes	506,325	-	-	-	-		506,325
Due from other governments	4,973,861	243,222	136,276	-	-		5,353,359
Due from other funds	18,196	-	72,939	450	-		91,585
Interest receivable	738,234	-	76,455	-	-		814,689
Special assessment receivable	-	-	5,972	-	-		5,972
Prepaid expenses	119,544	-	-	-	3,059		122,603
Other assets	10,445	-	-	-	-		10,445
Certificates of deposit	15,357,226	-	4,208,570	-	-		19,565,796
Restricted assets							
Cash, for construction	-	-	31,066,387	-	-		31,066,387
Total assets	<b>\$ 54,838,547</b>	<b>\$ 453,027</b>	<b>\$ 38,740,115</b>	<b>\$ 147,931</b>	<b>\$ 4,290,232</b>	<b>\$ 98,469,852</b>	

*Continued*

**City of Mt. Juliet, Tennessee**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2024

	<u>Special Revenue</u>		Capital Projects	Debt Service	Other Governmental	Total
	General	State Street Aid				
<b>Liabilities</b>						
Accounts payable	\$ 759,781	\$ 192,479	\$ 1,491,808	\$ -	\$ 183,476	\$ 2,627,544
Accrued costs	2,415,785	-	-	-	101,816	2,517,601
Due to other funds	73,389	-	-	18,196	-	91,585
Total liabilities	<u>3,248,955</u>	<u>192,479</u>	<u>1,491,808</u>	<u>18,196</u>	<u>285,292</u>	<u>5,236,730</u>
<b>Deferred Inflows of Resources</b>						
Unavailable tax revenues	4,626,774	122,957	-	-	-	4,749,731
<b>Fund Balances</b>						
Nonspendable						
Roads and recreation	4,395,413	-	-	-	-	4,395,413
Prepaid items	119,544	-	-	-	3,059	122,603
Restricted for						
Streets	-	137,591	-	-	-	137,591
Drug	-	-	-	-	579,074	579,074
Stormwater	-	-	-	-	3,422,807	3,422,807
Debt service	-	-	-	-	-	-
Committed to						
Capital projects	-	-	37,248,307	-	-	37,248,307
Stabilization	600,000	-	-	-	-	600,000
Assigned for						
Parks project	48,935	-	-	-	-	48,935
Unassigned	41,798,926	-	-	129,735	-	41,928,661
Total fund balances	<u>46,962,818</u>	<u>137,591</u>	<u>37,248,307</u>	<u>129,735</u>	<u>4,004,940</u>	<u>88,483,391</u>
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 54,838,547</b>	<b>\$ 453,027</b>	<b>\$ 38,740,115</b>	<b>\$ 147,931</b>	<b>\$ 4,290,232</b>	<b>\$ 98,469,852</b>

**City of Mt. Juliet, Tennessee**  
 Reconciliation of Balance Sheet, Governmental Funds to  
 Statement of Net Position, Governmental Activities  
 June 30, 2024

<b>Amounts reported for fund balance, total governmental funds</b>	\$ 88,483,391
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	162,700,049
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
State shared revenues and local option sales tax receivable	2,470,841
Property taxes receivable	(3,439)
Internal service fund is used by management to charge the costs of medical insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	890,433
In the statement of activities, interest is accrued on outstanding bonds, whereas, in the governmental funds, interest expenditures are reported when due.	(22,378)
Bond premiums are amortized over the life of the bonds on the statement of activities.	(3,750,043)
Gain or loss on bond refunding is amortized as a component of interest over the life of the bonds on the statement of net position.	194,785
Pension plan reporting requires recognition of the City's portion of net pension liability or asset and deferred outflows/inflows of resources in governmental activities. These amounts are not reflected in the fund financial statements.	
Net pension liability	(3,658,598)
Deferred outflows of resources	7,574,218
Deferred inflows of resources	<u>(538,534)</u>
	3,377,086
OPEB plan reporting requires recognition of the Entity's portion of OPEB liability or asset and deferred outflows/inflows of resources in governmental activities. These amounts are not reflected in the fund financial statements.	
OPEB liability	(354,646)
Deferred inflows of resources	(156,882)
Deferred outflows of resources	<u>125,653</u>
	(385,875)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded in the funds.	
Governmental bonds and notes payable	(41,145,000)
Compensated absences	<u>(1,376,512)</u>
Net position of governmental activities	<u><u>\$ 211,433,338</u></u>

**City of Mt. Juliet, Tennessee**  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 June 30, 2024

	<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
	<u>General</u>	<u>State Street Aid</u>				
<b>Revenues</b>						
Taxes	\$ 28,889,755	\$ -	\$ -	\$ -	\$ -	\$ 28,889,755
Intergovernmental	7,672,487	1,367,242	1,128,730	-	129,976	10,298,435
Fines and fees	1,074,921	-	-	371,658	110,522	1,557,101
Licenses and permits	2,119,062	-	-	-	498,780	2,617,842
Charges for services	2,311,665	-	-	-	2,383,527	4,695,192
Uses of money and property	2,669,171	22,300	-	9,020	136,264	2,836,755
Miscellaneous	292,702	-	4,029,790	-	19,948	4,342,440
Total revenues	45,029,763	1,389,542	5,158,520	380,678	3,279,017	55,237,520
<b>Expenditures</b>						
Current						
General government	10,165,973	-	-	-	-	10,165,973
Police	15,351,595	-	-	-	20,045	15,371,640
Fire	10,359,486	-	-	-	-	10,359,486
EMS	1,544,234	-	-	-	-	1,544,234
Streets and public works	14,733,299	2,517,811	-	-	-	17,251,110
Stormwater	-	-	-	-	769,918	769,918
Parks and culture	4,705,281	-	-	-	-	4,705,281
Debt service	-	-	-	1,666,605	-	1,666,605
Capital outlay	-	-	17,221,447	-	524,666	17,746,113
Total expenditures	56,859,868	2,517,811	17,221,447	1,666,605	1,314,629	79,580,360
Excess (deficiency) of revenues over expenditures	(11,830,105)	(1,128,269)	(12,062,927)	(1,285,927)	1,964,388	(24,342,840)
<b>Other Financing Sources (Uses)</b>						
Debt proceeds	-	-	31,800,000	-	-	31,800,000
Transfers from (to) other funds	(11,520,388)	1,000,000	9,460,388	1,060,000	-	-
Total other financing sources	(11,520,388)	1,000,000	41,260,388	1,060,000	-	31,800,000
Net change in fund balances	(23,350,493)	(128,269)	29,197,461	(225,927)	1,964,388	7,457,160
Fund balances, beginning of year	70,313,311	265,860	8,050,846	355,662	2,040,552	81,026,231
Fund balances, end of year	<b>\$ 46,962,818</b>	<b>\$ 137,591</b>	<b>\$ 37,248,307</b>	<b>\$ 129,735</b>	<b>\$ 4,004,940</b>	<b>\$ 88,483,391</b>

## City of Mt. Juliet, Tennessee

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2024

**Amounts reported for net change in fund balances, total governmental funds** \$ 7,457,160

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report their capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the assets' estimated useful lives and reported as depreciation expense in the current period.

Cost of assets acquired	\$ 39,195,537	
Depreciation expense	<u>(6,626,607)</u>	32,568,930

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Local option sales tax	(25,105)	
State shared revenues	173,641	
Contributed capital assets	<u>4,446,856</u>	4,595,392

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of premiums, discounts, losses on refundings, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Proceeds from debt issuance	(31,800,000)	
Debt payments	1,055,000	
Bond premium	(3,423,470)	
Interest	<u>120,569</u>	(34,047,901)

Expenses reported for governmental activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.

Compensated absences	(288,520)	
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*Continued*

## **City of Mt. Juliet, Tennessee**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2024

Pension expenditures in the governmental funds reflect amounts currently paid to fund the pension plan; however, pension expense in the statement of activities is a comprehensive measure consisting of elements, deferrals, and amortization of expenses, which results in a difference of pension costs.

Pension costs (14,518)

OPEB expenditures in the governmental funds reflect amounts currently paid for OPEB costs; however, OPEB expense in the statement of activities is a comprehensive measure consisting of elements, deferrals, and amortization of expenses, which results in a difference of OPEB costs.

OPEB costs 173,188

Internal service funds are used by management to charge the costs of medical insurance to individual funds. The net revenues (expenses) of certain activities of internal service funds are reported as governmental activities (net of amounts allocated to business activities). Change in net position of governmental activities

172,512  
\$ 10,616,243

**City of Mt. Juliet, Tennessee**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Local taxes				
Real estate taxes	\$ 2,261,161	\$ 2,261,161	\$ 2,228,401	\$ (32,760)
Local sales taxes	18,775,000	18,775,000	20,390,939	1,615,939
Wholesale beer	1,000,000	1,000,000	981,580	(18,420)
Wholesale liquor	700,000	700,000	732,798	32,798
Franchise taxes	1,225,000	1,225,000	993,711	(231,289)
Hotel/motel taxes	1,350,000	1,350,000	1,315,326	(34,674)
Business taxes	1,754,000	1,754,000	2,247,000	493,000
Total local taxes	<u>27,065,161</u>	<u>27,065,161</u>	<u>28,889,755</u>	<u>1,824,594</u>
Intergovernmental revenues				
State sales tax	4,714,680	4,714,680	4,821,574	106,894
State beer tax	18,073	18,073	17,269	(804)
State income tax	-	-	879	879
City petroleum special tax	71,899	71,899	71,931	32
State alcohol beverage tax	200,000	200,000	257,441	57,441
Police in-service	83,400	83,400	108,800	25,400
Other state revenue allocation	66,789	66,789	108,419	41,630
TVA in lieu of tax	471,468	471,468	481,490	10,022
Grants	<u>1,657,506</u>	<u>1,657,506</u>	<u>1,804,684</u>	<u>147,178</u>
Total intergovernmental revenues	<u>7,283,815</u>	<u>7,283,815</u>	<u>7,672,487</u>	<u>388,672</u>
Fines and forfeits				
City court and drug control	1,043,000	1,043,000	1,074,921	31,921
Licenses and permits				
Building permits	650,000	650,000	738,560	88,560
Plumbing permits	125,000	125,000	113,572	(11,428)
Review and inspection fees	365,000	365,000	445,743	80,743
Zoning permits	15,000	15,000	17,204	2,204
Sign permits	10,000	10,000	9,550	(450)
Electrical permits	400,000	400,000	270,164	(129,836)
Other permits	<u>521,000</u>	<u>521,000</u>	<u>524,269</u>	<u>3,269</u>
Total licenses and permits	<u>2,086,000</u>	<u>2,086,000</u>	<u>2,119,062</u>	<u>33,062</u>
Charges for services				
Public safety charges	45,500	45,500	30,867	(14,633)
Road improvement fees	50,000	50,000	2,136,172	2,086,172
Recreational fees	<u>112,700</u>	<u>112,700</u>	<u>144,626</u>	<u>31,926</u>
Total charges for services	<u>208,200</u>	<u>208,200</u>	<u>2,311,665</u>	<u>2,103,465</u>
Other uses of property and money				
Administrative support services	115,000	115,000	115,000	-
Rent	12,000	12,000	58,158	46,158
Interest	<u>850,000</u>	<u>850,000</u>	<u>2,496,013</u>	<u>1,646,013</u>
Total other uses of property and money	<u>977,000</u>	<u>977,000</u>	<u>2,669,171</u>	<u>1,692,171</u>
Other revenues				
Contributions from others	7,400	7,400	22,932	15,532
Sale of assets	10,000	10,000	17,138	7,138
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>252,632</u>	<u>247,632</u>
Total other revenues	<u>22,400</u>	<u>22,400</u>	<u>292,702</u>	<u>270,302</u>
Total revenues	<u>38,685,576</u>	<u>38,685,576</u>	<u>45,029,763</u>	<u>6,344,187</u>

*Continued*

**City of Mt. Juliet, Tennessee**  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 General Fund  
 For the Year Ended June 30, 2024

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
General government				
Legislative board				
Salaries	67,201	67,201	64,911	2,290
Employee benefits	11,241	11,241	7,924	3,317
Supplies and other	11,405	11,405	7,938	3,467
Total legislative board	89,847	89,847	80,773	9,074
City court				
Salaries	11,700	11,700	10,858	842
Employee benefits	895	895	859	36
Outside services	6,000	6,000	4,950	1,050
Supplies	1,000	1,000	313	687
Total city court	19,595	19,595	16,980	2,615
City manager				
Salaries	816,598	871,498	800,850	70,648
Employee benefits	295,824	313,924	272,882	41,042
Outside services	20,000	23,000	29,039	(6,039)
Membership and dues	50,000	50,000	41,097	8,903
Events and city beautification	80,000	80,000	64,790	15,210
Supplies	26,200	26,200	19,950	6,250
Insurance	6,500	6,500	8,824	(2,324)
Other costs	26,050	26,050	22,421	3,629
Retiree benefits	350	350	260	90
Capital outlay	45,000	45,000	-	45,000
Total city manager	1,366,522	1,442,522	1,260,113	182,409
Finance				
Salaries	546,756	520,456	505,460	14,996
Employee benefits	196,534	196,534	178,043	18,491
Outside services	125,000	122,000	121,278	722
Supplies	18,900	18,900	20,121	(1,221)
Other costs	5,650	5,650	4,865	785
Total finance	892,840	863,540	829,767	33,773
City attorney				
Outside services	325,000	325,000	324,600	400
Economic Development	-	-	-	-
Other costs	950	950	724	226
Total city attorney	325,950	325,950	325,324	626

*Continued*

**City of Mt. Juliet, Tennessee**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
General government				
Economic and community development				
Salaries	835,449	835,449	582,615	252,834
Employee benefits	333,014	333,014	271,728	61,286
City beautification	20,000	20,000	21,547	(1,547)
Outside services	111,000	111,000	108,327	2,673
Other costs	147,600	199,850	124,301	75,549
Capital outlay	2,130,000	2,130,000	2,076,924	53,076
Total economic and community development	3,577,063	3,629,313	3,185,442	443,871
Planning and codes				
Salaries	1,179,690	1,212,690	1,131,860	80,830
Employee benefits	500,088	505,898	457,469	48,429
Supplies	28,500	28,500	23,867	4,633
Insurance	21,750	21,750	21,021	729
Outside services	62,000	62,000	13,779	48,221
Other costs	73,400	73,400	50,821	22,579
Capital outlay	50,000	50,000	38,935	11,065
Total planning and codes	1,915,428	1,954,238	1,737,752	216,486
City buildings and IT services				
Salaries	622,580	622,580	600,369	22,211
Employee benefits	199,379	199,379	185,593	13,786
Supplies	475,950	475,950	455,466	20,484
Repairs and maintenance	66,300	66,300	70,185	(3,885)
Outside services	408,500	408,500	336,355	72,145
Utilities	424,100	424,100	381,535	42,565
Insurance	40,548	40,548	39,368	1,180
Equipment rental	265,500	265,500	204,550	60,950
Other costs	49,593	49,593	11,895	37,698
Capital outlay	522,965	522,965	444,506	78,459
Total city buildings and IT services	3,075,415	3,075,415	2,729,822	345,593
Total general government	11,262,660	11,400,420	10,165,973	1,234,447

*Continued*

**City of Mt. Juliet, Tennessee**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
Public safety				
Police department				
Salaries	8,391,921	8,391,921	8,361,432	30,489
Benefits	2,935,741	2,941,441	2,691,494	249,947
Repairs and maintenance	291,000	291,000	257,783	33,217
Supplies	774,481	774,481	681,895	92,586
Outside services	1,090,722	1,090,722	942,804	147,918
Utilities	65,800	65,800	66,365	(565)
Insurance	247,956	247,956	245,016	2,940
Other costs	122,170	122,170	110,588	11,582
Capital outlay	1,243,675	2,153,675	1,994,218	159,457
Total police	15,163,466	16,079,166	15,351,595	727,571
Fire department				
Salaries	6,462,166	6,462,166	6,380,933	81,233
Benefits	1,747,337	1,747,337	1,581,274	166,063
Utilities	126,900	126,900	127,534	(634)
Contract services	15,000	65,000	11,449	53,551
Supplies	180,500	180,500	173,159	7,341
Repairs and maintenance	125,000	130,500	126,716	3,784
Insurance	108,800	108,800	126,342	(17,542)
Other	120,100	120,100	71,399	48,701
Capital outlay	2,584,295	3,884,295	1,760,680	2,123,615
Total fire	11,470,098	12,825,598	10,359,486	2,466,112
EMS department				
Contract services	82,000	82,000	13,245	68,755
Supplies	120,500	120,500	108,840	11,660
Repairs and maintenance	45,000	81,500	80,421	1,079
Insurance	10,000	10,000	7,342	2,658
Other	181,000	181,000	165,941	15,059
Capital outlay	1,075,750	1,366,497	1,168,445	198,052
Total EMS	1,514,250	1,841,497	1,544,234	297,263
Streets and public works				
Salaries	1,684,691	1,684,691	1,541,365	143,326
Benefits	713,893	713,893	620,620	93,273
Repairs and maintenance	183,000	183,000	115,838	67,162
Supplies	86,250	86,250	58,532	27,718
Outside services	322,500	322,500	249,288	73,212
Utilities	48,900	48,900	64,890	(15,990)
Insurance	52,000	52,000	54,489	(2,489)
Other costs	398,600	398,600	365,928	32,672
Capital outlay	11,890,000	11,986,500	11,662,349	324,151
Total streets and public works	15,379,834	15,476,334	14,733,299	743,035

*Continued*

**City of Mt. Juliet, Tennessee**  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 General Fund  
 For the Year Ended June 30, 2024

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
Recreation and culture				
Salaries	1,026,899	1,053,199	952,693	100,506
Employee benefits	401,494	401,494	379,582	21,912
Repairs and maintenance	53,000	53,000	46,695	6,305
Supplies	200,700	200,700	185,270	15,430
Outside services	138,000	138,000	59,184	78,816
Utilities	66,500	66,500	83,255	(16,755)
Insurance	30,000	30,000	28,307	1,693
Other costs	30,150	30,150	20,684	9,466
Appropriation to non-profits	404,000	426,704	426,704	-
Capital outlay	1,701,500	3,491,500	2,522,907	968,593
Total recreation and culture	4,052,243	5,891,247	4,705,281	1,185,966
Total expenditures	58,842,551	63,514,262	56,859,868	6,654,394
Excess (deficiency) of revenues over expenditures	(20,156,975)	(24,828,686)	(11,830,105)	12,998,581
<b>Other Financing Sources (Uses)</b>				
Transfers out	(16,580,178)	(18,047,324)	(11,520,388)	6,526,936
Change in fund balance	(36,737,153)	(42,876,010)	(23,350,493)	19,525,517
Fund balance, beginning of year	70,313,311	70,313,311	70,313,311	-
Fund balance, end of year	<b>\$ 33,576,158</b>	<b>\$ 27,437,301</b>	<b>\$ 46,962,818</b>	<b>\$ 19,525,517</b>

**City of Mt. Juliet, Tennessee**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 State Street Aid Fund  
 For the Year Ended June 30, 2024

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental				
Gasoline motor fuel city tax	\$ 704,160	\$ 704,160	\$ 700,128	\$ (4,032)
Gas 1989 tax	110,701	110,701	110,067	(634)
Gas 3 cent tax	204,407	204,407	203,237	(1,170)
Gas 2017 tax	355,847	355,847	353,810	(2,037)
Interest	3,000	3,000	22,300	19,300
Total revenues	1,378,115	1,378,115	1,389,542	11,427
<b>Expenditures</b>				
Street maintenance				
Repairs and maintenance	2,140,000	2,140,000	2,126,461	13,539
Street lighting and signage	400,000	400,000	391,350	8,650
Total expenditures	2,540,000	2,540,000	2,517,811	22,189
Excess (deficiency) of revenues over expenditures	(1,161,885)	(1,161,885)	(1,128,269)	33,616
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	1,175,000	1,175,000	1,000,000	(175,000)
Excess (deficiency) of revenues and other sources over expenditures	13,115	13,115	(128,269)	(141,384)
Fund balance, beginning of year	265,860	265,860	265,860	-
Fund balance, end of year	<b>\$ 278,975</b>	<b>\$ 278,975</b>	<b>\$ 137,591</b>	<b>\$ (141,384)</b>

## City of Mt. Juliet, Tennessee

### Statement of Net Position

#### Proprietary Funds

June 30, 2024

	<b>Business-type Activities</b>	
	<b>Sewer Enterprise Fund</b>	<b>Internal Service Fund</b>
<b>Assets</b>		
Current assets		
Cash	\$ 3,819,903	\$ 1,064,243
Certificates of deposit	17,564,885	-
Receivables, net of allowance for doubtful accounts of \$59,808	1,346,352	-
Grant receivables	2,500,289	-
Interest receivable	410,095	-
Prepaid insurance	24,090	-
Inventory	109,856	-
Total current assets	25,775,470	1,064,243
Capital assets		
Land	3,332,583	-
Construction in progress	8,789,828	-
Collection system	114,836,715	-
Buildings and other improvements	915,316	-
Equipment and rolling stock	1,582,022	-
Capital assets before depreciation	129,456,464	-
Less: accumulated depreciation	(36,048,244)	-
Capital assets, net	93,408,220	-
Other noncurrent assets		
Cash restricted for capital projects	2,921,119	-
Total assets	122,104,809	1,064,243
<b>Deferred Outflows of Resources</b>		
Pension plan	609,100	-
OPEB	13,963	-
Total deferred outflows of resources	623,063	-

*Continued*

## City of Mt. Juliet, Tennessee

### Statement of Net Position

#### Proprietary Funds

June 30, 2024

	<b>Business-type Activities</b>	
	<b>Sewer Enterprise Fund</b>	<b>Internal Service Fund</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	1,222,689	1,299
Over-recovered cost	1,542,574	-
Accrued expenses	123,927	-
Surety bonds	247,442	-
Total current liabilities	<hr/> 3,136,632	<hr/> 1,299
Net pension liability	193,846	-
OPEB liability	39,405	-
Total liabilities	<hr/> 3,369,883	<hr/> 1,299
<b>Deferred Inflows of Resources</b>		
Pension plan	73,028	-
OPEB	17,430	-
Total deferred inflows of resources	<hr/> 90,458	<hr/> -
<b>Net Position</b>		
Net investment in capital assets	78,935,554	-
Restricted for capital improvements	2,921,119	-
Unrestricted	37,410,858	1,062,944
Total net position	<hr/> \$ 119,267,531	<hr/> \$ 1,062,944
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	<hr/> 177,400	
	<hr/> \$ 119,444,931	

**City of Mt. Juliet, Tennessee**  
 Statement of Revenues, Expenditures, and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended June 30, 2024

	<b>Business-type Activities</b>	
	<b>Sewer Enterprise Fund</b>	<b>Internal Service Fund</b>
<b>Operating Revenues</b>		
Charges for services	\$ 7,844,905	\$ 4,445,926
Other operating revenues	1,549,115	-
Uncollectible accounts	(29,387)	-
Total operating revenues	<u>9,364,633</u>	<u>4,445,926</u>
<b>Operating Expenses</b>		
Sewer line and pump maintenance	2,027,626	-
Sewer lift station operation	307,596	-
Administrative and accounting	360,018	4,319,346
Sewer transportation and treatment	3,351,098	-
Professional services	133,651	-
Depreciation	<u>2,907,282</u>	-
Total operating expenses	<u>9,087,271</u>	<u>4,319,346</u>
Operating income (loss)	277,362	126,580
<b>Non-operating Revenues (Expenses)</b>		
Interest income	1,199,516	45,932
Gain on sale of assets	<u>40,009</u>	-
Total non-operating revenues (expenses)	<u>1,239,525</u>	<u>45,932</u>
Net income (loss) before contributions	1,516,887	172,512
<b>Contributions</b>		
Capital contributions	<u>15,065,422</u>	-
Total contributions	<u>15,065,422</u>	-
Change in net position	16,582,309	172,512
Net position, beginning of year	<u>102,685,222</u>	<u>890,432</u>
Net position, end of year	<b>\$ 119,267,531</b>	<b>\$ 1,062,944</b>
Change in net position shown above	\$ 16,582,309	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	<u>46,289</u>	
Change in net position of business-type activities	<b>\$ 16,536,020</b>	

**City of Mt. Juliet, Tennessee**  
 Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2024

	<b>Sewer Enterprise Fund</b>	<b>Internal Service Fund</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 10,671,669	\$ -
Cash paid to suppliers for goods and services	(4,085,136)	-
Cash paid to employees for services	(1,270,011)	-
Cash received (returned) for surety bonds	(202,590)	-
Cash paid for interfund administrative support services	(115,000)	-
Premiums/reimbursements received	-	4,445,926
Medical claims and administrative expenses paid	-	(4,319,738)
Net cash provided (used) by operating activities	<u>4,998,932</u>	<u>126,188</u>
<b>Cash flows from capital and related financing activities</b>		
Purchase of capital assets	(6,399,947)	-
Contributions from customers	623,313	-
Gain on sale of assets	<u>40,009</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(5,736,625)</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(4,435,755)	-
Interest received	892,688	-
Net cash provided (used) by investing activities	<u>(3,543,067)</u>	<u>-</u>
Net change in cash	(4,280,760)	126,188
Cash, beginning of year	4,359,880	889,525
Cash, end of year	<b>\$ 79,120</b>	<b>\$ 1,015,713</b>
<b>Reconciliation of cash and restricted cash</b>		
Unrestricted cash	\$ 3,819,903	\$ 1,064,243
Cash restricted for capital projects	<u>2,921,119</u>	<u>-</u>
	<b>\$ 6,741,022</b>	<b>\$ 1,064,243</b>

*Continued*

**City of Mt. Juliet, Tennessee**  
 Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2024

	<b>Sewer Enterprise Fund</b>	<b>Internal Service Fund</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>		
Operating income (loss)	\$ 277,362	\$ 126,580
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation and amortization	2,907,282	-
Change in:		
Receivables, net	6,225	-
Prepaid insurance	(1,372)	907
Inventory	10,977	-
Net pension asset	191,384	-
Deferred outflows of resources related to pensions	(188,222)	-
Deferred outflows of resources related to OPEB	(10,128)	-
Accounts payable	705,245	(1,299)
Over-recovered cost	1,199,516	-
Accrued expenses	24,312	-
Surety bonds	(101,295)	-
OPEB liability	11,476	-
Deferred inflows of resources related to pensions	(13,239)	-
Deferred inflows of resources related to OPEB	(20,591)	-
Net cash provided (used) by operating activities	<hr/> \$ 4,998,932	<hr/> \$ 126,188

**Supplemental disclosure of noncash capital and related financing activities**

Contributions of sewer lines	\$ 11,941,820	\$ -
Capital assets financed by accounts payable	\$ 34,275	\$ -

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## Note 1. Summary of Significant Accounting Policies

### **General Information**

The City of Mt. Juliet, Tennessee (the City) was incorporated in 1972. The City operates under a Commissioner-Manager form of government and provides the following services, as authorized by its charter: public safety (police), highways and streets, sanitation, public improvements, planning and zoning, general administrative services, and sanitary sewers.

The accounts of the City are maintained, and the financial statements have been prepared in conformity with, accounting principles generally accepted in the United States of America (US GAAP), applied to governmental units as promulgated by the Governmental Auditing Standards Board (GASB). The following is a summary of the City's significant accounting policies.

### **Reporting Entity**

The City of Mt. Juliet is a municipality governed by an elected five-member commission. The accompanying financial statements present the City and its component unit. Discretely-presented component units are reported in a separate column from the primary government in the government-wide financial statements to emphasize they are legally separate from the City.

The City reports the following discretely-presented component unit:

**The Industrial Development Board of the City of Mt. Juliet, Tennessee (City IDB)** – The City IDB was established under Tennessee Code Annotated 7-53-101 et. seq. to acquire, sell, lease, and dispose of properties to promote industry and develop trade by inducing manufacturing, industrial, and commercial enterprises to locate or expand in and near the City of Mt. Juliet. The City is the sole source of financial support for the City IDB and has the ability to impose its will on the City IDB.

### **Government-wide and Fund Financial Statements**

#### *Government-wide Financial Statements*

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. The City has one discretely-presented component unit that is shown in a single column in the government-wide financial statements. As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in-lieu-of taxes and other charges between the government's utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program, and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not included among program revenues are reported instead as general revenues.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## **Note 1. Summary of Significant Accounting Policies**

### **Government-wide and Fund Financial Statements**

#### *Fund Financial Statements*

The government uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City has classified its funds into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

The following is a list of the City's funds:

#### *Governmental Fund Types:*

##### *Major Funds*

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in a specific fund.

The State Street Aid Fund accounts for all revenues and expenditures from the City's share of state gasoline taxes. Tennessee state law requires these receipts be kept in a separate fund and used for the construction and maintenance of town streets and certain related street expenditures. Management has elected to report this fund as a major fund for comparability with previous years.

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and repairs to infrastructure. Resources are provided primarily from grants and transfers from other governmental funds.

The Debt Service Fund is used to account for the payment of principal and interest on governmental debt. Resources are provided from impact fees restricted for debt service and transfers from the governmental funds. Management has elected to report this fund as a major fund for comparability with previous years.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## **Note 1. Summary of Significant Accounting Policies**

### **Government-wide and Fund Financial Statements**

#### *Governmental Fund Types:*

##### *Nonmajor Funds*

The Drug Fund accounts for funds received directly from the enforcement of laws associated with illegal drug activity. Under state law, the funds are to be used only for law enforcement-related expenditures.

The Stormwater Fund is used to account for the collection of fees restricted for improvements related to stormwater drainage and related projects.

#### *Proprietary Fund Types:*

The Sewer Fund accounts for the wastewater services provided to customers of the system.

The Internal Service Fund accounts for costs associated with City employees' health insurance.

### **Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are assessed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues to be available in the period for which levied if they are collected within 60 days of the end of the current fiscal period.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue, and charges for services. Fines, permits, and parking meter revenues are not susceptible to accrual because they are generally not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the necessary costs to provide the services, including the costs of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## Note 1. Summary of Significant Accounting Policies

### **Joint Venture**

The City has entered into a joint venture with Wilson County to form the Wilson County/Mt. Juliet Development Board (the Board), to promote economic development in the area. The board is composed of six members, three appointed by each entity. The City has no equity interest in the joint venture; however, the City is required to contribute one-half of the funding necessary to pay development costs of projects approved by the Board. Recovery of costs by the City will be from an allocation of the real and personal property taxes collected by the County as a result of projects for which the Board was responsible.

### **Budgets and Budgetary Accounting**

The City is required by state statute to adopt an annual budget. The budgets for the General and Special Revenue Funds are prepared on the basis that current available funds must be sufficient to meet current expenditures. Expenditures may not legally exceed the appropriations, which lapse at year-end, authorized by the City Commission (the Commission). The City's budgetary basis is consistent with US GAAP. The enterprise fund is not required to adopt an operating budget.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the City Manager submits to the Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at City Hall to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance.
4. The budget is adopted on a departmental basis. Any revision that alters the total expenditures of any department or fund must be approved by the Commission.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
6. Budgeted amounts are as originally adopted, or as subsequently amended by the Commission.

During the year, the following amendments were made to budgeted appropriations:

General Fund		
General government	\$	166,164
Public safety		2,592,747
Streets and public works		96,500
Recreation and culture		1,816,300
Transfers out		<u>1,467,146</u>
	\$	<b>6,138,857</b>

General Fund budget amendments primarily related to city buildings and public safety capital outlays and appropriation to non-profits. The State Street Aid Fund was amended for miscellaneous revenues.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## Note 1. Summary of Significant Accounting Policies

### **Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, savings accounts, money market accounts, and short-term certificates of deposit maturing within three months or less of initial issue dates. Also, due to liquidity, the City considers funds deposited in the Local Government Investment Pool to be a cash equivalent for financial statement and cash flow purposes. Restricted cash in the Capital Projects and Sewer Funds are restricted for capital improvements.

### **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". The residual balance between governmental activities and business-type activities at year-end was \$46,289, which relates to the consolidation of the internal service fund activities.

All trade receivables and tax receivables are shown net of an allowance for uncollectible amounts.

### **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$3,000 or more and an estimated useful life in excess of two years. Infrastructure capital assets are defined by the City as assets with an individual cost of \$10,000 or more with an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed, or at estimated cost if contributed. Gifts or contributions of capital assets, including intangible assets, are recorded at acquisition value when received.

Pursuant to GASB Statement 34, the City is not required to record and depreciate infrastructure assets acquired prior to the implementation date of July 1, 2003. Costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are expensed when incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Improvements other than buildings	30 years
Road system infrastructure	30 years
Machinery, equipment, and vehicles	5 – 10 years
Sidewalks	30 years
Bridges	50 years
Sewer lines	45 years
Sewer transmission equipment	10 – 15 years

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## **Note 1. Summary of Significant Accounting Policies**

### **Claims Payable**

Medical insurance claims payable are classified as accounts payable and are recorded in accordance with GASB 10.

### **Compensated Absences**

The general policy of the City permits the accumulation, within certain limitations, of unused sick and annual leave with unlimited carryover. No provision exists for payment of accumulated sick leave upon termination.

### **Subscription-based Information Technology Arrangements (SBITA)**

Right-to-use assets and SBITA liabilities are recognized upon the commencement of the contract term in relation to contracts in which the City is contracting for the right to use this type of asset. These assets include all subscription-based software contracts including cloud based software contracts. These are measured at the present value of payments expected to be made by the City during the contract term in addition to certain other costs related to the assets. The City uses its estimated incremental borrowing rate as the discount rate for SBITAs.

### **Property Taxes**

The City's property tax is levied each October 1 on the assessed value listed as of the preceding January 1 for all real and personal property located in the City's legal boundaries. Property taxes are secured by a statutory lien effective as of the original assessment date of January 1 and, as such, constitute an enforceable legal claim to the subsequent fiscal year levy at year-end. Assessed values are established by the State of Tennessee at the following rates of assessed market value:

Industrial and commercial property	
Real property	40%
Public utility property	55%
Personal property	30%
Farm and residential property	25%

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## **Note 1. Summary of Significant Accounting Policies**

### **Property Taxes**

Taxes are levied at a rate of \$0.1100 per \$100 of assessed valuation for 2024. Payments may be made during the period October 1 through February 28. Current tax collections of \$2,172,236 for the fiscal year ended June 30, 2024 were approximately 99% of the tax levy. Taxes become delinquent in March of the year subsequent to the levy date; delinquent taxes are turned over to the County Clerk and Master for collection each April.

The government-wide financial statements report property taxes receivable of \$2,312,117, which is net of an allowance for doubtful collections of \$3,439. Of this receivable, \$2,272,752 represents the estimated net realizable 2023 property taxes assessed but which will not be levied until the subsequent fiscal year. This amount is included in deferred inflows of resources. The receivable reported in the governmental funds balance sheet is \$2,315,556, with offsetting deferred inflows of resources for amounts not available at June 30, 2024. The additional taxes receivable of \$506,325 are beer, hotel/motel, and franchise taxes. There were no tax abatements requiring disclosure under GASB 77.

### **Regulatory Accounting**

The City's proprietary fund follows the principles of proprietary fund accounting in accordance with Government Accounting Standards Board (GASB) pronouncements. Proprietary fund accounting is used to report business-type activities, as contrasted with tax-supported governmental activities.

The City's proprietary fund also complies with policies and practices prescribed by the City's governing body and with practices common in the utility industry. As the City's governing body has the authority to set rates, the City's proprietary fund follows the regulatory accounting guidance of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which provides for the reporting of assets and liabilities consistent with the economic effect of the rate structure. Regulatory assets are recorded to reflect probable future revenues associated with certain costs that are expected to be recovered from customers through the rate-making process. Regulatory liabilities are recorded to reflect probable future reduction in revenues associated with amounts that are expected to be credited to customers in the rate-making process.

### **Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "due to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

### **Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made by it, but that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Residual amounts due at year-end on quasi-external transactions are shown as due to/from other funds.

All other interfund transactions, except interfund services provided and used, are reported as transfers.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## Note 1. Summary of Significant Accounting Policies

### **Long-term Liabilities**

Long-term liabilities consist of bonds, notes, and other indebtedness, including liabilities associated with compensated absences and postemployment benefits. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds, using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities that are expected to be financed from proprietary fund operations are accounted for in those funds.

### **Fund Balances**

The City classifies fund balances in accordance with GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 1800.142, Fund Balance Reporting*. This statement classifies fund balances into clearly defined categories, making the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints as defined in the City's fund balance policy:

Nonspendable fund balances – Represents amounts that are not in spendable form (e.g., inventories, prepaid items, and long-term receivables) or that legally or contractually must be maintained intact (e.g., principal of permanent funds).

Restricted fund balances – Are mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation.

Committed fund balances – Are set aside for a specific purpose by the City's highest level of decision-making authority (i.e., the Board of Commissioners) and its highest form of authority (ordinance). This commitment of funds is binding unless removed by a subsequent ordinance. Formal action must be taken prior to the end of the fiscal year; however, the actual amount can be determined after the close of the year.

Assigned fund balances – Are set aside with the intent to be used for a specific purpose by the City's highest level of decision-making authority (the Board) or a body or official that has been given the authority to assign funds. An assignment of fund balances is less formal than the commitment of fund balances, and it does not require formal action. The Board has authorized no other body or official the authority to assign funds.

Unassigned fund balances – Cannot be classified in any of the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls and is sometimes referred to as "surplus". The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## **Note 1. Summary of Significant Accounting Policies**

### **Fund Balances**

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the City to use the restricted amounts first, as permitted under the law. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City to use the committed amounts first, followed by the assigned amounts, and then unassigned amounts as determined by management.

### **Net Position**

Net position represents the total of assets and deferred outflows of resources, less liabilities and deferred inflows of resources. Government-wide and proprietary fund net position are divided into three components:

Net investment in capital assets – Consists of the historical cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position – Consists of assets that have limitations imposed on their use either through constitutional provisions or enabling legislation, or through external restrictions imposed by creditors, grantors, or the laws or regulations of other governments.

Unrestricted – All other net position is reported in this category.

The government-wide financial statements split the City programs between governmental and business-type activities. The beginning net position amount for the business-type activities equals the fund equity of the enterprise funds from last year. The beginning net position amount for governmental activities reflects the fund balance for governmental funds, adjusted for the conversion to the accrual basis of accounting from last year.

### **Inventory and Prepaid Items**

Inventory items are considered expenditures/expenses when used (consumption method). Inventories are valued as follows:

Enterprise (Sewer) Fund – Consists of inventory, principally materials, supplies, and replacement parts, valued at the lower of cost (first-in, first-out, or FIFO) or market.

Inventory for both governmental and proprietary funds, consisting principally of materials and supplies held for consumption, are valued at cost, approximating market value, using the FIFO method. The costs of governmental funds inventories are recorded as expenditures when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure/expense when consumed rather than when purchased. The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reported as nonspendable.

### **Contributions of Capital**

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or grants or other outside contributions of resources restricted to capital acquisition and construction. Contributions of capital assets are recorded as revenue in the Statement of Revenues, Expenses, and Changes in Net Position.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## **Note 1. Summary of Significant Accounting Policies**

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

### **Pensions**

For the purpose of measuring the net pension liability, the deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS) and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of the TCRS. Investments are reported at fair value.

### **Other Postemployment Benefit (OPEB) Plan**

For the purpose of measuring the net OPEB liability, the deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the City. For this purpose, the City recognizes benefit payments when due and payable, in accordance with benefit terms. The City's OPEB plan is not administered through a trust.

## **Note 2. Cash and Investments**

### **Cash**

Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions, less the amount protected by Federal Deposit Insurance Corporation insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2022

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## Note 2. **Cash and Investments**

### **Cash**

As of June 30, 2024, all of the City's deposits and investments were held by financial institutions which participate in the bank collateral pool administered by the Treasurer of the State of Tennessee or in the State of Tennessee Local Government Investment Pool. Participating banks in the bank collateral pool determine the aggregate balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of public deposits held. Collected securities required to be pledged by the participant banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool.

The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under the additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of custodial credit risk disclosure.

### **Investments**

The City's investments as presented on the balance sheet are measured at fair value and consist solely of a secured bank certificate of deposit with a maturity over 90 days.

#### *Credit Risk*

The City will minimize credit risk, which is the risk of loss due to the failure of the investment issuer or backer, by limiting the portfolio to the types of investments pursuant to *Tennessee Code Annotated*, Title 6, Chapter 56, and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

#### *Custodial Credit Risk*

The City will minimize the risk that in the event of the failure of a depository financial institution the deposits or collateralized investments that are in the possession of an outside party would not be able to be recovered. The City will minimize the risk that in the event of the failure of the counterparty to a transaction the value or collateralized investments that are in the possession of an outside party would not be able to be recovered. The City has no uncollateralized investments.

#### *Concentration Risk*

The City will minimize the risk of loss due to having a significant portion of resources invested in a single issuer by diversifying the investment portfolio. Investments issued or explicitly guaranteed by the U.S. government or Tennessee Bank Collateral Pool, Tennessee Local Government Investment Pool (LGIP) and any other external investment pools authorized by that are authorized by the State are excluded from this requirement.

#### *Interest Rate Risk*

The City will minimize the risk that the market value of investments in the portfolio will fall due to changes in market interest rates, by structuring the portfolio to meet the cash requirements of ongoing operations, thereby mitigating the need to liquidate investments at a loss prior to maturity, and investing operating funds primarily in shorter-term investments and limiting the average maturity of the portfolio in accordance with this policy in accordance with *Tennessee Code Annotated*, Title 6, Chapter 56.

**City of Mt. Juliet, Tennessee**  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 3. Receivables**

Accounts and taxes receivable at June 30, 2024 consisted of the following, by fund:

	<b>General</b>	<b>Capital Projects</b>	<b>State</b>	<b>Stormwater</b>	<b>Sewer Enterprise</b>	<b>Internal Service</b>	<b>Total</b>
Property taxes	* \$ 2,315,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,315,556
Beer/liquor taxes	152,844	-	-	-	-	-	152,844
Franchise taxes	206,890	-	-	-	-	-	206,890
Hotel/motel tax	146,591	-	-	-	-	-	146,591
Other governments	4,521,089	-	233,369	-	2,500,289	-	7,254,747
Customer	-	5,972	-	-	1,406,160	-	1,412,132
Interest	738,234	76,455	-	-	410,095	-	1,224,784
Grants	452,772	136,276	-	-	-	-	589,048
Other	1,580,710	-	-	330,744	-	-	1,911,454
Less: allowance for doubtful accounts	* (3,439)	-	-	(57,322)	(59,808)	-	(120,569)
	<b>\$ 10,111,247</b>	<b>\$ 218,703</b>	<b>\$ 233,369</b>	<b>\$ 273,422</b>	<b>\$ 4,256,736</b>	<b>\$ -</b>	<b>\$ 15,093,477</b>

\*Net property taxes receivable      \$ 2,312,117

**Note 4. Property Taxes Receivable**

Net property taxes receivable of \$2,312,117\* is summarized in the Supplementary Information section on page 78 of this report.

**City of Mt. Juliet, Tennessee**  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 5. Capital Assets**

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2024:

**Governmental Activities**

	<b>Beginning balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending balance</b>
Capital assets not being depreciated					
Land	\$ 9,977,016	\$ 4,361,293	\$ -	\$ -	\$ 14,338,309
Construction in progress	24,074,723	17,769,223	-	(9,054,423)	32,789,523
	<u>34,051,739</u>	<u>22,130,516</u>	<u>-</u>	<u>(9,054,423)</u>	<u>47,127,832</u>
Capital assets being depreciated					
Buildings and improvements	7,843,133	9,710,063	-	-	17,553,196
Improvements other than buildings	8,386,495	27,625	-	-	8,414,120
Machinery and equipment	19,056,659	5,368,573	155,648	3,123,067	27,392,651
Infrastructure	99,688,264	5,926,244	-	9,054,423	114,668,931
	<u>134,974,551</u>	<u>21,032,505</u>	<u>155,648</u>	<u>12,177,490</u>	<u>168,028,898</u>
Less: accumulated depreciation					
Buildings and improvements	3,356,317	311,532	64,816	-	3,603,033
Improvements other than buildings	4,657,849	839,427	-	-	5,497,276
Machinery and equipment	11,390,494	1,757,106	-	2,185,769	15,333,369
Infrastructure	24,304,460	3,718,543	-	-	28,023,003
Total accumulated depreciation	43,709,120	6,626,608	64,816	2,185,769	52,456,681
Governmental activities capital assets, net	125,317,170	36,536,413	90,832	937,298	162,700,049
Intangible right to use assets					
Machinery and equipment	3,123,067	-	-	(3,123,067)	-
Less: accumulated amortization	2,185,769	-	-	(2,185,769)	-
	<u>937,298</u>	<u>-</u>	<u>-</u>	<u>(937,298)</u>	<u>-</u>
	<b>\$ 126,254,468</b>	<b>\$ 36,536,413</b>	<b>\$ 90,832</b>	<b>\$ -</b>	<b>\$ 162,700,049</b>

**City of Mt. Juliet, Tennessee**  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 5. Capital Assets**

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2024:

**Business-type Activities**

	<b>Beginning balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending balance</b>
Capital assets not being depreciated					
Land	\$ 3,332,583	\$ -	\$ -	\$ -	\$ 3,332,583
Construction in progress	4,116,870	5,810,569	-	(1,137,611)	8,789,828
	<u>7,449,453</u>	<u>5,810,569</u>	<u>-</u>	<u>(1,137,611)</u>	<u>12,122,411</u>
Capital assets being depreciated					
Buildings and improvements	807,168	-	-	108,148	915,316
Collection system	101,208,391	12,598,861	-	1,029,463	114,836,715
Equipment and rolling stock	1,683,960	72,910	174,848	-	1,582,022
	<u>103,699,519</u>	<u>12,671,771</u>	<u>174,848</u>	<u>1,137,611</u>	<u>117,334,053</u>
Less: accumulated depreciation					
Collection system and buildings	32,413,704	2,771,350	-	-	35,185,054
Equipment and rolling stock	902,106	135,932	174,848	-	863,190
Total accumulated depreciation	33,315,810	2,907,282	174,848	-	36,048,244
Business-type activities capital assets, net	<b>\$ 77,833,162</b>	<b>\$ 15,575,058</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 93,408,220</b>

During the year, the City accepted donated roadways in the amount of \$4,446,856, and sewer lines in the amount of \$11,941,820. Depreciation expense was charged to functions/programs as of June 30, 2024, as follows:

<b>Governmental Activities</b>	
General government	\$ 246,716
Public safety	1,821,921
Streets and public works	3,965,259
Stormwater	64,780
Recreational and culture	527,931
Total depreciation expense, governmental activities	<u>\$ 6,626,608</u>

<b>Business-type Activities</b>	
Sewer	\$ 2,907,282

**City of Mt. Juliet, Tennessee**  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 6. Deferred Outflows and Inflows of Resources**

Deferred inflows of resources on the governmental funds balance sheet consists of amounts that are unavailable to liquidate liabilities of the current period, including: property taxes, payments in lieu of property taxes, state shared revenues, and pension plan-related deferrals. At June 30, 2024, the components of deferred outflows and inflows of resources on the government-wide statement of net position consisted of the following:

	<b>Governmental activities</b>	<b>Business-type activities</b>
<b>Deferred outflows of resources</b>		
Deferred charge on refunding	\$ 194,785	\$ -
Pension related items	7,574,218	609,100
OPEB related items	<u>125,653</u>	<u>13,963</u>
Total deferred outflows of resources	<b>\$ 7,894,656</b>	<b>\$ 623,063</b>
<b>Deferred inflows of resources</b>		
2024 assessed but unlevied property taxes	\$ 2,269,037	\$ -
Pension related items	538,534	73,028
OPEB related items	<u>156,882</u>	<u>17,430</u>
Total deferred inflows of resources	<b>\$ 2,964,456</b>	<b>\$ 90,458</b>

Deferred inflows of resources in the governmental fund statements totaled \$4,749,731 and consisted of unlevied property taxes of \$2,272,752, delinquent property taxes of \$41,569, and unavailable state and local shared taxes of \$2,435,410.

**City of Mt. Juliet, Tennessee**  
 Notes to Financial Statements  
 For the Years Ended June 30, 2024

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**Note 7. Long-term Debt and Other Obligations Payable**

The City issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities for general government purposes. The City also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service; these bonds relate to the Sewer Enterprise Fund. Should sewer revenues be insufficient to pay the debt service, the debt is payable from the taxing authority of the City. For governmental activities, compensated absences and other postemployment benefit obligations are generally liquidated by the funds responsible for the employer, which are the General, Emergency Services, and Stormwater Funds.

The following is a summary of the changes in long-term liabilities:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending balance</b>	<b>Current portion</b>
Governmental activities					
GO refunding bonds	\$ 10,400,000	\$ -	\$ (1,055,000)	\$ 9,345,000	\$ 1,115,000
GO bonds	-	31,800,000	-	31,800,000	1,100,000
Bond premiums	476,128	<u>3,423,461</u>	<u>(149,556)</u>	<u>3,750,043</u>	<u>472,905</u>
Total governmental activities long-term debt	10,876,128	35,223,461	(1,204,556)	44,895,043	2,687,905
Compensated absences	<u>1,087,992</u>	<u>288,520</u>	<u>-</u>	<u>1,376,512</u>	<u>1,376,512</u>
	<b>\$ 11,964,120</b>	<b>\$ 35,511,981</b>	<b>\$ (1,204,556)</b>	<b>\$ 46,271,555</b>	<b>\$ 4,064,417</b>

Long-term notes and bonds at June 30, 2024 consisted of the following obligations:

**Governmental Activities**

\$6,070,000 General Obligation Refunding Bonds, Series 2019, due in annual installments through 2026, with semi-annual interest payments at an interest rate of 5.00%	\$ 1,940,000
\$7,980,000 General Obligation Refunding Bonds, Series 2020, due in annual installments through 2034, with semi-annual interest payments at an interest rate of 4.00%	7,405,000
\$31,800,000 General Obligation Bonds, Series 2024, due in annual installments through 2039, with semi-annual interest payments at an interest rate of 5.00%	<u>31,800,000</u>
Total governmental activities obligations	41,145,000
Less: current portion	(2,215,000)
Total long-term governmental activities obligations	<b>\$ 38,930,000</b>

**City of Mt. Juliet, Tennessee**  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 7. Long-term Debt and Other Obligations Payable**

In December 2020, the City issued \$7,980,000 in General Obligation Refunding and Improvement Bonds, Series 2020 (Series 2020), to refund the \$8,543,100 outstanding General Obligation Refunding Bonds, Series 2016 (Series 2016), and to pay the costs of issuing the bonds. The Series 2016 bonds were called for redemption and redeemed at a redemption price of 100% of their principal amount plus accrued interest. The economic gain from the refunding was approximately \$1,022,000. The Series 2020 bonds were issued as fully registered bonds and carry an interest rate of 4.00% and mature between June 2021 and June 2034. The bonds are secured by a pledge of the City's net revenues.

In May 2024, the City issued \$31,800,000 in General Obligation Bonds, Series 2024 (Series 2024), to:

- i) provide sufficient funds to pay the cost of the acquisition, construction, and equipping of buildings and facilities, including the construction and equipping of a new police station and fire station
- ii) other miscellaneous public projects including improvements, expansions, extensions, renovations with respect to its roads, streets, bridges and parks
- iii) payment of legal, fiscal, administrative, architectural, design, and engineering cost incident to all of the foregoing
- iv) reimbursement to the appropriate fund of the City for prior expenditures for the foregoing costs, if applicable and
- v) payment of costs incident to the bonds.

The Series 2024 bonds were issued as fully registered bonds and carry an interest rate of 5.00% and mature between June 2025 and June 2039. The bonds are secured by a pledge of the City's ad valorem taxes to be levied on all taxable property within the city.

The bonds payable are secured by a pledge of a portion of the City's net revenues. Additionally, the bonds payable contain provisions that in the event of default, the lenders can exercise one or more of the following options: 1) make the outstanding note payable with accrued interest due and payable, 2) use remedies allowed by state or federal law.

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2024 are as follows:

<b>GO Refunding Bonds and GO Bonds</b>				
<b>Year ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
<b>June 30,</b>				
2025	\$ 2,215,000	\$ 1,766,488	\$ 3,981,488	
2026	2,315,000	1,741,305	4,056,305	
2027	2,450,000	1,627,305	4,077,305	
2028	2,565,000	1,512,605	4,077,605	
2029	2,695,000	1,392,505	4,087,505	
2030-2034	15,285,000	5,221,715	20,506,715	
2035-2039	<u>13,620,000</u>	<u>2,109,500</u>	<u>15,729,500</u>	
Totals	<b>\$ 41,145,000</b>	<b>\$ 15,371,423</b>	<b>\$ 56,516,423</b>	

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## Note 8. Pension Plan

### **General Information about the Pension Plan**

#### *Plan Description*

Employees of the City are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

#### *Benefits Provided*

*Tennessee Code Annotated*, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members hired before January 1, 2015, vested with five years of service credit while members hired after January 1, 2015, vest with ten years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3.00% and applied to the current benefit. No COLA is granted if the change in the CPI is less than 0.50%. A 1.00% COLA is granted if the CPI change is between 0.50% and 1.00%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## Note 8. Pension Plan

### General Information about the Pension Plan

#### *Employees Covered by Benefit Terms*

At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	56
Inactive employees entitled to but not yet receiving benefits	156
Active employees	233
	<hr/>
	<b>445</b>

#### *Contributions*

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, employer contributions for the City were \$1,991,500, based on a rate of 9.84% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

#### *Actuarial Assumptions*

The total pension liability as of the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.125%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## Note 8. Pension Plan

### Net Pension Liability (Asset)

#### *Actuarial Assumptions*

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25%. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<b>Asset class</b>	<b>Long-term expected real rate of return</b>	<b>Target allocation</b>
US equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
US fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<b>100%</b>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75%, based on a blending of the three factors described above.

#### *Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the City will be made at the ADC rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Mt. Juliet, Tennessee**  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 8. Pension Plan**

**Changes in Net Pension Liability (Asset)**

	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension liability (asset) (a) - (b)</b>
Balance, June 30, 2022	\$ 26,021,069	\$ 25,360,633	\$ 660,436
Service cost	1,122,753	-	1,122,753
Interest	1,817,059	-	1,817,059
Changes of benefit terms	-	-	-
Difference between expected and actual experience	3,281,295	-	3,281,295
Contributions, employer	-	1,311,549	(1,311,549)
Contributions, employees	-	980	(980)
Net investment income	-	1,733,178	(1,733,178)
Benefit payments, including refunds of employee contributions	(448,871)	(448,871)	-
Administrative expenses	-	(16,608)	16,608
Other changes	-	-	-
<b>Net change</b>	<b>5,772,236</b>	<b>2,580,228</b>	<b>3,192,008</b>
Balance, June 30, 2023	<b>\$ 31,793,305</b>	<b>\$ 27,940,861</b>	<b>\$ 3,852,444</b>

**Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate**

The following represents the net pension liability (asset) calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (5.75%) or 1.00% higher (7.75%) than the current rate:

	<b>1% Decrease (5.75%)</b>	<b>Current rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Net pension liability (asset)	\$ 9,815,945	\$ 3,852,444	\$ (905,483)

**Pension Expense (Negative Pension Expense) and Deferred Inflows/Outflows of Resources Related to Pensions**

*Pension Expense*

For the year ended June 30, 2024, the City recognized pension expense of \$1,823,428.

**City of Mt. Juliet, Tennessee**  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 8. Pension Plan**

**Pension Expense (Income) and Deferred Inflows/Outflows of Resources Related to Pensions**

*Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Difference between expected and actual experience	\$ 4,423,491	\$ 611,562
Net difference between expected and actual earnings on pension plan investments	228,015	-
Changes in assumptions	1,540,312	-
Contributions made subsequent to measurement date of June 30, 2023	<u>1,991,500</u>	-
	<b>\$ 8,183,318</b>	<b>\$ 611,562</b>

The amount shown above for "Contributions made subsequent to the measurement date" will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending June 30,</b>	
2025	\$ 649,105
2026	564,012
2027	1,274,703
2028	872,959
2029	879,095
Thereafter	1,340,382

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

**Note 9. Other Postemployment Benefits Plan (OPEB)**

The City administers the City of Mt. Juliet, Tennessee, Post-Retirement Medical Benefit Plan. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by the Mayor and the Board of Commissioners. The Plan does not issue a stand-alone report. The City has adopted GASB 75 as it relates to OPEB for the accounting and reporting. There is no OPEB trust.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## **Note 9. Other Postemployment Benefits Plan (OPEB)**

### **Medical Benefits**

The Medical Plan is a self-insured plan. Dental, vision, and life insurance are fully insured. Current retiree premium rates are as follows:

Dental (single)	\$26.99 per month
Vision (single)	\$4.76 per month
Life insurance	\$0.96 per month
Pre-age 65 medical	Varies; generally, \$912.66 or \$1,002.66 per month

Two plans are offered, with differing deductibles and out-of-pocket limits. Rates differ for smokers and non-smokers. Adjustments to these premium rates to reflect the difference between the active/retiree group (on which the current premium rates were based) and the retiree-only group were required, in accordance with Actuarial Standards of Practice 6. The retiree and the spouse are covered under the program. For the City of Mount Juliet, these adjustments were required for the Pre-Medicare liabilities. The retiree pays for the additional coverage.

### **Medicare Part B Premiums**

Medicare part B premiums are not applicable.

### **Eligibility**

Only employees hired prior to February 1, 1999 are eligible. Pre-November 2017 retirees were grandfathered in.

### **Retiree Contributions**

Dollar amounts apply for medical, dental, and vision (0% for life insurance). For Medical, retirees pay 12% of the premium.

### **Funding Policy**

The City's funding policy is to contribute the current annual premium (net of employee contributions) for all retired participants (i.e., pay-as-you-go). The City has chosen not to pre-fund retiree medical benefit obligations in a trust at this time, and no assets have been segregated and restricted to provide for postemployment benefits.

### **Membership Counts at June 30, 2024**

Active employees	8
Retired employees	4
Total	<b>12</b>

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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**Note 9. Other Postemployment Benefits Plan (OPEB)**

**Actuarial Methods and Assumptions**

Actuarial funding method	Entry age normal, level % pay
Valuation date	July 1, 2023 (June 30, 2024 census)
Discount rate	4.13% per annum (for FYE 2024 Expenses) 4.21% per annum (disclosures*) *GASB 75 requires results to be presented based on actual rates as of year-end (reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Rate Index as of June 30, 2024 was 4.21%). Since the plan is not pre-funded, the index will apply.
Salary scale	3% per annum
Mortality	PUB 2010 mortality table with MP 2021 projection
Withdrawal	Sarasson T-5 Table
Disability	N/A
Retirement rates	Age 60: 25% Age 61: 15% Age 62: 15% Age 63: 15% Age 64: 15% Age 65: 100%
Healthcare cost trend rate	The following table illustrates the assumed healthcare trend rate for each future year:

<b>Year</b>	<b>Assumed increase</b>
1	7.00%
2	6.50%
3	6.25%
4	6.00%
5	5.75%
6	5.50%
7	5.25%
8	5.00%
9	4.75%
10+	4.50%

**City of Mt. Juliet, Tennessee**  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 9. Other Postemployment Benefits Plan (OPEB)**

**Actuarial Methods and Assumptions**

Marital actives	Wife is assumed to be same age as husband. 70% of males and 50% of females assumed married.
Participation rate	100% of eligible retirees are expected to participate.
Inflation rate	3.0% per annum.
Change in provision	None
Asset valuation method	Market value
Amortization basis	Investment gains/losses: 5 years Experience: Average expected future working lifetime of the whole group Assumption change: Average expected future working lifetime of the whole group

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following is the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate at June 30, 2024.

	<b>1% Decrease</b> <b>3.21%</b>	<b>Discount rate</b> <b>4.21%</b>	<b>1% Increase</b> <b>5.21%</b>
OPEB liability, June 30, 2024	\$ 423,147	\$ 394,051	\$ 368,577
GASB 75 expense, June 30, 2024	\$ (140,000)	\$ (143,767)	\$ (140,000)

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate**

The following presents the total OPEB liability calculated using the stated healthcare cost trend assumption as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate at June 30, 2024.

	<b>1.00% Decrease</b> <b>6.00%</b> <b>decreasing to</b> <b>3.50%</b>	<b>Healthcare cost trend rate</b> <b>7.00%</b> <b>decreasing to</b> <b>4.50%</b>	<b>1.00% Increase</b> <b>8.00%</b> <b>decreasing to</b> <b>5.50%</b>
OPEB liability, June 30, 2024	\$ 367,527	\$ 394,051	\$ 424,949
Projected expense for year ended 2024	\$ (140,000)	\$ (143,767)	\$ (140,000)

**City of Mt. Juliet, Tennessee**  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 9. Other Postemployment Benefits Plan (OPEB)**

**OPEB Expense and Deferred Outflows/Inflows of Resources**

For the year ended June 30, 2024, the City recognized OPEB expense of \$(179,378).

**Total OPEB Expense**

Service cost	\$ 3,727
Interest	10,530
Changes in benefit terms	-
Difference between expected and actual experience	<u>(158,024)</u>
GASB 75 annual OPEB expense	<b>\$ (143,767)</b>

The City's total OPEB liability of \$394,051 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

The components of total OPEB liability at June 30, 2024 is as follows:

**Total OPEB Liability**

Balance, June 30, 2023	\$ 279,296
Service cost	3,727
Interest	10,530
Changes in benefit terms	-
Difference between expected and actual experience	150,969
Changes In assumptions	(1,807)
Benefit payments	<u>(48,664)</u>
Net change in total OPEB liability	<u>114,755</u>
Balance, June 30, 2024	<b>\$ 394,051</b>
Plan fiduciary net position, end of year	0%
Employee covered payroll	\$ 904,538
OPEB liability as a % of employee covered payroll	43.56%

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## Note 9. Other Postemployment Benefits Plan (OPEB)

### **OPEB Expense and Deferred Outflows/Inflows of Resources**

For the year ended June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Difference between expected and actual experience	\$ 113,614	\$ 172,756
Changes in assumptions	<u>26,002</u>	<u>1,556</u>
	<b>\$ 139,616</b>	<b>\$ 174,312</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ending June 30,</b>	
2025	\$ (37,694)
2026	(29,036)
2027	31,938
2028	96
2029	-

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

## Note 10. Defined Contribution Pension Plan

City employees are eligible to participate in the following defined contribution pension plan depending on date of hire and certain eligibility factors:

<b>Plan name</b>	<b>Plan administrator</b>	<b>Plan type</b>
Tennessee State Employees Deferred Compensation Plan and Trust – 457(b)	TCRS	457(b)

Participation in the defined contribution pension plan permits participants to defer a portion of their salary to future years. The deferred compensation is not available to them until termination, retirement, death, or unforeseeable emergency.

The City has determined that its defined contribution pension plan is not a fiduciary component unit or fiduciary activity of the government.

Benefit terms and contribution rates are established and may be amended by formal resolution of the City's Board of Commissioners

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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## **Note 10. Defined Contribution Pension Plan**

### *Tennessee State Employees Deferred Compensation Plan and Trust – 457(b)*

The City's participating employer agreement for the Tennessee State Employees Deferred Compensation Plan and Trust – 457(b) (State 457(b) Plan) was effective on March 1, 2014. The plan's investments are held in trust by Empower Retirement.

Each employee hired after March 1, 2014, is eligible to participate in the plan for the purpose of making elective deferrals. Employee salary reduction contributions are voluntary. The City does not make matching or non-matching contributions and, as such, forfeiture policies are not applicable.

## **Note 11. Commitments and Contingencies**

### **Metro Agreement**

The City has an ongoing sewer treatment agreement with the Metro Nashville Government of Davidson County, which began July 1, 2000. This agreement provides that Mt. Juliet is obligated to pay a fee per thousand gallons of flow from the Mt. Juliet System to Metro. This rate is to be recalculated on July 1 of each year, with increases based on the CPI. The agreement also provides that Mt. Juliet will not be responsible for any capital cost contribution to Metro except through the above flow charge. Additionally, for service connections that occur in Mt. Juliet after July 1, 2000, a one-time capacity charge of \$624 for each 350 gallons of flow per day per connection shall be collected by Mt. Juliet and remitted to Metro. This is subject to adjustment every five years. During the current fiscal year, the City paid Metro \$3,461,351 for sewer treatment and connection charges under this agreement.

### **Contracts**

The City currently has approximately \$36,333,639 in project contracts. These contracts were approximately 30% complete at June 30, 2024 and are being financed with available reserves.

### **Litigation**

There are several pending lawsuits in which the City is involved. The City attorney estimates that potential claims against the City resulting from such litigation will not materially affect the financial statements of the City.

### **Contingencies**

The City previously participated in the Local Government Insurance Cooperative (LOGIC), a public entity risk pool that operated as a common risk management and workers' compensation insurance program for approximately 100 government entities. LOGIC was self-sustaining through member premiums and also obtained specific excess and aggregate excess coverage through a commercial insurance company. The City has learned the commercial insurance company is in bankruptcy, and the City may be assessed by LOGIC to help cover claims incurred during the City's participation; all known assessments have been accrued. The City does not believe, based on current information, any potential future assessment would be material to the City's financial statements.

The City received a Department of Housing and Urban Development Home Investment Partnership Grant Note in a prior fiscal year. The grant note, in the amount of \$384,968, is forgivable as long as the City continues to meet the terms of the grant note through 2025.

Amounts received from grantor agencies are subject to audit and adjustments by grantor agencies, principally federal and state governments. Any disallowed claims, including amounts already collected, could become a liability to the applicable fund.

**City of Mt. Juliet, Tennessee**  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 12. Interfund Transfers**

Interfund transfers for the year ended June 30, 2024 are attributable to the budgeted allocation of resources from one fund to another and consist of the following:

	<b>Transfers in</b>	<b>Transfers out</b>
Governmental activities		
General Fund	\$ -	\$ 11,520,388
Capital Projects Fund	9,460,388	-
Debt Service Fund	1,060,000	-
State Street Aid	1,060,000	-
Total	<u>\$ 11,520,388</u>	<u>\$ 11,520,388</u>

The transfers between the general fund and the debt service fund relate to required principal and interest payments. The transfer to the capital projects fund from the general fund as made to fund capital projects.

**Note 13. Interfund Balances**

Interfund receivables and payables are attributable to obligations between funds. The actual cash transfers had not been made at June 30, 2024. Any interfund amounts are a result of temporary interfund financing at year-end and are liquidated subsequent to year end.

The City has the following interfund balances at June 30, 2024:

	<b>Due to</b>	<b>Due from</b>
General Fund	\$ 18,196	\$ 73,389
Capital Projects Fund	72,939	-
Debt Service Fund	450	18,196
Total	<u>\$ 91,585</u>	<u>\$ 91,585</u>

**Note 14. Risk Management**

The City has an Insurance Fund (internal service fund) for risks associated with the employees' health insurance plan. The fund is accounted for as an internal service fund, in which assets are set aside for claim settlements and insurance premiums. For the government-wide financial statements, the activity and assets and liabilities of the fund have been allocated to the participating funds.

The City is exposed to various other risks of loss. The City deemed it to be more economically feasible to participate in a public entity risk pool than to purchase commercial insurance for general liability, property and casualty, and workers compensation coverage. The City participates in the Public Entity Partners Risk Pool, which is a public entity risk pool organized in 1979 as a not-for-profit, tax-exempt corporation under the Tennessee Governmental Tort Liability Act. The City pays an annual premium to Public Entity Partners for its general liability, property and casualty, and workers compensation insurance coverage. The creation of the pool provides for it to be self-sustaining through member premiums. The pool reinsures through commercial insurance companies for claims in excess of certain amounts for each insured event. Settled claims from these losses have not exceeded insurance coverage in any of the past three fiscal years.

**City of Mt. Juliet, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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**Note 15. Joint Venture**

During the 1995 fiscal year, the City entered into an inter-local agreement with Wilson County as authorized by TCA Section 5-1-113 and 12-9-101. As part of this agreement, all assets and liabilities associated with Mt. Juliet Development Corporation, a component unit of the City, were transferred to Wilson County/Mt. Juliet Development Board, a joint venture with the County.

The Board of the joint venture consists of six members, three appointed by each government. During the year, the City did not appropriate any funds to the venture. Upon dissolution, any obligations become the obligation of the County, and any remaining funds shall be paid equally to the participating parties. At June 30, 2024 and 2023, the Board had an accumulated net position of \$912,494 and \$848,786, respectively. The net change in net position for fiscal year 2024 was \$63,708. Separate financial statement information regarding the joint venture is available from the City.

**Required Supplementary Information**

**City of Mt. Juliet, Tennessee**  
 Schedules of Changes in Net Pension Liability (Asset) and Related Ratios  
 Based on Participation in the Public Employee Pension Plan of the TCRS  
 For the Years Ended June 30, 2014 through 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 1,122,753	\$ 936,558	\$ 807,131	\$ 801,350	\$ 784,750	\$ 852,384	\$ 645,473	\$ 546,207	\$ 485,779	\$ 443,365
Interest	1,817,059	1,533,376	1,357,541	1,243,450	1,161,428	1,105,265	992,200	899,978	830,197	763,410
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between actual and expected experience	3,281,295	1,972,859	(195,612)	(60,696)	(497,280)	(809,079)	122,136	(25,115)	(202,551)	(114,265)
Changes in assumptions	-	-	2,338,819	-	-	-	353,481	-	-	-
Benefit payments, including refunds of employee contributions	(448,871)	(403,708)	(486,944)	(345,480)	(322,837)	(289,724)	(319,276)	(262,126)	(224,747)	(264,132)
Net change in total pension liability	5,772,236	4,039,085	3,820,935	1,638,624	1,126,061	858,846	1,794,014	1,158,944	888,678	828,378
Total pension liability, beginning of year	26,021,069	21,981,984	18,161,049	16,522,425	15,396,364	14,537,518	12,743,504	11,584,560	10,695,882	9,867,504
Total pension liability, end of year (a)	31,793,305	26,021,069	21,981,984	18,161,049	16,522,425	15,396,364	14,537,518	12,743,504	11,584,560	10,695,882
<b>Plan Fiduciary Net Position</b>										
Contributions, employer	1,311,549	782,087	722,436	1,026,768	978,716	936,797	957,220	860,287	798,473	806,691
Contributions, employees	980	-	-	-	593	-	199	1,762	398	-
Net investment income	1,733,178	(1,001,661)	5,310,030	951,809	1,284,470	1,273,309	1,497,426	325,756	349,649	1,536,270
Benefit payments, including refunds of employee contributions	(448,871)	(403,708)	(486,944)	(345,480)	(322,837)	(289,724)	(319,276)	(262,126)	(224,747)	(264,132)
Administrative expenses	(16,608)	(19,713)	(16,285)	(14,812)	(14,299)	(14,741)	(12,792)	(10,583)	(6,657)	(4,822)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	2,580,228	(642,995)	5,529,237	1,618,285	1,926,643	1,905,641	2,122,777	915,096	917,116	2,074,007
Plan fiduciary net position, beginning of year	25,360,633	26,003,628	20,474,391	18,856,106	16,929,463	15,023,822	12,901,045	11,985,949	11,068,833	8,994,826
Plan fiduciary net position, end of year (b)	27,940,861	25,360,633	26,003,628	20,474,391	18,856,106	16,929,463	15,023,822	12,901,045	11,985,949	11,068,833
Net pension liability (asset), end of year (a - b)	<b>\$ 3,852,444</b>	<b>\$ 660,436</b>	<b>\$ (4,021,644)</b>	<b>\$ (2,313,342)</b>	<b>\$ (2,333,681)</b>	<b>\$ (1,533,099)</b>	<b>\$ (486,304)</b>	<b>\$ (157,541)</b>	<b>\$ (401,389)</b>	<b>\$ (372,951)</b>
Plan fiduciary net position as a percentage of total pension liability	87.88%	97.46%	118.30%	112.74%	114.12%	109.96%	103.35%	101.24%	103.46%	103.49%
Covered payroll	\$ 15,502,951	\$ 12,493,389	\$ 10,261,873	\$ 9,569,132	\$ 8,707,446	\$ 8,334,446	\$ 8,030,370	\$ 7,211,166	\$ 6,692,987	\$ 6,432,941
Net pension liability (asset) as a percentage of covered payroll	24.85%	5.29%	-39.19%	-24.18%	-26.80%	-18.39%	-6.06%	-2.18%	-6.00%	-5.80%

**Notes to Schedules**

*Changes in Assumptions*

In 2021, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements.

In 2017, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

**City of Mt. Juliet, Tennessee**  
 Schedules of Contributions  
 Based on Participation in the Public Employee Pension Plan of the TCRS  
 For the Years Ended June 30, 2014 through 2024

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 1,991,500	\$ 1,311,549	\$ 782,087	\$ 722,436	\$ 1,026,768	\$ 978,716	\$ 936,615	\$ 957,220	\$ 860,287	\$ 798,473	\$ 806,691
Contributions in relation to the actuarially determined contribution	<u>1,991,500</u>	<u>1,311,549</u>	<u>782,087</u>	<u>722,436</u>	<u>1,026,768</u>	<u>978,716</u>	<u>936,615</u>	<u>957,220</u>	<u>860,287</u>	<u>798,473</u>	<u>806,691</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 20,238,821	\$ 15,502,943	\$ 12,493,389	\$ 10,261,873	\$ 9,569,132	\$ 8,707,446	\$ 8,334,446	\$ 8,030,370	\$ 7,211,166	\$ 6,692,987	\$ 6,432,941
Contributions as a percentage of covered-employee payroll	9.84%	8.46%	6.26%	7.04%	10.73%	11.24%	11.24%	11.92%	11.93%	11.93%	12.54%

**Notes to Schedules**

*Methods and assumptions used to determine contribution rates:*

Valuation date	Actuarially determined contribution rates for the year ended June 30, 2024 were calculated based on the June 30, 2023 actuarial valuation.
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20.00% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience, including adjustment for some anticipated
Cost-of-living adjustments	2.125%

*Changes in Assumptions*

In 2021, the following assumptions were changed: decreased inflation rate from 2.50% to 2.25%; decreased investment rate of return from 7.25% to 6.75%; decreased cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions.

In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased investment rate of return from 7.50% to 7.25%; decreased cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

**City of Mt. Juliet, Tennessee**  
**Schedules of Changes in Total OPEB Liability and Related Ratios**  
**For the Years Ended June 30, 2018 through 2024**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>							
Service cost	\$ 3,727	\$ 3,770	\$ 5,832	\$ 5,699	\$ 8,306	\$ 9,467	\$ 10,780
Interest	10,530	12,166	14,640	18,877	31,187	39,690	39,925
Changes of benefit terms	-	-	-	-	-	(203,710)	-
Differences between actual and expected experience	150,969	(14,470)	(322,355)	(80,155)	(441,844)	(51,376)	969
Changes in assumptions	(1,807)	(601)	(38,640)	41,980	15,037	25,973	-
Benefit payments, net	(48,664)	(38,050)	(29,091)	(19,950)	(21,705)	(46,545)	(72,552)
Net change in total OPEB liability	114,755	(37,185)	(369,614)	(33,549)	(409,019)	(226,501)	(20,878)
Total OPEB liability, beginning of year	279,296	316,481	686,095	719,644	1,128,663	1,355,164	1,376,042
Total OPEB liability, end of year (a)	394,051	279,296	316,481	686,095	719,644	1,128,663	1,355,164
<b>Plan Fiduciary Net Position</b>							
Contributions, employer	48,664	38,050	29,091	19,950	21,705	46,545	72,552
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(48,664)	(38,050)	(29,091)	(19,950)	(21,705)	(46,545)	(72,552)
Administrative expenses	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position, beginning of year	-	-	-	-	-	-	-
Plan fiduciary net position, end of year (b)	-	-	-	-	-	-	-
Net OPEB liability (asset), end of year (a - b)	<b>\$ 394,051</b>	<b>\$ 279,296</b>	<b>\$ 316,481</b>	<b>\$ 686,095</b>	<b>\$ 719,644</b>	<b>\$ 1,128,663</b>	<b>\$ 1,355,164</b>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 904,538	\$ 796,207	\$ 743,000	\$ 702,606	\$ 702,606	\$ 756,600	\$ 739,482
Total OPEB liability (asset) as a percentage of covered-employee payroll	43.56%	35.08%	42.60%	97.65%	102.42%	149.18%	183.26%

**Notes to Schedules**

GASB 68 requires this data to be presented as part of a 10-year schedule, but it is not required to be presented retroactively prior to the implementation date of GASB 68. Years will be added to this schedule until 10 years of information is available.

There are no assets accumulating in a trust related to this OPEB plan that meet the criteria in paragraph 4 of GASB 75.

**City of Mt. Juliet, Tennessee**  
 Schedules of OPEB Contributions and Assumptions  
 For the Years Ended June 30, 2018 through 2024

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially determined contribution	\$ 24,515	\$ 27,243	\$ 48,524	\$ 52,563	\$ 82,705	\$ 100,387	\$ 50,705
Contributions in relation to the actuarially determined contribution	<u>48,664</u>	<u>38,050</u>	<u>29,091</u>	<u>19,950</u>	<u>21,705</u>	<u>46,545</u>	<u>(72,552)</u>
Contribution excess (deficiency)	<u><b>\$ 24,149</b></u>	<u><b>\$ 10,807</b></u>	<u><b>\$ (19,433)</b></u>	<u><b>\$ (32,613)</b></u>	<u><b>\$ (61,000)</b></u>	<u><b>\$ (53,842)</b></u>	<u><b>\$ 21,847</b></u>
Covered-employee payroll	\$ 904,538	\$ 796,207	\$ 743,000	\$ 702,606	\$ 702,606	\$ 756,600	\$ 739,482
Contributions as a percentage of covered-employee payroll	5.38%	4.78%	3.92%	2.84%	3.09%	6.15%	9.81%
Annual money-weighted rate of return, net of investment expense (no OPEB trust, index will apply for discount rate purposes)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedules**

GASB 68 requires this data to be presented as part of a 10-year schedule, but it is not required to be presented retroactively prior to the implementation date of GASB 68. Years will be added to this schedule until 10 years of information is available.

*Methods and assumptions used to determine contribution rates.*

Valuation date, by year		7/1/2023	7/1/2022	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017
Census date, by year		6/30/2024	6/30/2023	6/30/2022	6/30/2020	6/30/2019	6/30/2018	6/30/2018
Investment rate of return, by year		4.21%	4.13%	4.09%	2.18%	2.66%	2.79%	2.98%
Actuarial cost method	Entry age normal							
Amortization method	N/A							
Amortization period	N/A							
Asset valuation	Market							
Inflation	3.00%							
Participation rate	100%							
Healthcare cost trend	7.00%, decreasing to 4.50% ultimate, Dental- 4.50% flat							
Salary increases	3.00%							
Retirement age	All: Rates from age 60							
Mortality	PUB 2010 with MP-2021 projection							

## **Supplementary Information**

**City of Mt. Juliet, Tennessee**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2024

	<b>Special Revenue Funds</b>		<b>Total nonmajor governmental funds</b>
	<b>Drug fund</b>	<b>Stormwater fund</b>	
<b>Assets</b>			
Cash and cash equivalents	\$ 597,007	\$ 3,416,744	\$ 4,013,751
Accounts receivable	-	273,422	273,422
Prepays	-	3,059	3,059
Total assets	<b>\$ 597,007</b>	<b>\$ 3,693,225</b>	<b>\$ 4,290,232</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 183,476	\$ 183,476
Accrued liabilities	<u>17,933</u>	<u>83,883</u>	<u>101,816</u>
Total liabilities	17,933	267,359	285,292
<b>Fund balances</b>			
Nonspendable, prepays	-	3,059	3,059
Restricted	<u>579,074</u>	<u>3,422,807</u>	<u>4,001,881</u>
Total fund balances	579,074	3,425,866	4,004,940
Total liabilities and fund balances	<b>\$ 597,007</b>	<b>\$ 3,693,225</b>	<b>\$ 4,290,232</b>

**City of Mt. Juliet, Tennessee**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2024

	<b>Special Revenue Funds</b>		<b>Total nonmajor governmental funds</b>
	<b>Drug fund</b>	<b>Stormwater fund</b>	
<b>Revenues</b>			
Intergovernmental	\$ 129,976	\$ -	\$ 129,976
Licenses, permits, and fines	- -	498,780	498,780
Drug-related fines, seizures, and sales	110,522	- -	110,522
Charges for services	- -	2,351,027	2,351,027
Other	19,947	32,500	52,447
Interest	<u>23,321</u>	<u>112,944</u>	<u>136,265</u>
Total revenues	283,766	2,995,251	3,279,017
<b>Expenditures</b>			
Current			
Salaries	70	468,661	468,731
Employee benefits	- -	211,312	211,312
Supplies	- -	23,177	23,177
Investigations	12,915	- -	12,915
Contract services	5,276	2,500	7,776
Theft	- -	- -	- -
Travel	1,783	- -	1,783
Other	- -	64,269	64,269
Capital outlay	<u>195,252</u>	<u>329,414</u>	<u>524,666</u>
Total expenditures	215,296	1,099,333	1,314,629
Excess of revenues over expenditures	68,470	1,895,918	1,964,388
Fund balances, beginning of year	<u>510,604</u>	<u>1,529,948</u>	<u>2,040,552</u>
Fund balances, end of year	<b>\$ 579,074</b>	<b>\$ 3,425,866</b>	<b>\$ 4,004,940</b>

**City of Mt. Juliet, Tennessee**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 Drug Fund  
 For the Year Ended June 30, 2024

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Interest	\$ 1,500	\$ 1,500	\$ 23,321	\$ 21,821
Federal equitable sharing	40,000	40,000	129,976	89,976
Drug-related fines, seizures, and sales	50,000	50,000	110,522	60,522
Other Income	-	-	19,947	19,947
Total revenues	<u>91,500</u>	<u>91,500</u>	<u>283,766</u>	<u>192,266</u>
<b>Expenditures</b>				
Program costs				
Training	3,000	3,000	70	2,930
Investigations	20,000	20,000	12,915	7,085
Contract services	15,900	15,900	5,276	10,624
Travel	9,000	9,000	1,783	7,217
Capital outlay	<u>172,000</u>	<u>211,000</u>	<u>195,252</u>	<u>15,748</u>
Total expenditures	<u>219,900</u>	<u>258,900</u>	<u>215,296</u>	<u>43,604</u>
Excess of revenues over (under) expenditures	(128,400)	(167,400)	68,470	235,870
Fund balance, beginning of year	510,604	510,604	510,604	-
Fund balance, end of year	<b>\$ 382,204</b>	<b>\$ 343,204</b>	<b>\$ 579,074</b>	<b>\$ 235,870</b>

**City of Mt. Juliet, Tennessee**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 Stormwater Fund  
 For the Year Ended June 30, 2024

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Utility service charges	\$ 2,200,000	\$ 2,200,000	\$ 2,351,027	\$ 151,027
Licenses and permits	371,500	371,500	498,780	127,280
Other	-	-	32,500	32,500
Interest	3,000	3,000	112,944	109,944
Total revenues	<u>2,574,500</u>	<u>2,574,500</u>	<u>2,995,251</u>	<u>420,751</u>
<b>Expenditures</b>				
Street maintenance				
Salaries	629,429	629,429	468,661	160,768
Employee benefits	257,645	257,645	211,312	46,333
Professional services	20,000	20,000	2,500	17,500
Supplies	19,200	19,200	23,177	(3,977)
Other	185,800	185,800	64,269	121,531
Capital outlay	385,000	385,000	329,414	55,586
Total expenditures	<u>1,497,074</u>	<u>1,497,074</u>	<u>1,099,333</u>	<u>397,741</u>
Excess of revenues over (under) expenditures	1,077,426	1,077,426	1,895,918	818,492
Fund balance, beginning of year	1,529,948	1,529,948	1,529,948	-
Fund balance, end of year	<b>\$ 2,607,374</b>	<b>\$ 2,607,374</b>	<b>\$ 3,425,866</b>	<b>\$ 818,492</b>

**City of Mt. Juliet, Tennessee**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 General Capital Projects Fund  
 For the Year Ended June 30, 2024

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental				
Grants	\$ 8,334,571	\$ 8,942,298	\$ 1,128,730	\$ (7,813,568)
Other	-	110,000	200,138	90,138
Interest	-	-	406,181	406,181
Miscellaneous	-	1,998,830	-	(1,998,830)
Total revenues	<u>8,334,571</u>	<u>11,051,128</u>	<u>1,735,049</u>	<u>(9,316,079)</u>
<b>Expenditures</b>				
Capital outlay	76,853,091	79,779,756	17,221,447	62,558,309
Total expenditures	<u>76,853,091</u>	<u>79,779,756</u>	<u>17,221,447</u>	<u>62,558,309</u>
Excess of revenues over (under) expenditures	(68,518,520)	(68,728,628)	(15,486,398)	53,242,230
<b>Other Financing Sources (Uses)</b>				
Debt proceeds	45,000,000	45,000,000	31,800,000	(13,200,000)
Operating transfers in (out)	14,239,038	15,467,320	9,460,388	(6,006,932)
Premium on bonds sold	-	-	3,423,471	3,423,471
Total other financing sources (uses)	<u>59,239,038</u>	<u>60,467,320</u>	<u>44,683,859</u>	<u>(15,783,461)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(9,279,482)	(8,261,308)	29,197,461	37,458,769
Fund balance, beginning of year	8,050,846	8,050,846	8,050,846	-
Fund balance, end of year	<u>\$ (1,228,636)</u>	<u>\$ (210,462)</u>	<u>\$ 37,248,307</u>	<u>\$ 37,458,769</u>

**City of Mt. Juliet, Tennessee**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 Debt Service Fund  
 For the Year Ended June 30, 2024

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Grants	\$ 1,000	\$ 1,000	\$ 9,020	\$ 8,020
Impact fees	300,000	300,000	371,658	71,658
Total revenues	301,000	301,000	380,678	79,678
<b>Expenditures</b>				
Debt service				
Principal	1,055,000	1,055,000	1,055,000	-
Interest	611,605	611,605	611,605	-
Total expenditures	1,666,605	1,666,605	1,666,605	-
Excess of revenues over (under) expenditures	(1,365,605)	(1,365,605)	(1,285,927)	79,678
<b>Other Financing Sources (Uses)</b>				
Operating transfers in (out)	1,166,140	1,166,140	1,060,000	(106,140)
Excess of revenues and other sources over (under) expenditures and other uses	(199,465)	(199,465)	(225,927)	(26,462)
Fund balance, beginning of year	355,662	355,662	355,662	-
Fund balance, end of year	<b>\$ 156,197</b>	<b>\$ 156,197</b>	<b>\$ 129,735</b>	<b>\$ (26,462)</b>

**City of Mt. Juliet, Tennessee**  
 Capital Assets Used in Operation of Governmental Funds  
 Schedule by Function and Activity  
 June 30, 2024

<b>Function and Activity</b>	<b>Land</b>	<b>Buildings and improvements</b>	<b>Machinery and equipment</b>	<b>Infrastructure</b>	<b>Construction in progress</b>	<b>Total</b>
General government	\$ 404,611	\$ 2,000,854	\$ 2,063,240	\$ 20,336	\$ 4,043,425	\$ 8,532,466
Public safety						
Police	1,474,758	3,635,341	10,832,448	179,425	5,319,622	21,441,595
Fire	1,208,857	1,927,709	7,567,430	3,604	177,424	10,885,025
Streets and public works	8,009,154	11,940,615	4,501,842	107,299,394	23,054,421	154,805,426
Stormwater	-	-	210,458	1,309,134	153,970	1,673,562
Parks	<u>3,240,929</u>	<u>6,462,796</u>	<u>2,217,231</u>	<u>5,857,038</u>	<u>40,662</u>	<u>17,818,657</u>
Total governmental funds capital assets	<b>\$ 14,338,310</b>	<b>\$ 25,967,316</b>	<b>\$ 27,392,650</b>	<b>\$ 114,668,931</b>	<b>\$ 32,789,523</b>	<b>\$ 215,156,730</b>

**City of Mt. Juliet, Tennessee**  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity  
 June 30, 2024

<b>Function and Activity</b>	<b>Balance</b>		<b>Balance</b>	
	<b>June 30, 2023</b>	<b>Additions</b>	<b>Subtractions</b>	<b>June 30, 2024</b>
General government	\$ 7,893,674	\$ 638,792	\$ -	\$ 8,532,466
Public safety				
Police	14,342,639	7,248,754	(149,798)	21,441,595
Fire	5,368,997	5,516,028	-	10,885,025
Streets and public works	124,609,208	30,196,218	-	154,805,426
Stormwater	1,525,008	148,554	-	1,673,562
Parks	<u>15,286,764</u>	<u>2,537,742</u>	<u>(5,850)</u>	<u>17,818,656</u>
Total governmental funds capital assets	<b>\$ 169,026,290</b>	<b>\$ 46,286,088</b>	<b>\$ (155,648)</b>	<b>\$ 215,156,730</b>

**City of Mt. Juliet, Tennessee**  
 Schedule of Changes in Property Taxes Receivable, Tax Rates, Assessments, and Levies  
 General Fund  
 For the Year Ended June 30, 2024

<b>Fiscal Year</b>	<b>Tax rate</b>	<b>Assessment</b>	<b>Levy</b>	<b>Taxes receivable</b>		<b>Collections</b>	<b>Allowance for Uncollectibles</b>	<b>Taxes receivable</b>
				<b>June 30, 2023</b>	<b>Levy</b>			
2024	\$ 0.1100	\$ 2,006,235,173	\$ 2,206,859	\$ -	\$ 2,206,859	\$ (2,172,236)	\$ (3,439)	\$ 31,184
2023	\$ 0.1100	1,994,098,637	2,193,509	23,980	-	(16,697)	-	7,283
2022	\$ 0.1100	1,762,183,320	1,938,402	6,113	-	(5,359)	-	754
2021	\$ 0.1664	1,254,813,851	2,088,010	235	-	-	-	235
2020	* \$ 0.1664	1,247,819,907	2,076,372	340	-	-	-	340
2019	* \$ 0.1664	1,166,264,423	1,940,664	283	-	-	-	283
2018	* \$ 0.1664	1,077,751,835	1,823,590	-	-	-	-	-
2017	* \$ 0.1664	998,442,380	1,661,408	-	-	-	-	-
2016	* \$ 0.2000	835,164,098	1,670,889	-	-	-	-	-
2015	* \$ 0.2000	788,758,500	1,577,517	-	-	-	-	-
				<b>\$ 30,951</b>	<b>\$ 2,206,859</b>	<b>\$ (2,194,292)</b>	<b>\$ (3,439)</b>	<b>\$ 40,079</b>
2024 Levy**								<b>2,272,038</b>
								<b>\$ 2,312,117</b>

\* Turned over to County Clerk for collection

\*\* Current year anticipated levy

**City of Mt. Juliet, Tennessee**  
 Schedule of Changes in Long-term Debt by Individual Issue  
 For the Year Ended June 30, 2024

<b>Description of Indebtedness</b>	<b>Original amount of issue</b>	<b>Interest rate</b>	<b>Date of issue</b>	<b>Last maturity date</b>	<b>Outstanding July 1, 2023</b>	<b>Issued during period</b>	<b>Paid and/or matured during period</b>	<b>Refunded during period</b>	<b>Outstanding June 30, 2024</b>
<b>Governmental Activities</b>									
Bonds payable									
GO refunding bonds, Series 2019	\$ 6,070,000	5.00%	8/12/19	6/1/26	\$ 2,840,000	\$ -	\$ 900,000	\$ -	\$ 1,940,000
GO refunding bonds, Series 2020	\$ 7,980,000	4.00%	12/1/20	6/1/34	7,560,000	-	155,000	-	7,405,000
GO bonds, Series 2024	\$ 31,800,000	5.00%	5/29/24	6/1/39	-	31,800,000	-	-	31,800,000
Total bonds payable					\$ 10,400,000	\$ 31,800,000	\$ 1,055,000	\$ -	\$ 41,145,000

**City of Mt. Juliet, Tennessee**  
 Schedule of Long-term Debt, Principal, and Interest Requirements  
 Governmental Activities  
 June 30, 2024

<b>Fiscal year ending</b> <b>June 30,</b>	<b>GO refunding bonds</b> <b>Series 2019</b>		<b>GO refunding bonds</b> <b>Series 2020</b>		<b>GO bonds</b> <b>Series 2024</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2025	\$ 950,000	\$ 97,000	\$ 165,000	\$ 163,405	1,100,000	1,506,083	2,215,000	1,766,488
2026	990,000	49,500	175,000	156,805	1,150,000	1,535,000	2,315,000	1,741,305
2027	-	-	780,000	149,805	1,670,000	1,477,500	2,450,000	1,627,305
2028	-	-	815,000	118,605	1,750,000	1,394,000	2,565,000	1,512,605
2029	-	-	855,000	86,005	1,840,000	1,306,500	2,695,000	1,392,505
2030	-	-	895,000	51,805	1,930,000	1,214,500	2,825,000	1,266,305
2031	-	-	910,000	42,855	2,030,000	1,118,000	2,940,000	1,160,855
2032	-	-	920,000	33,755	2,130,000	1,016,500	3,050,000	1,050,255
2033	-	-	935,000	23,635	2,235,000	910,000	3,170,000	933,635
2034	-	-	955,000	12,415	2,345,000	798,250	3,300,000	810,665
2035	-	-	-	-	2,465,000	681,000	2,465,000	681,000
2036	-	-	-	-	2,590,000	557,750	2,590,000	557,750
2037	-	-	-	-	2,715,000	428,250	2,715,000	428,250
2038	-	-	-	-	2,850,000	292,500	2,850,000	292,500
2039	-	-	-	-	3,000,000	150,000	3,000,000	150,000
<b>Total</b>	<b>\$ 1,940,000</b>	<b>\$ 146,500</b>	<b>\$ 7,405,000</b>	<b>\$ 839,090</b>	<b>\$ 31,800,000</b>	<b>\$ 14,385,833</b>	<b>\$ 41,145,000</b>	<b>\$ 15,371,423</b>

**City of Mt. Juliet, Tennessee**  
 Schedule of Expenditures of Federal Awards and State Financial Assistance  
 For the Year Ended June 30, 2024

<b>Federal grantor/Pass-through grantor/Program title</b>	<b>Assistance Listing</b>	<b>Pass-through entity</b>	<b>Contract number</b>	<b>Expenditures</b>
<b>Federal Awards</b>				
<b>US Department of Transportation</b>				
Highway Planning and Construction Cluster Town Center Trail, Phase 3	20.205	TN Department of Transportation	CM-1952 (10) 95LPLM-F0-124	\$ 19,244
Highway Planning and Construction Cluster ADA Upgrades Phase 2	20.205	TN Department of Transportation	HIP-C-M-171(36) 95LPLM-F3-111	11,896
Highway Planning and Construction Cluster Surface Transportation Program Lebanon Sidewalks Phase 2	20.205	TN Department of Transportation	STP-M-9322 (4) 95LPLM-F3-091 (088)	850,102
Highway Planning and Construction Cluster ITS & Signal Improvement Project, Phase 3	20.205	TN Department of Transportation	HIP-CM-171(37) 95LPLM-F0-120	121,375
Total Highway Planning and Construction (Federal-Aid Highway Program)				<u>1,002,617</u>
<b>US Department of the Treasury</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLRF)	21.027	N/A - Direct	N/A	2,500,289
Total federal awards				<u>3,502,906</u>
<b>State Financial Assistance</b>				
<b>TN Department of Transportation</b>				
State Industrial Access Grant Industrial Access Rd Fast Break (Signalization)		TN Department of Transportation	95LPLM-S3-049	11,550
Multimodal Access Grant Lebanon Road Sidewalks Phase 3		TN Department of Transportation	95LPLM-53-100	30,313
<b>TN Department of Environment and Conservation</b>				
Local Parks and Recreation Fund Hamilton Denson Park		TN Dept. of Environment and Conservation	GMS 2020-6835	439,743
Total state grants, US Department of Transportation				<u>481,606</u>
Total state financial assistance				<u>481,606</u>
Total federal awards and state financial assistance				<b>\$ 3,984,512</b>

**Note 1. Basis of Presentation**

The Schedule of Expenditures of Federal Awards and State Financial Assistance summarizes the expenditures of the City under programs of the federal and state governments for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. Expenditures presented on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 2. Indirect Cost Rate**

The Entity has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Other Notes**

At June 30, 2024, there was a Department of Housing and Urban Development Home Investment Partnership grant note outstanding (Assistance Listing No. 14.239). In a prior fiscal year, the funds, in the amount of \$364,968, were passed through to a subrecipient. The grant note is forgivable, provided the City continues to meet the terms of the grant. The remaining balance of the grant note is due 2025.

**City of Mt. Juliet, Tennessee**  
 Schedule of Liability and Property Insurance (Unaudited)  
 For the Year Ended June 30, 2024

<b>Insurance Coverage</b>	<b>Details of Coverage</b>
Public Entity Partners	
Public officials errors and omissions	\$4,000,000/\$2,500 deductible
General liability, automobile liability, bodily injury, law enforcement	\$300,000 per person bodily injury, as limited by tort liability act
	\$700,000 per occurrence bodily injury, as limited by tort liability act
	\$100,000 per occurrence law enforcement, as limited by tort liability act
	\$4,000,000 per occurrence for each other event
Automobile physical damage	Actual cash value of vehicle or cost to replace
	Deductible:
	Comprehensive      \$      1,000
	Collision      \$      1,000
Uninsured motorist	\$300,000 per person bodily injury \$100,000 per occurrence property damage
Automobile medical payments	\$1,000 per person/\$10,000 per accident
Property, multi-peril	
Real and personal property (total insured)	\$      92,548,909
EDP equipment/media	\$      665,000
Mobile equipment	\$      1,934,900
Flood	\$      1,000,000
Earthquake	\$      1,500,000
Newly acquired property	\$      1,500,000
Loss of revenue	\$      250,000
Extra expenses	\$      500,000
Terrorism	\$      500,000
Property in course of construction	\$      500,000
Demolition/debris removal/consequential loss/leasehold interest	\$      500,000
Accounts receivable/valuable records	\$      250,000
Crime limits	
Employee dishonesty	\$      250,000
Forgery	\$      250,000
Theft, disappearance, and destruction	\$      250,000
Computer fraud	\$      250,000
Key risk (workers' compensation)	\$1,000,000 each accident limit \$1,000,000 policy limit by disease \$1,000,000 employee limit by disease

**City of Mt. Juliet, Tennessee**  
 Schedule of Sewer System Data (Unaudited)  
 June 30, 2024

Number of customers		15,266
Sewer rates, based on water consumption		
Inside city, residential	\$	16.39
Minimum bill, first 2,000 gallons	\$	8.03
Each additional 1,000 gallons		
Outside city, residential (service requested prior to June 9, 2019)		
Minimum bill, first 2,000 gallons	\$	23.12
Each additional 1,000 gallons	\$	11.19
Outside city, residential (service requested after June 9, 2019)		
Minimum bill, first 2,000 gallons	\$	20.49
Each additional 1,000 gallons	\$	10.05
Inside city, commercial		
Minimum bill, first 2,000 gallons	\$	32.78
Each additional 1,000 gallons	\$	16.06
Outside city, commercial (service requested prior to June 9, 2019)		
Minimum bill, first 2,000 gallons	\$	28.90
Each additional 1,000 gallons	\$	13.99
Outside city, commercial (service requested after June 9, 2019)		
Minimum bill, first 2,000 gallons	\$	46.24
Each additional 1,000 gallons	\$	22.38
Tap fees		
Inside city, residential	\$	1,500
Outside city, residential	\$	4,000
Commercial		Based on meter size
Installation and pump charges	\$	3,000
Development fees, based on zoning		
Residential, per lot		\$1,340 - \$2,590
Inspection fee, inside city	\$	50
Inspection fee, outside city	\$	100

## **Internal Control and Compliance**

**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Honorable Mayor and Board of Commissioners  
City of Mt. Juliet, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mt. Juliet, Tennessee (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 16, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC

Mt. Juliet, Tennessee

December 16, 2024

**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance Required by the Uniform Guidance**

Honorable Mayor and Board of Commissioners  
City of Mt. Juliet, Tennessee

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the City of Mt. Juliet, Tennessee (the City)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control Over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC

Mt. Juliet, Tennessee

December 16, 2024

**City of Mt. Juliet, Tennessee**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

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**Section I. Summary of Auditor's Results**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP      Unmodified

Internal control over financial reporting:

Material weakness identified?            Yes      X No

Significant deficiency(ies) identified?            Yes      X None Reported

Noncompliance material to financial statements noted?            Yes      X No

*Federal Awards*

Internal control over major programs:

Material weakness identified?            Yes      X No

Significant deficiency(ies) identified?            Yes      X None Reported

Type of auditor's report issued on compliance for major federal programs:      Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?            Yes      X No

Identification of major programs:

**Assistance Listing Number      Name of Federal Program or Cluster**

21.027      United States Department of the Treasury/  
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

Dollar threshold used to distinguish between type A and type B programs      \$ 750,000

Auditee qualified as low-risk auditee?      X Yes            No

*Continued*

**City of Mt. Juliet, Tennessee**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

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**Section II. Financial Statement Findings**

None reported.

**Section III. Federal Award Findings and Questioned Costs**

None reported.

**City of Mt. Juliet, Tennessee**  
Schedule of Prior Year Findings  
For the Year Ended June 30, 2024

**Financial Statement Findings**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
N/A	There were no prior findings reported.	N/A

**Federal Award Findings and Questioned Costs**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
N/A	There were no prior findings reported.	N/A

**Compliance and Other Matters**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
N/A	There were no prior findings reported.	N/A