

PRELIMINARY OFFICIAL STATEMENT DATED MAY 21, 2024
BONDS TO BE SOLD WEDNESDAY, MAY 29, 2024, AT 9:30 A.M. CENTRAL DAYLIGHT TIME

NEW ISSUE - Book Entry Only

RATING:
S&P: "AAA"

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes and will not be treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Under existing law, the Series 2024 Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except certain Tennessee franchise and excise taxes. See the discussion under the heading "LEGAL MATTERS - Opinion of Bond Counsel" and "TAX MATTERS" herein.

\$33,500,000*
CITY OF MT. JULIET, TENNESSEE
General Obligation Bonds, Series 2024

Dated: Date of Issuance

Due: June 1, as shown below

The General Obligation Bonds, Series 2024 (the "Series 2024 Bonds") are being issued by the City of Mt. Juliet, Tennessee (the "City") to pay the cost of (i) 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 costs 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. See "PLAN OF FINANCING."

The Series 2024 Bonds are secured by and are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the corporate limits of the City. The full faith and credit and the taxing power of the City is pledged to the payment of the Series 2024 Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024 BONDS."

The Series 2024 Bonds will be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof and when issued will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2024 Bonds. Interest on the Series 2024 Bonds will be payable on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing December 1, 2024, to the owners thereof as shown on the registration books maintained by U.S. Bank Trust Company National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent"). The Series 2024 Bonds will bear interest from their dated date. See "DESCRIPTION OF THE SERIES 2024 BONDS - General."

The Series 2024 Bonds are payable on June 1 of each year as follows:

Maturity Schedule

Due June 1	PRINCIPAL*	COUPON	YIELD	CUSIP	Due June 1	PRINCIPAL*	COUPON	YIELD	CUSIP
2025	\$1,150,000				2033	\$2,380,000			
2026	1,200,000				2034	2,480,000			
2027	1,810,000				2035	2,580,000			
2028	1,900,000				2036	2,680,000			
2029	2,000,000				2037	2,800,000			
2030	2,100,000				2038	2,900,000			
2031	2,200,000				2039	3,020,000			
2032	2,300,000								

The Series 2024 Bonds are offered, when, as and if issued by the City, subject to the approval of legality by Holland & Knight LLP, Nashville, Tennessee, Bond Counsel to the City. Certain legal matters will be passed upon for the City by its counsel, L. Gino Marchetti, Jr., Nashville, Tennessee. Stephens Inc. is serving as Municipal Advisor to the City. The Series 2024 Bonds will be available for delivery through DTC on or about June , 2024.*

Dated: _____, 2024

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

No dealer, broker, salesman or other person has been authorized by the City of Mt. Juliet (the “City”) or by Stephens Inc. (the “Municipal Advisor”) to give any information or to make any representations, other than those contained in this Preliminary Official Statement in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Municipal Advisor. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Preliminary Official Statement has been obtained from representatives of the City, public documents, records and other sources considered reliable. The delivery of this Preliminary Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date. Any statements in this Preliminary Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2024 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AGENCY. THE SERIES 2024 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRELIMINARY OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the City and the terms of the offering, including the merits and risks involved. The Series 2024 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Preliminary Official Statement. Any representation to the contrary is a criminal offense.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2024 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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CITY OF MT. JULIET, TENNESSEE
2425 North Mt. Juliet Road
Mt. Juliet, Tennessee 37122

OFFICIALS

COMMISSIONERS

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

CITY OFFICIALS

City Manager	Kenny Martin
Finance Director	Dana Hire
Deputy City Manager/City Recorder	Sheila L. Lockett

City Attorney
L. Gino Marchetti, Jr., Esq.

Bond Counsel
Holland & Knight LLP
Nashville, Tennessee

Registration and Paying Agent
U.S. Bank Trust Company National Association
Nashville, Tennessee

Municipal Advisor
Stephens Inc.
Nashville, Tennessee

Underwriter

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NOTICE OF SALE

\$33,500,000*

CITY OF MT. JULIET, TENNESSEE

GENERAL OBLIGATION BONDS, SERIES 2024

Notice is hereby given that the Mayor of the City of Mt. Juliet, Tennessee (the “City”) will accept a written bid or electronic bid for the purchase of all, but not less than all, of the City’s \$33,500,000* General Obligation Bonds, Series 2024 (the “Series 2024 Bonds”) until:

9:30 A.M. C.D.T. on Wednesday, May 29, 2024.

Written bids must be addressed and delivered to the City to the attention of the Mayor, c/o the Office of the Finance Director, 2425 N. Mt. Juliet Road, Mt. Juliet, Tennessee 37122. Electronic bids must be submitted to PARITY® via BiDCOMP Competitive Bidding System. No other form of electronic bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For purposes of both written sealed bid process and electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. **The sale on May 29, 2024 may be postponed prior to the time bids are received as published on www.I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via www.I-dealProspectus.com upon forty-eight hours’ notice.** If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the provider of electronic bidding services, this Notice of Sale shall control.

The Series 2024 Bonds will be dated the date of delivery and will mature on June 1 in the years 2025 through 2039, inclusive, with term bonds optional. The interest rate or rates on the Series 2024 Bonds shall not exceed five percent (5.00%) per annum and shall be payable semi-annually on June 1 and December 1, commencing December 1, 2024. No bid for the Series 2024 Bonds will be considered for less than ninety-nine percent (99%) of par or for more than one hundred twenty (120%) of par. The Series 2024 Bonds maturing on June 1, 2034 and thereafter are subject to optional redemption on June 1, 2033 and on any date thereafter at par plus accrued interest to the redemption date. The Series 2024 Bonds may be sold as term bonds subject to mandatory redemption as more fully provided in the Detailed Notice of Sale. The Series 2024 Bonds will be awarded on the sale date by the Mayor to the bidder whose bid results in the lowest true interest cost on the Series 2024 Bonds. The Series 2024 Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of principal of and interest on the Series 2024 Bonds, the full faith and credit of the City are irrevocably pledged.

After opening the bids, the City reserves the right to increase or decrease the aggregate principal amount of the Series 2024 Bonds and to increase or decrease the principal amount of each maturity as described in the Detailed Notice of Sale.

In the event the competitive sale requirements of applicable Treasury Regulations are not met, the City will require bidders to comply with the “hold-the-offering-price rule” for purposes of determining the issue price of the Series 2024 Bonds. As described in more detail in the Detailed Notice of Sale, if the competitive sale requirements are not satisfied, the prospective winning bidder’s bid shall be cancelled and deemed withdrawn, UNLESS the prospective winning bidder affirmatively confirms its bid and agrees to comply with the hold-the-offering -price rule, in the manner described in the Detailed Notice of Sale.

The book-entry only Series 2024 Bonds (except that the Series 2024 Bonds shall not be required to be book-entry if purchased by a bidder who does not intend to reoffer the Series 2024 Bonds) and approving opinion of Holland & Knight LLP, Nashville, Tennessee, will be furnished at the expense of the City. Additional information, including the Preliminary Official Statement and Detailed Notice of Sale, may be obtained from the Office of the Finance Director, 2425 N. Mt. Juliet Road, Mt. Juliet, Tennessee 37122, or from the City’s Municipal Advisor, Stephens Inc., Attn: Sam Crewse, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4336; Fax: (615) 279-4351.

James Maness
Mayor

*Preliminary, subject to change as provided in the Detailed Notice of Sale.

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DETAILED NOTICE OF SALE

\$33,500,000*

CITY OF MT. JULIET, TENNESSEE

General Obligation Bonds, Series 2024

Time and Place of Sale

Notice is hereby given that the Mayor of the City of Mt. Juliet, Tennessee (the “City”) will accept a written bid or electronic bid for the purchase of all, but not less than all, of the City’s \$33,500,000* General Obligation Bonds, Series 2024 (the “Series 2024 Bonds”) until:

9:30 A.M. C.D.T. on Wednesday, May 29, 2024.

Written bids for the Series 2024 Bonds must be addressed and delivered to the City to the attention of the Mayor, c/o the Office of the Finance Director, 2425 N. Mt. Juliet Road, Mt. Juliet, Tennessee 37122. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of electronic bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all the Series 2024 Bonds on May 29, 2024 may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours’ notice.*** Unless all bids for the Series 2024 Bonds are rejected as set forth in this Detailed Notice of Sale under the heading “Basis of Award”, the Series 2024 Bonds will be awarded on such date by the Mayor of the City.

Description of Series 2024 Bonds

The Series 2024 Bonds will be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, be dated the date of delivery, be issued, or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or transferor thereof, as appropriate, and will mature and be payable on June 1 of each year as follows:

<u>MATURITY</u> <u>June 1</u>	<u>PRINCIPAL*</u>	<u>COUPON</u>	<u>YIELD</u>	<u>CUSIP</u>	<u>MATURITY</u> <u>June 1</u>	<u>PRINCIPAL*</u>	<u>COUPON</u>	<u>YIELD</u>	<u>CUSIP</u>
2025	\$1,150,000				2033	\$2,380,000			
2026	1,200,000				2034	2,480,000			
2027	1,810,000				2035	2,580,000			
2028	1,900,000				2036	2,680,000			
2029	2,000,000				2037	2,800,000			
2030	2,100,000				2038	2,900,000			
2031	2,200,000				2039	3,020,000			
2032	2,300,000								

* Preliminary, subject to change as provided herein.

Registration and Depository Participation

The Series 2024 Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One Bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Series 2024 Bonds in the principal amount of \$5,000 and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Series 2024 Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Series 2024 Bonds will be payable semiannually on June 1 and December 1, commencing December 1, 2024, and principal of the Series 2024 Bonds will be payable, at maturity or upon redemption, to DTC or its nominee as registered owner of the Series 2024 Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 2024 Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The City will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that the book-entry only system for the Series 2024 Bonds is discontinued and a successor securities depository is not appointed by the City, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 or integral multiples thereof. In addition, and notwithstanding anything herein to the contrary, upon the request of the successful bidder for the Series 2024 Bonds if the successful bidder for the Series 2024 Bonds certifies that it has no present intent to reoffer the Series 2024 Bonds, the Series 2024 Bonds may be issued in fully certificated form only. The ownership of Series 2024 Bonds so delivered shall be registered in registration books to be kept by U.S. Bank Trust Company National Association, Nashville, Tennessee, as registration and paying agent (the “Registration Agent”), at its designated corporate office, (or if the Series 2024 Bonds are not in book-entry form, at the option of the City, by the City Recorder) and the City and the Registration Agent shall be entitled to treat the registered owners of the Series 2024 Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the resolution authorizing the Series 2024 Bonds.

Optional Redemption

Series 2024 Bonds maturing on June 1, 2034 and thereafter are subject to optional redemption on June 1, 2033 and on any date thereafter at par plus accrued interest to the redemption date.

Mandatory Redemption

The successful bidder shall have the option to designate certain consecutive serial maturities of the Series 2024 Bonds as one more Term Bonds, each Term Bond bearing a single interest rate. If a successful bidder designates certain consecutive serial maturities to be combined into one or more Term Bonds, each Term Bond shall be subject to mandatory sinking fund redemption by the City at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Series 2024 Bonds and in the amount of the maturing principal installment for the Series 2024 Bonds listed above for such principal payment date. Term Bonds to be redeemed within a single maturity shall be determined by DTC, or its successor, by lot or such other manner as DTC, or successor, shall determine; or if the Term Bonds are not being held under a Book-Entry System, the Term Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Purpose and Authority of Series 2024 Bonds

The Series 2024 Bonds are being issued to pay the cost of (i) 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 costs

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 are being issued under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., Tennessee Code Annotated and pursuant to an authorizing resolution adopted by the Board of Commissioners of the City on March 25, 2024 and a detailed resolution adopted on April 8, 2024.

Security and Sources of Payment

The Series 2024 Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the City. The full faith and credit of the City are irrevocably pledged for the prompt payment of principal of and interest on the Series 2024 Bonds.

Under Tennessee law, the City's legislative body is authorized to levy a tax on all taxable property within the City, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions to which the Series 2024 Bonds are issued, reference is hereby made to the resolution authorizing the Series 2024 Bonds.

Submission of Bid

All bids, electronic or otherwise, must be submitted as set forth under the heading "Time and Place of Sale", set forth above. Written bids must be enclosed in a sealed envelope bearing the name and address of the bidder, clearly and legibly marked on the outside "Bid for Bonds" and addressed and delivered to the following address:

Office of the Mayor
c/o Office of the Finance Director
2425 N. Mt. Juliet Road
Mt. Juliet, Tennessee 37122

Written bids must be submitted on the Bid Form included with the Preliminary Official Statement or on a reasonable facsimile thereof.

Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to the Notice of Sale and shall be binding upon the bidder as if made by a signed sealed written bid made to the City. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of the Detailed Notice of Sale, the Detailed Notice of Sale shall prevail. The City shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The City will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by the office of the Mayor and/or BiDCOMP/PARITY®, respectively before the time stated above. Bidders shall be required to comply with the provisions regarding a Good Faith Deposit as described below in the section entitled "Good Faith Deposit". The City is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

Form of Bids

All bids for the Series 2024 Bonds must be for not less than all the Series 2024 Bonds. Bidders must bid not less than 99% of par nor greater than 120% of par (the "Purchase Price") for all the Series 2024 Bonds. Bidders must specify the interest rate or rates the Series 2024 Bonds are to bear in multiples of one-eighth (1/8th) or one-one hundredth (1/100th) of one percent (1%), but no rate specified for the Series 2024 Bonds shall be in excess of 5% per annum. There will be no limitation on the number of rates of interest which may be specified for the Series 2024 Bonds, but one rate of interest shall apply to all the Series 2024 Bonds of a maturity. Bidders may designate two or more consecutive serial maturities as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities. Bidders must specify the reoffering prices or yields of each maturity.

Revised Maturity Schedule

The aggregate principal amount of the Series 2024 Bonds (the “Preliminary Aggregate Principal Amount”) and the annual principal amounts of Series 2024 Bonds (the “Preliminary Annual Principal Amounts” and collectively, with reference to the Preliminary Aggregate Principal Amounts, the “Preliminary Amounts”) set forth in this Detailed Notice of Sale may be revised before the viewing of bids for the purchase of the Series 2024 Bonds, as may be the bid parameters set forth herein. In addition, the City may withdraw the Series 2024 Bonds from the proposed sale, as well as any maturity. Any such revisions (in case of revised principal amounts, the “Revised Aggregate Principal Amount”, the “Revised Annual Principal Amounts” and the “Revised Amounts”) WILL BE GIVEN BY NOTIFICATION PUBLISHED ON www.I-dealProspectus.com NOT LATER THAN 4:00 P.M., CENTRAL DAYLIGHT TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Detailed Notice of Sale. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS, IF ANY. Prospective bidders may request notification by facsimile transmission of any revisions in the Preliminary Amounts and bid parameters by so advising and faxing their telecopier number(s) to Stephens Inc., Municipal Advisor to the City, at (615) 279-4351 by 12:00 Noon Central Daylight Time, at least one day prior to the date for receipt of the bids.

Changes to Maturity Schedule

The City reserves the right to change the Revised Aggregate Principal Amount of the Series 2024 Bonds and the Revised Annual Principal Amounts of the Series 2024 Bonds after determination of the winning bidder, by increasing or decreasing the Revised Annual Principal Amount of each maturity of the Series 2024 Bonds by 30% provided, however, that the maximum amount shall not exceed \$35,000,000. Such changes, if any, will determine the final annual principal amounts of the Series 2024 Bonds (the “Final Annual Principal Amounts”) and the final aggregate principal amount of Series 2024 Bonds (the “Final Aggregate Principal Amount”). The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Series 2024 Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices will not change. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The City anticipates that the Final Annual Principal Amounts of the Series 2024 Bonds and the Final Aggregate Principal Amount of Series 2024 Bonds will be communicated to the successful bidder prior to the award of the Series 2024 Bonds. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER FOR THE PURCHASE OF THE SERIES 2024 BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE ASSUMPTION THAT THE COUPON RATES, REOFFERING PRICES, AND THE UNDERWRITER’S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY THE SUCCESSFUL BIDDER WILL NOT CHANGE.

Basis of Award

If an award is made, the Series 2024 Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the City for the Series 2024 Bonds as determined by reference to the Revised Aggregate Principal Amounts as discussed in the paragraph above. The lowest true interest cost on the Series 2024 Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Series 2024 Bonds (compounded semi-annually from the dated date of such Series 2024 Bonds) produces an amount equal to the purchase price of the Series 2024 Bonds. For the purpose of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of a Term Bond shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal.

In the event that two or more of the bidders offer to purchase the Series 2024 Bonds thereof at the same lowest true interest cost, the Mayor shall determine, in the sole discretion of the Mayor, which of the bidders shall be awarded the Series 2024 Bonds.

The Mayor reserves the right to waive any irregularity or informality in any bid, and to reject any or all bids, and notice of rejection of any bid will be made promptly. Unless all bids are rejected, award of Series 2024 Bonds will be made by the Mayor on the sale date specified in the Notice of Sale.

Good Faith Deposit

The successful bidder will be required to submit a good faith deposit (the “Deposit”) in the amount of \$335,000 to secure the faithful performance of the terms of the bid to purchase the Series 2024 Bonds. The Deposit will be delivered to the City by wire transfer or certified check for the prescribed amount. The Deposit may be provided in the form of:

(1) **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the City by the successful bidder by 2:00 p.m. Central Daylight Time on the date of the sale, provided the City awards the bid by 12:00 noon Central Daylight Time; otherwise the wire shall be received not later than 11:00 a. m. Central Daylight Time on the next business day following the award. The Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.

(2) **Certified Check.** A bank certified check, bank cashier’s check or a treasurer’s check drawn upon an incorporated bank or trust company payable unconditionally to the order of the City. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder’s Deposit is by check, the check will be deposited on the date of sale.

Wire transfer instructions shall be submitted to the successful bidder. In the event the successful bidder fails to timely submit the Deposit, the award may be terminated by the Mayor, and the Mayor, in his discretion, may award the Series 2024 Bonds to the bidder whose bid results in the next lowest true interest cost to the City as the lowest complying bidder or hold a subsequent sale of the Series 2024 Bonds. The City shall have no liability to any bidder who fails to properly submit a Deposit.

The Deposit of the successful bidder will be deposited by the City and the proceeds thereof credited with no interest allowed thereon against the total purchase price to be paid for the Series 2024 Bonds upon their delivery or retained as and for full liquidated damages if the successful bidder fails to accept delivery of and pay for the Series 2024 Bonds. If a successful bidder fails to timely make the Deposit for the Series 2024 Bonds, the award may be terminated in the discretion of the Mayor and the City shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of the Series 2024 Bonds.

CUSIP

The Municipal Advisor will request the assignment of CUSIP numbers prior to the sale of the Series 2024 Bonds. CUSIP Service Bureau charges for the assignment of said numbers will be the responsibility of and will be paid for by the successful bidder. Although CUSIP numbers will be printed on the Series 2024 Bonds (except where the Series 2024 Bonds will not be reoffered, in which case, CUSIP numbers are not required), the City will assume no obligation for assignment or insertion of such numbers on the Series 2024 Bonds or the correctness of such numbers, and neither failure to print or type any such numbers on any Series 2024 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser(s) thereof to accept delivery of and make payment for the Series 2024 Bonds.

Establishment of Issue Price

General. The winning bidder shall assist the City in establishing the issue price of the Series 2024 Bonds as more fully described herein. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Series 2024 Bonds may be taken on behalf of the City by the City’s Municipal Advisor identified herein and any notice or report to be provided to the City may be provided to the City’s Municipal Advisor.

Anticipated Compliance with Competitive Sale Requirements. The City anticipates that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2024 Bonds) will apply to the initial sale of the Series 2024 Bonds (the “competitive sale requirements”) because:

- the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all bidders shall have an equal opportunity to bid;

- the City expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the City anticipates awarding the sale of the Series 2024 Bonds to the bidder who submits a firm offer to purchase the Series 2024 Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Series 2024 Bonds, as specified in the bid.

Intention to Apply the Hold-the-Offering-Price Rule if Competitive Sale Requirements are Not Met. In the event that the competitive sale requirements are not satisfied with respect to the Series 2024 Bonds, the City intends to treat the initial offering prices of the Series 2024 Bonds to the public as the issue price of such Series 2024 Bonds (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Bidder Right to Cancel if the City Elects to Apply Hold-the-Offering-Price Rule. In the event the competitive sale requirements are not satisfied, the prospective winning bid shall be cancelled and deemed withdrawn, UNLESS the prospective winning bidder affirmatively confirms its bid and agrees to comply with the hold-the-offering-price rule, in the manner described below.

No award shall be made to the prospective winning bidder and the prospective winning bidder’s bid shall be cancelled and deemed withdrawn unless and until the prospective winning bidder has affirmatively confirmed its bid and agreed to comply with the hold-the-offering-price rule. The prospective winning bidder must provide that confirmation to the Issuer no later than 60 minutes after receiving notification that the City has determined to apply the hold-the-offering-price rule to the Series 2024 Bonds. Such confirmation may be provided orally, but must be promptly confirmed in writing.

If the prospective winning bidder does not provide its confirmation within the required time period, the prospective winning bidder’s bid shall be cancelled and deemed to be withdrawn. The City thereupon may award the Series 2024 Bonds to another bidder, provided that the new prospective winning bidder confirms its bid and agrees to comply with the hold-the-offering-price rule, or the City may cancel the sale of the Series 2024 Bonds, as set forth in this Notice of Sale.

Application of the Hold-the-Offering-Price Rule. If the competitive sale requirements are not satisfied, then the successful bidder shall, on behalf of the underwriters participating in the purchase of the Series 2024 Bonds (i) confirm that the underwriters have offered or will offer each maturity of the Series 2024 Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2024 Bonds, that the underwriters will neither offer nor sell unsold Series 2024 Bonds of any maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- the close of the fifth (5th) business day after the sale date; or
- the date on which the underwriters have sold at least 10% of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The City acknowledges that, in making the agreements and representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2024 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2024 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as

set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2024 Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2024 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2024 Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series 2024 Bonds of that maturity or all Series 2024 Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering -price rule if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series 2024 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2024 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Series 2024 Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series 2024 Bonds of that maturity or all Series 2024 Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Definitions. Sales of any Series 2024 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- “public” means any person other than an underwriter or a related party,
- “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Bonds to the public),
- a purchaser of any of the Series 2024 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- “sale date” means the date that the Series 2024 Bonds are awarded by the City to the winning bidder.

Issue Price Certificate. The winning bidder will be required to provide the City, at closing, with an issue price certificate consistent with the foregoing, together with any supporting documentation such as pricing wires or equivalent communications. A form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit A. In the event the winning bidder will not reoffer any maturity of the Series 2024 Bonds for sale to the Public (as defined herein) by the delivery date of the Series 2024 Bonds, the issue price certificate may be modified in a manner approved by the City.

Provision of Information for the Preliminary Official Statement

The successful bidder must furnish the following information to the City to complete the *Official Statement* in final form within 2 hours after receipt and award of the bids for the Series 2024 Bonds:

1. The initial offering prices or yields for the Series 2024 Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Series 2024 Bonds are sold at the prices or yields as provided above);
3. The identity of the underwriters if the successful bidders are part of a group or syndicate; and
4. Any other material information necessary to complete the Official Statement in final form but not known to the City.

Official Statement

The City will provide or cause to be provided, to the successful bidder, either in electronic format or printed copies, the final official statement sufficient in quantity to enable the successful bidder to comply with SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Said final official statements will be provided to the successful bidder not later than seven (7) business days after the sale, or, if the City, or its Municipal Advisor, is notified that any confirmation requesting payment from any customer will be sent before the expiration of such period and specifying the date such confirmation will be sent, the final official statements will be provided in sufficient time to accompany such confirmation.

Continuing Disclosure

The City will, at the time the Series 2024 Bonds are delivered, execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Series 2024 Bonds to provide certain financial information and operating data relating to the City not later than twelve months after each of the City's fiscal years (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events and notice of failure to provide any required financial information of the City. The Annual Report (and audited financial statements, if filed separately) and notices described above will be filed by the City with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository established in the State of Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the City's official statement to be prepared and distributed in connection with the sale of the Series 2024 Bonds.

Legal Opinion and Transcript

The book-entry Series 2024 Bonds and the approving opinion of Holland & Knight LLP, Nashville, Tennessee, Bond Counsel (which will be delivered with the Series 2024 Bonds), together with the Bond transcript, including a certificate as to no litigation from the City dated as of the date of the delivery of the Series 2024 Bonds, will be furnished to the purchaser at the expense of the City. As set forth in the Official Statement and subject to the limitations set forth therein, Bond Counsel's opinion will include an opinion that (i) interest on the Series 2024 Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2024 Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. Owners of the Series 2024 Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Series 2024 Bonds. For a discussion thereof, reference is made to the Official Statement and the form of bond counsel opinion contained in the Official Statement. For a discussion thereof, reference is hereby made to the Official Statement and the form of opinion contained therein.

Delivery and Payment

The Series 2024 Bonds are expected to be ready for delivery on or about June 20, 2024,* in book-entry form (except as otherwise provided herein). At least five (5) days' notice will be given to the bidder. Delivery will be made through The Depository Trust Company, New York, New York at the expense of the purchaser. Payment for the Series 2024 Bonds must be made in federal funds or other immediately available funds.

Further Information

Copies of the Preliminary Official Statement may be obtained from the undersigned at the Office of the Finance Director, 2425 N. Mt. Juliet Road, Mt. Juliet, Tennessee 37122, or from Stephens, Inc., Attn: Sam Crewse, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4336; Fax: (615) 279-4351.

James Maness
Mayor

* Preliminary, subject to change as provided herein.

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EXHIBIT A

MT. JULIET, TENNESSEE

\$ _____ * GENERAL OBLIGATION BONDS, SERIES 2024

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“_____”), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the “Series 2024 Bonds”).

[Assuming the Qualified Competitive Sale Requirements Are Satisfied]

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2024 Bonds to the Public by _____ are the prices listed below (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2024 Bonds used by _____ in formulating its bid to purchase the Series 2024 Bonds. Attached as Schedule A is a true and correct copy of the bid provided by _____ to purchase the Series 2024 Bonds.

(b) _____ was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by _____ constituted a firm offer to purchase the Series 2024 Bonds.

**[Assuming the Qualified Competitive Sale Requirements Are Not Satisfied
and the Hold-the-Offering-Price Rule Applies]**

2. Initial Offering Price.

(a) _____ offered each Maturity of the Series 2024 Bonds to the Public for purchase at the respective initial offering prices listed in its bid attached hereto as Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2024 Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Detailed Notice of Sale for the Series 2024 Bonds, _____ has agreed in writing that, for each maturity of the Series 2024 Bonds, it would neither offer nor sell any of the Series 2024 Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such maturity during the Holding Period (as defined below) for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, _____ has neither offered nor sold any Maturity of the Series 2024 Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2024 Bonds during the Holding Period. As used in this paragraph, the term “Holding Period” means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Maturity has been sold to the Public at a price that is no higher than the Initial Offering Price for such Maturity.

[End]

3. Defined Terms.

(a) *City* or *Issuer* means the City of Mt. Juliet, Tennessee.

(b) *Maturity* means Series 2024 Bonds with the same credit and payment terms. Series 2024 Bonds with different maturity dates, or Series 2024 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of

this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Series 2024 Bonds. The Sale Date of the Series 2024 Bonds is ____, 2024.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2024 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents _____'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2024 Bonds, and by Holland & Knight LLP in connection with rendering its opinion that the interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2024 Bonds.

Dated: [Issue Date]

[NAME OF PURCHASER, as Underwriter]

By: _____

Name: _____

Title: _____

[SCHEDULE A]

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[SCHEDULE B]

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OFFICIAL BID FORM

James Maness, Mayor
 c/o Office of Finance Director
 2425 N. Mt Juliet Road
 Mt. Juliet, Tennessee 37122

_____, 2024

For your legally issued, properly executed City of Mt. Juliet, Tennessee (the “City”) \$33,500,000* General Obligation Bonds, Series 2024 (the “Series 2024 Bonds”) and in all respects to be as more fully outlined in your Detailed Notice of Sale, which by reference is made a part hereof, we will pay you a sum of \$ _____.

The Series 2024 Bonds will be dated the date of delivery (assume June 20, 2024), will mature on June 1 as shown below, and shall bear interest at the following rates:

<u>DUE</u> <u>JUNE 1.</u>	<u>PRINCIPAL*</u>	<u>COUPON</u>	<u>YIELD</u>	<u>DUE</u> <u>JUNE 1.</u>	<u>PRINCIPAL*</u>	<u>COUPON</u>	<u>YIELD</u>
2025	\$1,150,000			2033	\$2,380,000		
2026	1,200,000			2034	2,480,000		
2027	1,810,000			2035	2,580,000		
2028	1,900,000			2036	2,680,000		
2029	2,000,000			2037	2,800,000		
2030	2,100,000			2038	2,900,000		
2031	2,200,000			2039	3,020,000		
2032	2,300,000						

Principal of and interest on the Series 2024 Bonds will be payable at the designated corporate trust office of U.S. Bank Trust Company National Association, Nashville, Tennessee.

This bid is made with the understanding that the City will furnish without cost to the successful bidder the unqualified approving opinion of Holland & Knight LLP, Attorneys, Nashville, Tennessee, and the executed Series 2024 Bonds.

We have exercised the option to designate two or more consecutive serial maturities as Term Bonds as set forth below:

Term Bond 1: Maturities from June 1, 20____ through June 1, 20____ @ _____%.

In accordance with the terms of the Detailed Notice of Sale, we will submit a good faith deposit in the amount of \$335,000 to the City as set forth in the Detailed Notice of Sale, which is to be applied in accordance with the Detailed Notice of Sale. The good faith deposit shall be provided in the form of:

- 1. Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the City by the successful bidder by 2:00 p.m. Central Time on the day of the sale provided the City awards the bid by 12:00 noon Central Time otherwise the wire shall be received not later than 11:00 a.m. Central Time on the next business day following the award. The Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.

* Preliminary, subject to change as set forth in the Detailed Notice of Sale.

2. Certified Check. A bank certified check, bank cashier’s check or a treasurer’s check drawn upon an incorporated bank or trust company payable unconditionally to the order of the City. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder’s Deposit is by check, the check will be deposited on the date of sale.

Wire transfer instructions are available from Stephens Inc., Attn: Sam Crewse, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4336; Fax: (615) 279-4351. In the event the successful bidder fails to timely submit the Deposit, the award may be terminated by the Mayor, and the Mayor, in his discretion, may award the Series 2024 Bonds to the bidder whose bid results in the next lowest true interest cost to the City as the lowest complying bidder or hold a subsequent sale of the Series 2024 Bonds. The City shall have no liability to any bidder who fails to properly submit a Deposit.

In the event this bid is accepted and should for any reason we fail to comply with the terms of this bid, the good faith deposit will be forfeited by us as full liquidated damages; otherwise, said deposit will be credited against the purchase price of the Series 2024 Bonds at closing. In the event the Mayor fails to deliver the Bonds to us as described in the Detailed Notice of Sale, said deposit will be returned to us.

Accepted this ____ day of _____, 2024

Respectfully submitted,

Mayor

Firm Name

Signature

Title

Telephone Number of Person to Submit Bid

The following is for information purposes only.

Total Interest Cost	
Plus discount or less premium, if any	
Net Interest Cost	
True Interest Rate (TIC)	

(The calculations of Net Interest Costs and True Interest Rate and the Reoffering Prices are for information purposes only and do not constitute a part of this bid.)

SUMMARY STATEMENT

This Summary is expressly qualified by the entire Preliminary Official Statement, which should be viewed in its entirety by potential investors.

ISSUER	City of Mt. Juliet, Tennessee (the “City”).
ISSUE	\$33,500,000* General Obligation Bonds, Series 2024.
PURPOSE	(i) to 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 costs 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.
DATED DATE	_____, 2024.
INTEREST DUE	Each June 1 and December 1, commencing December 1, 2024.
PRINCIPAL DUE	June 1 in the years 2025 through 2039.
SETTLEMENT DATE	June 20, 2024.*
REDEMPTION	The Series 2024 Bonds maturing on or prior to June 1, 2033 are not subject to optional redemption. The Series 2024 Bonds maturing June 1, 2034 and thereafter shall be subject to optional redemption prior to maturity on June 1, 2033 and on any date thereafter at par plus accrued interest to the date of redemption.
SECURITY	The Series 2024 Bonds are secured by and are payable from unlimited <i>ad valorem</i> taxes to be levied on all taxable property within the City. For the prompt payment of principal of and interest on the Series 2024 Bonds, the full faith and credit of the City are irrevocably pledged.

* Preliminary, subject to change.

RATING “AAA” by S&P Global Ratings (“S&P”). The rating reflects only the view of S&P and neither the City nor the Municipal Advisor makes any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Series 2024 Bonds. Any explanation of the significance of the rating may be obtained from S&P.

TAX MATTERS Bond counsel will opine that the interest of the Series 2024 Bonds will be excluded from gross income for federal income tax purposes, will not be an item of tax preference for purposes of the federal law alternative minimum tax imposed on individuals. See “TAX MATTERS” herein.

Under existing law, the Series 2024 Bonds and the income therefrom are exempt from certain taxation in Tennessee, all as more fully described in the Section entitled “TAX MATTERS”.

BOND REGISTRAR AND PAYING AGENT U.S. Bank Trust Company National Association, Nashville, Tennessee.

MUNICIPAL ADVISOR Stephens Inc., Nashville, Tennessee.

UNDERWRITER

PRELIMINARY OFFICIAL STATEMENT

CITY OF MT. JULIET, TENNESSEE

\$33,500,000*

General Obligation Bonds, Series 2024

INTRODUCTION

General

The purpose of this Preliminary Official Statement, which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the sale by the City of Mt. Juliet, Tennessee (the “City”) of \$33,500,000* in aggregate principal amount of its General Obligation Bonds, Series 2024 (the “Series 2024 Bonds”).

This introduction is not a summary of this Preliminary Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Preliminary Official Statement, including the cover page and the Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Preliminary Official Statement and of the documents summarized or described herein, if necessary. The offering of the Series 2024 Bonds to potential investors is made only by means of the entire Preliminary Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Preliminary Official Statement or to otherwise use it without the entire Preliminary Official Statement, including the Appendices hereto.

The City

The City was formed in 1835 and duly incorporated as a city in 1972. For more information about the City, see Appendix B. The audited financial statements of the City for the year ended June 30, 2023, are attached and provide information regarding the operations of the City. See Appendix C.

Purpose of the Series 2024 Bonds

The Series 2024 Bonds are being issued by the City 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 costs 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 Series 2024 Bonds. See “PLAN OF FINANCING.”

Security and Source of Payment for the Series 2024 Bonds

The Series 2024 Bonds are secured by and are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the corporate limits of the City.

Description of the Series 2024 Bonds

Redemption. The Series 2024 Bonds maturing on or prior to June 1, 2033 are not subject to optional redemption. The Series 2024 Bonds maturing June 1, 2034 and thereafter shall be subject to optional redemption prior to maturity on June 1, 2033 and on any date thereafter at par plus accrued interest to the date of redemption.

* Preliminary, subject to change.

See “DESCRIPTION OF THE SERIES 2024 BONDS - Optional Redemption,” and “DESCRIPTION OF THE 2024 BONDS - Mandatory Redemption.”

Denominations. The Series 2024 Bonds are issuable in denominations of \$5,000 or any integral multiple thereof. See “DESCRIPTION OF THE SERIES 2024 BONDS - Denominations, Registration, Transfers and Exchanges.”

Book-Entry. The Series 2024 Bonds will be issued in the denomination of one bond per aggregate principal amount of the stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York, an automated depository for securities and clearing house for securities transactions, which will act as securities depository for the Series 2024 Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2024 Bonds purchased. Purchases of beneficial interests (“Beneficial Owners”) in the Series 2024 Bonds will be made in book-entry only form (without certificates). See “DESCRIPTION OF THE SERIES 2024 BONDS - Book-Entry Only Bonds.”

Registration, Transfers and Exchanges. The Series 2024 Bonds will be issued in fully registered form. When in book-entry form, ownership of Series 2024 Bonds held by DTC or its nominee, Cede & Co., may be transferred and Series 2024 Bonds may be exchanged in accordance with the rules and procedures of DTC. When not in book-entry form, ownership of Series 2024 Bonds may be transferred upon surrender of such Series 2024 Bond to the Registration Agent, together with an assignment duly executed by the registered owner or his attorney or legal representative. When not in book-entry form, the Series 2024 Bonds are exchangeable for a like aggregate principal amount of Series 2024 Bonds of the same maturity in denominations of \$5,000 or any integral multiple thereof. See “DESCRIPTION OF THE SERIES 2024 BONDS - Denominations, Registration, Transfers and Exchanges” and “- Book-Entry Only Bonds.”

Payments. Interest on the Series 2024 Bonds will be payable on June 1 and December 1 of each year (each such date, an “Interest Payment Date”), commencing December 1, 2024. Payment of the principal of and interest on the Series 2024 Bonds will be made by the Registration Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants (hereinafter defined) and thereafter to Beneficial Owners of the Series 2024 Bonds. When not in book-entry form, interest on the Series 2024 Bonds is payable by check or draft on the Registration Agent mailed by first class mail on the date due to the registered owners. When not in book-entry form, principal of the Series 2024 Bonds is payable upon surrender thereof at the corporate trust office of the Registration Agent located in Nashville, Tennessee. See “DESCRIPTION OF THE SERIES 2024 BONDS - General” and “- Book-Entry Only Bonds.”

For a more complete description of the Series 2024 Bonds, see “DESCRIPTION OF THE SERIES 2024 BONDS.”

Tax Exemption

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Series 2024 Bonds will be excluded from gross income for federal income tax purposes and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. For an explanation of certain tax consequences under federal law which may result from the ownership of the Series 2024 Bonds, see the discussion under the heading “Legal Matters - Opinion of Bond Counsel” herein. Under existing law, the Series 2024 Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except certain Tennessee franchise and excise taxes. See Appendix A for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2024 Bonds. For a more complete discussion of such opinion and certain other tax consequences of owning the Series 2024 Bonds, including certain exceptions to the exclusion of the interest of the Series 2024 Bonds from gross income, see “LEGAL MATTERS - Opinion of Bond Counsel” and “TAX MATTERS.”

Registration and Paying Agent

U.S. Bank Trust Company National Association, Nashville, Tennessee, will act as registration and paying agent (the “Registration Agent”) for the Series 2024 Bonds. The corporate trust office of the Registration Agent is Global Trust Services, 333 Commerce Street, Suite 800, Nashville, Tennessee 37201.

Authority for Issuance

The Series 2024 Bonds are being issued in accordance with the Constitution of the State of Tennessee and laws of the State of Tennessee, including Tennessee Code Annotated Sections 9-21-101 *et seq.* and pursuant to a resolution of the Board of Commissioners of the City adopted on April 8, 2024 (the “Resolution”).

Offering and Delivery of the Series 2024 Bonds

The Series 2024 Bonds are offered when, as, and if issued by the City, subject to prior sale, to the withdrawal or the modification of the offer without notice, and to the approving opinion of Holland & Knight LLP, Nashville, Tennessee, Bond Counsel. The Series 2024 Bonds are expected to be delivered through The Depository Trust Company in New York, New York, on or about _____.*

Continuing Disclosure

The City has covenanted for the benefit of the owners of the Series 2024 Bonds in a Disclosure Certificate to provide (i) certain financial information and operating data relating to the City (the “Operating and Financial Data”) and (ii) timely notices of the occurrence of certain events, if deemed by the City to be material (the “Material Events Notices”), to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System. The City’s undertaking to provide Operating and Financial Data and Material Events Notices pursuant to the Disclosure Certificate is described in the form of the Disclosure Certificate attached hereto as Appendix D. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

The City executed Continuing Disclosure Certificates in connection with the issuance of its prior public bond offerings. The City is currently in compliance to provide annual reports and material event notices as required under the Rule. In the past five years, the City has not failed to comply, in any material respect, with any previous undertakings with regard to the Rule.

Other Information

This Preliminary Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Projects, the City, the Series 2024 Bonds, and the security and sources of payment for the Series 2024 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Resolution, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Series 2024 Bonds are qualified in their entirety to the form thereof included in the Resolution. Copies of the Resolution and other documents and information are available, upon request and upon payment to the City of a charge for copying, mailing and handling, from the City Recorder, 2425 North Mt. Juliet Road, Mt. Juliet, Tennessee 37122 telephone (615-754-2552).

* Preliminary, subject to change.

PLAN OF FINANCING

Estimated Sources and Uses of Funds

The sources and uses of funds in connection with the issuance of the Series 2024 Bonds are estimated below.

Series 2024 Bonds

Sources of Funds:

Par Amount of Series 2024 Bonds
Net Original Issue Premium

Total Sources of Funds

Uses of Funds:

Deposit to Project Fund
Costs of Issuance⁽¹⁾

Total Uses of Funds

⁽¹⁾ Includes legal and accounting fees, Underwriter's fees, rating agency fees, printing costs and other costs of issuance.

The Projects

The Projects consist of the acquisition, construction and equipping of buildings and facilities, including the construction and equipping of a new police station and fire station, and other miscellaneous public projects including improvements, expansions, extensions, renovations with respect to its roads, streets, bridges and parks. Pursuant to the Resolution, the proceeds of the Series 2024 Bonds will be deposited in a project fund (the "Project Fund") to be held and invested by the City, and used to pay costs of the Projects and costs of issuance. Moneys in the Project Fund may be invested as permitted by Tennessee law and may not be used for any purpose other than the Projects.

DESCRIPTION OF THE SERIES 2024 BONDS

General

The Series 2024 Bonds will be dated their date of issuance and will bear interest from such date at the rates per annum set forth on the cover page of this Preliminary Official Statement (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Series 2024 Bonds is payable on each Interest Payment Date, commencing December 1, 2024.

Payment of the principal of and interest on the Series 2024 Bonds will be made by the Registration Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants and thereafter to Beneficial Owners of the Series 2024 Bonds. See "Book-Entry Only Bonds."

When not in book-entry form, interest on the Series 2024 Bonds will be paid by check or draft on the Registration Agent, and will be mailed on the date due by first class mail to the registered owners of record as of the

15th day of the calendar month (the “Regular Record Date”) immediately preceding the applicable interest Payment Date, at the address shown on the registration books of the City maintained by the Registration Agent. When not in book-entry form, the principal of the Series 2024 Bonds will be paid upon the presentation and surrender of the Series 2024 Bonds at the designated corporate trust office of the Registration Agent in Nashville, Tennessee.

Any interest on any Series 2024 Bond that is payable but is not punctually paid or duly provided for on an Interest Payment Date (the “Defaulted Interest”) will cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest will be paid by the City to the persons in whose names the Series 2024 Bonds are registered at the close of business on a date (the “Special Record Date”) for the payment of such Defaulted Interest, which date will be fixed in the following manner: the City will notify the Registration Agent of the amount of Defaulted Interest proposed to be paid on each Series 2024 Bond and the date of the proposed payment. Thereupon, not less than ten days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent will fix a Special Record Date for the payment of such Defaulted Interest, which date will be not more than 15 nor less than 10 days prior to the date of the proposed payment to the registered owners. The Registration Agent will promptly notify the City of such Special Record Date, and in the manner and at the expense of the City, not less than ten days prior to such Special Record Date, will cause notice of the proposed payment of such Defaulted Interest and the Special Record Date to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the registration records maintained by the Registration Agent as to the date of such notice.

Denominations, Registration, Transfers and Exchanges

The Series 2024 Bonds will be issued in fully registered form in the denomination of \$5,000 each or integral multiples thereof. Ownership of the Series 2024 Bonds will be registered on the registration books kept by the Registration Agent. The registered owner thereof shall be treated as the absolute owner thereof for all purposes, including payment, and payment to the registered owner thereof shall satisfy all liability thereon to the extent of sums so paid.

When in book-entry form, ownership of Series 2024 Bonds held by DTC or its nominee, Cede & Co., may be transferred and Series 2024 Bonds may be exchanged in accordance with the rules and procedures of DTC. Notwithstanding anything herein to the contrary, the Series 2024 Bonds may be issued in registered certificated form rather than in Book Entry Form if the Original Purchaser does not intend to reoffer the Series 2024 Bonds.

When not in book-entry form, ownership of any Series 2024 Bond will be transferable upon surrender thereof to the Registration Agent, together with an assignment duly executed by the registered owner or his attorney, in such form as shall be satisfactory to the Registration Agent. Upon any such transfer of ownership, the Registration Agent, will cause to be authenticated and delivered a new Series 2024 Bond or Series 2024 Bonds registered in the name of the transferee in the authorized denomination in the same aggregate principal amount and interest rate as the Series 2024 Bonds surrendered for such transfer. When not in book-entry form, the Series 2024 Bonds may be exchanged for a like principal amount of Series 2024 Bonds of the same interest rate of other authorized denominations. For every exchange or registration of transfer, the Registration Agent, may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration or transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2024 Bonds.

Redemption

Optional Redemption

The Series 2024 Bonds maturing on or prior to June 1, 2033 are not subject to optional redemption. The Series 2024 Bonds maturing June 1, 2034 and thereafter shall be subject to optional redemption prior to maturity on June 1, 2033 and on any date thereafter at par plus accrued interest to the date of redemption.

Mandatory Redemption*

Subject to the credit hereinafter provided, the City shall redeem Series 2024 Bonds maturing June 1, _____, on the redemption date set forth below, in aggregate principal amounts equal to the respective dollar amounts set forth opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. The Series 2024 Bonds to be so redeemed within such maturity shall be selected by lot or in such other random manner as the Registration Agent in its discretion may determine. The date of redemption and principal amount of the Series 2024 Bonds to be redeemed on said dates are as follows:

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds to be Redeemed</u>
June 1, _____	June 1, _____	\$
	June 1, _____	
	June 1, _____ ^	

^final maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the City may (i) deliver to the Registration Agent for cancellation Bonds maturing June 1, _____, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation for any Bonds maturing June 1, _____, which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory redemption provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory redemption shall be accordingly reduced.

Notice of Redemption

Notice of redemption will be given by first class mail at least twenty days and not more than sixty days prior to the redemption date, to all registered owners of Series 2024 Bonds to be redeemed at their addresses of record as they appear on the books of the Registration Agent. Failure to mail any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of any other Series 2024 Bond. Failure of any bondholder to receive such notice if mailed as aforesaid will not affect the validity of the proceedings for the redemption of such Series 2024 Bond. Interest shall cease to accrue on any Series 2024 Bonds duly called for redemption on the redemption date if payment thereof has been duly provided for. The notice of any optional redemption may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). As long as DTC, or a successor Depository, is the registered owner of the Series 2024 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the

*Preliminary, subject to change.

Series 2024 Bonds, as and when above provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the City pursuant to written instructions from an authorized representative of the City (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the applicable Registration Agent). From and after the redemption date, all Series 2024 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the City to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository, if applicable, or the affected Bondholders that the redemption did not occur and that the Series 2024 Bonds called for redemption and not so paid remain outstanding.

Book-Entry Only Bonds

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered Series 2024 Bonds registered in the name of Cede & Co (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2024 Bond certificate will be issued for each maturity in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtcc.com.

Purchases of Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of Series 2024 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge

of the actual Beneficial Owners of Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2024 Bond documents. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Registration Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Registration Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Registration Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to Series 2024 Bonds at any time by giving reasonable notice to the City or the Registration Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2024 Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2024 Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

NEITHER THE CITY NOR THE REGISTRATION AGENT NOR THE UNDERWRITER (OTHER THAN IN THEIR CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR AN INDIRECT PARTICIPANT) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS.

NEITHER THE CITY NOR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON SERIES 2024 BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF SERIES 2024 BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SERIES 2024 BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF SERIES 2024 BONDS.

So long as Cede & Co. is the registered owners of the Series 2024 Bonds, as nominee for DTC, references in the Preliminary Official Statement to the Bondholders or registered owners of the Bonds (other than under the caption "Tax Matters" in the Preliminary Official Statement) shall mean Cede & Co. or any other DTC nominee, as aforesaid, and shall not mean the Beneficial Owners of the Series 2024 Bonds.

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024 BONDS

General Obligation

The Series 2024 Bonds are secured by and are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the corporate limits of the City. For the prompt payment of principal of and interest on the Series 2024 Bonds, the full faith and credit of the City are pledged.

Under Tennessee law, the City's legislative body is authorized to levy a tax on all taxable property within the City, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount.

CERTAIN INVESTMENT CONSIDERATIONS

General

The purchase of the Series 2024 Bonds is subject to a number of investment considerations. The following is a discussion of certain investment considerations, which, among others, could affect the ability of the City to pay the principal of and interest and premium, if any, on the Series 2024 Bonds and which could also affect the marketability of, or the market price for, the Series 2024 Bonds. Such discussion is not, and is not intended to be, a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of the information presented in this Preliminary Official Statement, including the Appendices attached hereto. Each prospective purchaser of any Series 2024 Bond should read this Preliminary Official Statement, including the Appendices attached hereto, in its entirety and consult such prospective purchaser's own investment or legal advisor for a more complete explanation of the matters that should be considered when purchasing an investment such as the Series 2024 Bonds.

Secondary Market Prices

No assurance can be given that a secondary market for any of the Series 2024 Bonds will be available and no assurance can be given that the initial offering prices for the Series 2024 Bonds will continue for any period of time.

The Series 2024 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2024 Bonds in the event a holder or beneficial owner thereof determines to solicit purchasers of the Series 2024 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2024 Bonds may be sold. Such price may be lower than that paid by the current holder or beneficial owner of the Series 2024 Bonds, depending on existing market conditions and other factors.

Climate Change

Planning for climate change in the State of Tennessee (the “State”) and its impact on the City’s operation is an unknown challenge. The State’s climate is exceedingly variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. The financial impact of the climate change is not yet known and therefore its future impact on the City cannot be quantified reliably at this time.

Cyber-Security

Computer networks and data transmission and collection are vital to the efficient operations of the City. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the City, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the City’s operations, which could materially affect the City and its operations. The City maintains insurance to mitigate any potential financial losses from cyber-security threats.

The City has developed comprehensive policies and procedures covering the data sent, received and held by the City. These policies include a data security policy, cybersecurity continuity of operations plan testing policy, internet and email use policy, security incident response policy, data backup policy, network integrity protection policy, password and access policies, security training policies and network monitoring policies. Despite the City’s measures to safeguard network infrastructure, there are no guarantees that such measures will be successful in preventing or mitigating the damage of a cyber-security event.

On March 15, 2022, the Cyber Incident Reporting for Critical Infrastructure Act (the “Act”) was signed into law by President Biden. The Act creates new reporting obligations on owners and operators of “critical infrastructure” by “covered entities”. The two new reporting obligations are:

- (A) An obligation to report certain cyber incidents to the Cybersecurity and Infrastructure Security Agency (CISA) of the U.S. Department of Homeland Security (DHS) within 72 hours, and
- (B) An obligation to report ransomware payments within 24 hours.

The Act provides hints of the entities potentially to be covered and refers to the Presidential Policy Directive 21 from 2013, which deems the following sectors as “critical infrastructure”: chemical; commercial facilities; communications; critical manufacturing; dams; defense industrial base; emergency services; energy; financial services; food and agriculture; government facilities; healthcare and public health; information technology; nuclear reactors, materials, and waste; transportation systems; and water and wastewater systems. The new reporting obligations will not take effect until the Director of CISA promulgates implementing regulations, including clear description[s] of the types of entities that constitute “covered entities.”

Under the Act, covered entities experiencing a “covered cyber incident” are required to report the incident to CISA no later than 72 hours after the entity “reasonably believes” that such an incident has occurred. The Act defines a “covered cyber incident” as one that is “substantial” and meets the “definition and criteria” to be set by the

CISA Director in the forthcoming rulemaking process. In addition, covered entities are also required to report any ransom payments made as a result of a ransomware attack to CISA no later than 24 hours after making the payment. Entities are required to report ransom payments even if the underlying ransomware attack is not a “covered cyber incident.” If a covered entity experiences a covered incident and remits a ransom before the 72-hour deadline, it may submit a single report to satisfy both reporting requirements. Covered entities that are required to report cyber incidents or ransom payments also will be required to preserve relevant data. Although the Act specifies some of the content that reports should contain, the CISA Director will further prescribe report contents through the rulemaking process.

After reporting a covered incident, covered entities will be required to submit updates as “substantial new or different information becomes available” until the covered entity notifies CISA that the incident has been fully mitigated and resolved. Such supplemental reports will need to address whether a covered entity made a ransom payment after submitting the initial report.

The legislation provides for voluntary reporting of incidents and ransom payments by noncovered entities, as well as the voluntary provision of additional information beyond what is mandatory by covered entities. To enhance the situational awareness of cyber threats, required and voluntary reporting will receive the same protections. The Act creates an exception whereby its reporting requirements will not apply to covered entities that, “by law, regulation, or contract,” are already required to report “substantially similar information to another Federal agency within a substantially similar timeframe.” Nevertheless, this exception will be available only if the relevant federal agency has an “agency agreement and sharing mechanism” in place with CISA.

Given the recent adoption of the Act and the lack of implementing rulemaking at this time, it is very difficult to predict what impact this legislation will have on the City. Nevertheless, it is possible that the City, as an operator/owner of government facilities and systems, could become subject to significant new reporting requirements and be exposed to enforcement procedures under the framework of the new legislation if it fails to otherwise comply with the Act.

COVID-19 and Other Public Health Emergencies

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has affected and continues to affect the entire world, including the City. In March 2020, in response to the COVID-19 outbreak, the Governor of the State issued a state of emergency and the World Health Organization declared the COVID-19 outbreak to be a global health emergency. The spread of COVID-19 led, from time to time, to quarantine and other “social distancing” measures. These measures included: (i) the closure, from time to time, of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduced capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments and (v) the closure, from time to time, of school buildings and community centers. The Governor of the State lifted the state of emergency in April 2021. The World Health Organization declared an end to the global health emergency in May 2023. The City is unable to predict whether and to what extent any increases in COVID-19 cases or the emergence of any other epidemic or pandemic may disrupt the local or global economy, or whether any such disruption may adversely affect the operations or financial condition of the City.

Various types of information regarding employment, income trends, and business activity in the City are detailed in Appendix B, including historical data collected both before and during the COVID-19 pandemic. Certain data and other information collected prior to and during the COVID-19 outbreak may not reflect current conditions. For example, some of the largest employers and taxpayers in the City may have been forced to reduce their employment during the COVID-19 outbreak and may be similarly affected as a result of any future epidemic, pandemic or other public health emergency. For additional information, see Appendix B to the Official Statement.

LEGAL MATTERS

Pending Litigation

The City is subject to a variety of suits and proceedings arising in the ordinary conduct of their affairs. The City, after reviewing the current status of all pending and threatened litigation with their counsel, believe that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against them or their officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the City.

There is no litigation now pending or, to the knowledge of the City, threatened which restrains or enjoins the issuance or delivery of the Series 2024 Bonds, or the pledge of its full faith and credit to secure the Series 2024 Bonds, or the use of the proceeds of the Series 2024 Bonds or which questions or contests the validity of the Series 2024 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization, or existence of the City, nor the title of the present members or other officials of the City to their respective offices, is being contested or questioned.

Opinion of Bond Counsel

Legal matters incident to the authorization, validity, and issuance of the Series 2024 Bonds are subject to the approving opinion of Holland & Knight LLP, Nashville, Tennessee, Bond Counsel to the City. The form of opinion of Bond Counsel is attached to this Preliminary Official Statement as Appendix A. Copies of the opinion will be available at the time of the initial delivery of the Series 2024 Bonds.

FUTURE FINANCING PLANS

The City is a growing municipality and population growth is expected to lead to the need for additional public infrastructure. This City has historically funded much of the capital budget from annual operating and tax revenues. Although plans are subject to change, the City currently has no plans for additional debt and no additional debt has been authorized as of the date hereof.

TAX MATTERS

General. The delivery of the Series 2024 Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Series 2024 Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the “Code”), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinion, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the date of delivery of the Series 2024 Bonds pertaining to the use, expenditure, and investment of the proceeds of the Series 2024 Bonds and will assume continuing compliance by the City with the provisions of the Resolution subsequent to the issuance of the Series 2024 Bonds. The Resolution contains covenants by the City with respect to, among other matters, the use of the proceeds of the Series 2024 Bonds and the facilities financed therewith, the manner in which the proceeds of the Series 2024 Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Series 2024 Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Series 2024 Bonds.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City

described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Series 2024 Bonds is commenced, under current procedures the IRS is likely to treat the City as the “taxpayer,” and the owners of the Series 2024 Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Series 2024 Bonds, the City may have different or conflicting interests from the owners of the Series 2024 Bonds. Public awareness of any future audit of the Series 2024 Bonds could adversely affect the value and liquidity of the Series 2024 Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above and as provided below under the heading “State Taxes”, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Series 2024 Bonds. Prospective purchaser of the Series 2024 Bonds should be aware that the ownership of tax-exempt obligations such as the Series 2024 Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (“FASIT”), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchaser should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer’s applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Series 2024 Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Series 2024 Bonds.

Existing law may change to reduce or eliminate the benefit to obligation holders of the exclusion of interest on the Series 2024 Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Series 2024 Bonds. Prospective purchaser of the Series 2024 Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment Of Discount And Premium On Certain Series 2024 Bonds. The initial public offering price of certain Series 2024 Bonds (the “Discount Series 2024 Bonds”) may be less than the amount payable on such Series 2024 Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Series 2024 Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Series 2024 Bonds described above under “Tax Exemption.” Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year. However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment.

Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Series 2024 Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Series 2024 Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Series 2024 Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Series 2024 Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Series 2024 Bonds (the “Premium Series 2024 Bonds”) paid by an owner may be greater than the amount payable on such Series 2024 Bonds at maturity. An amount equal to the excess of a purchaser’s tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable Bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable Bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser’s yield to maturity.

Purchasers of the Premium Series 2024 Bonds should consult with their own tax advisors with respect to the determination of amortizable Bond premium on Premium Series 2024 Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Series 2024 Bonds.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Series 2024 Bonds or affect the market price of the Series 2024 Bonds. See also section “CHANGES IN FEDERAL AND STATE TAX LAW” below.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2024 Bonds, or under State, local or foreign tax law.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Series 2024 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2024 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Series 2024 Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Series 2024 Bonds during the

period the Series 2024 Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2024 Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

CHANGES IN FEDERAL AND STATE TAX LAW

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2024 Bonds or otherwise prevent holders of the Series 2024 Bonds from realizing the full benefit of the tax exemption of interest on the Series 2024 Bonds. Further, such proposals may impact the marketability or market value of the Series 2024 Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Series 2024 Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2024 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2024 Bonds would be impacted thereby. Purchasers of the Series 2024 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2024 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors regarding the foregoing matters.

CLOSING CERTIFICATES

Upon delivery of the Series 2024 Bonds, the City will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the *Official Statement*, in final form, signed by the Mayor acting in his official capacity to the effect that to the best of his knowledge and belief, and after reasonable investigation, (a) neither the *Official Statement*, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, misleading, (b) since the date of the *Official Statement*, in final form, no event has occurred which should have been set forth in such a memo or supplement, (c) there has been no material adverse change in the operation or the affairs of the City since the date of the *Official Statement*, in final form, and having attached thereto a copy of the *Official Statement*, in final form, and (d) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Series 2024 Bonds, or contesting the validity of the Series 2024 Bonds or any proceeding taken pursuant to which the Series 2024 Bonds were authorized; (ii) certificates as to the delivery and payment, signed by the Mayor acting in his official capacity, evidencing delivery of and payment for the Series 2024 Bonds; (iii) a signature identification and incumbency certificate, signed by the Mayor and City Recorder acting in their official capacities certifying as to the due execution of the Series 2024 Bonds; and, (iv) a Continuing Disclosure Certificate regarding certain covenants of the City concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and the validity of the Series 2024 Bonds are subject to the approval of Holland & Knight, LLP Nashville, Tennessee, Bond Counsel. Bond Counsel has not prepared the *Preliminary Official Statement* or the *Official Statement*, in final form, or verified their accuracy, completeness or fairness. Accordingly, Bond Counsel expresses no opinion of any kind concerning the *Preliminary Official Statement* or *Official Statement*, in final form, except for the information in the section entitled "LEGAL MATTERS - Tax Matters." The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the

Series 2024 Bonds and to the tax-exemption of interest on the Series 2024 Bonds under present federal income tax laws, both as described above. The legal opinion will be delivered with the Series 2024 Bonds and the form of the opinion is included in APPENDIX A. For additional information, see the section entitled “MISCELLANEOUS - “Competitive Public Sale”, “Additional Information” and “Continuing Disclosure.”

MUNICIPAL ADVISOR

Stephens Inc. is serving as Municipal Advisor to the City in connection with the issuance of the Series 2024 Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Series 2024 Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the City and other sources believed to be reliable, but has not been independently verified by the Municipal Advisor.

The Municipal Advisor’s fee for services rendered with respect to the sale of the Series 2024 Bonds is contingent upon the issuance and delivery of the Series 2024 Bonds.

The Municipal Advisor has reviewed the information in this Preliminary Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstance of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

MISCELLANEOUS

Rating

S&P Global Ratings (S&P) has assigned the Series 2024 Bonds the rating shown on the cover page of this Preliminary Official Statement. An explanation of the significance of such rating may be obtained from the entity furnishing the same.

The above-described rating is not a recommendation to buy, sell or hold the Series 2024 Bonds. Generally, rating agencies base their ratings on information and materials furnished to the agencies and on investigations, studies and assumptions by the agencies. There is no assurance that the rating will be maintained for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in such agency’s judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2024 Bonds. Neither the City nor the Underwriter has undertaken any responsibility to oppose any revision or withdrawal of the rating.

Underwriting

_____ (the “Underwriter”) has agreed to purchase the Series 2024 Bonds at a purchase price of \$_____, representing the face amount of the Bonds, plus net original issue premium of \$_____, less underwriter’s discount of \$_____. The Underwriter intends to offer the Series 2024 Bonds to the public initially at the offering prices shown on the cover page hereof, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with other dealers and underwriters in offering the Series 2024 Bonds to the public. The Underwriter may offer and sell the Series 2024 Bonds to certain dealers at prices lower than the public offering.

Independent Auditors

The financial statements of the City as of June 30, 2023, and for the year then ended, attached hereto as Appendix C, have been audited by Blankenship CPA Group, PLLC, Mt. Juliet, Tennessee, independent auditors, as stated in their report thereon and are included in reliance upon the authority of such firm as independent auditors.

Additional Information

Use of the words “shall” or “will” in this Preliminary Official Statement in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Preliminary Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Preliminary Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2024 Bonds.

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AUTHORIZATION OF AND CERTIFICATION CONCERNING PRELIMINARY OFFICIAL STATEMENT

The Preliminary Official Statement has been authorized by the Board of Commissioners of the City. The City has deemed this Preliminary Official Statement as “final” as of its date within the meaning of Rule 15c2-12 except for the omission of certain pricing information allowed to be omitted by the Rule. On behalf of the City, the undersigned certifies that to the best of his knowledge and belief, the information contained herein as of this date is true and correct in all material respects, and does not contain an untrue statement of material fact or omit to state a material fact required to be stated where necessary to make the statement made, in light of the circumstance under which it was made, not misleading.

By: /s/ -----
Mayor

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APPENDIX A

Form of Bond Counsel Opinion

[CLOSING DATE]

City of Mt. Juliet
Mt. Juliet, Tennessee

[Underwriter]

Re: [\$33,500,000] General Obligation Bonds, Series 2024

Ladies and Gentlemen:

We have acted as bond counsel to the City of Mt. Juliet, Tennessee (the “City”) in connection with the issuance of [\$33,500,000] General Obligation Bonds, Series 2024, dated _____ (the “Series 2024 Bonds”). In such capacity, we have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

The Series 2024 are being issued pursuant to a resolution (the “Resolution”) adopted by the Board of Commissioners of the City on April 8, 2024.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify such facts by independent investigation.

Based on the foregoing and in reliance thereon, and subject to the limitations, qualifications, exceptions, and assumptions set forth herein, we are of the opinion that, as of the date hereof:

1. The Series 2024 Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and are valid and binding obligations of the City.
2. The Resolution of the Board of Commissioners of the City authorizing the Series 2024 Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the City enforceable in accordance with its terms.
3. The Series 2024 Bonds constitute general obligations of the City for the payment of which the City has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Series 2024 Bonds are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the corporate limits of the City.
4. Interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the “Code”). The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause interest on the Series 2024 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2024 Bonds.

5. Under existing law, the Series 2024 Bonds and the income therefrom are exempt from all present state, county and municipal taxation in Tennessee except (a) Tennessee excise taxes on interest on the Series 2024 Bonds during the period the Series 2024 Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2024 Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is to be understood that the rights of the owners of the Series 2024 Bonds and the enforceability of the Series 2024 Bonds and the Resolution authorizing the Series 2024 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

Except as set forth in Opinions 4 and 5, we have not been asked to address herein, nor have we addressed, any other tax consequences of the issuance of the Series 2024 Bonds, including, but not limited to, any federal, state, local or foreign tax consequences. Ownership of tax-exempt obligations such as the Series 2024 Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid certain expenses allocable to, tax-exempt obligations.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement (as such term is defined in the Resolution) relating to the Series 2024 Bonds.

The scope of our engagement in relation to the issuance of the Series 2024 Bonds has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein. In addition, we have not been engaged to and therefore express no opinion as to the compliance by the City with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Series 2024 Bonds. This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. This letter is issued to and for the sole benefit of the above addressees and is issued for the sole purpose of the transaction specifically referred to herein, provided that a copy of this letter may be included in the transcript for the Series 2024 Bonds. No person other than the above addressees may rely upon this letter without our express written consent. This letter may not be utilized by you for any other purpose whatsoever and may not be quoted by you without our express prior written consent.

Sincerely yours,

HOLLAND & KNIGHT LLP

APPENDIX B

Supplemental Information Regarding the City

ECONOMIC AND DEMOGRAPHIC INFORMATION GENERAL INFORMATION

The City of Mt. Juliet is located in middle Tennessee in Wilson County. The Municipality is approximately 17 miles east of Metropolitan Nashville- Davidson County. Mt. Juliet was formed in 1835 and incorporated in 1972. The City serves a population of 42,912.

Mt. Juliet is the County’s second largest city with two other incorporated areas in the County – Lebanon and Watertown. According to U.S. Census Bureau data, estimated 2023 populations for Lebanon and Watertown, were 48,112 and 1,605, respectively.

DEMOGRAPHIC DATA

Population

The City of Mt. Juliet’s population for 2023 was reported as 42,912 reflecting a 9% increase from the 2020 Census report of 39,303.

	<u>Mt. Juliet</u>	<u>Wilson County</u>	<u>Tennessee</u>
1990 U.S. Census	8,312	68,019	4,890,626
2000 U.S. Census	12,366	89,236	5,703,719
2010 U.S. Census	23,671	114,681	6,355,518
2020 U.S. Census	39,303	148,659	6,926,091
2021 U.S. Census Estimate	40,811	152,036	6,963,709
2022 U.S. Census Estimate	42,565	158,593	7,048,976
2023 U.S. Census Estimate	42,912	163,674	7,126,489

Source: U.S. Bureau of the Census

Note - In 2024, the City of Mt. Juliet completed a special census and counted 40,430 residents living within the City.

Income and Housing

The City of Mt. Juliet is a growing and important part of Wilson County. Since 2013, Per Capita Personal Income and Median Housing Values for Wilson County have exceeded the State average.

	<u>Wilson County</u>	<u>Tennessee</u>	<u>% of State</u>
2013 Per Capita Personal Income	\$40,713	\$39,102	104.1%
2014 Per Capita Personal Income	\$41,784	\$40,230	103.9%
2015 Per Capita Personal Income	\$44,088	\$41,942	105.1%
2016 Per Capita Personal Income	\$45,662	\$42,943	106.3%
2017 Per Capita Personal Income	\$47,280	\$44,411	106.5%
2018 Per Capita Personal Income	\$49,477	\$46,452	106.5%
2019 Per Capita Personal Income	\$52,331	\$48,889	107.0%
2020 Per Capita Personal Income	\$55,070	\$51,924	106.1%
2021 Per Capita Personal Income	\$62,361	\$57,008	109.4%
2022 Per Capita Personal Income	\$65,138	\$58,311	111.7%

Source: Bureau of Economic Analysis, CA1-3 Personal Income Summary

	Wilson County	Tennessee	% of State
2013 Median Housing Value	\$227,000	\$165,000	137.6%
2014 Median Housing Value	\$234,000	\$166,000	141.0%
2015 Median Housing Value	\$241,000	\$175,000	137.7%
2016 Median Housing Value	\$254,950	\$185,000	137.8%
2017 Median Housing Value	\$289,900	\$196,800	147.3%
2018 Median Housing Value	\$309,999	\$210,000	147.6%
2019 Median Housing Value	\$324,063	\$226,000	143.4%
2020 Median Housing Value	\$348,000	\$244,900	142.1%
2021 Median Housing Value	\$400,000	\$283,410	141.1%
2022 Median Housing Value	\$438,000	\$325,000	134.8%

Source: Tennessee Housing Development Agency – This data reflects only the sales prices of new and existing homes that were sold in the respective years. This data may not be representative of the median value of all homes in the County or State.

ECONOMIC DATA

Labor Force, Employment and Unemployment Data

The labor force within Mt. Juliet has increased from 14,862 to 22,286 reflecting a 50% increase since 2014. As shown below, the City’s and County’s unemployment rate has remained below the State and the United States unemployment rate over the last 10 year.

Year	Employment	Unemployment	Total Labor Force	Unemployment Percent			
				City	County	State	U.S.
2014	14,093	769	14,862	5.2%	5.3%	6.6%	6.2%
2015	15,329	704	16,033	4.4%	4.5%	5.6%	5.3%
2016	16,603	620	17,223	3.6%	3.9%	4.8%	4.9%
2017	17,817	516	18,333	2.8%	3.0%	3.8%	4.4%
2018	18,801	519	19,320	2.7%	2.8%	3.5%	3.9%
2019	19,594	519	20,113	2.6%	2.7%	3.3%	3.7%
2020	19,362	1,371	20,733	6.6%	6.4%	7.5%	8.1%
2021	20,369	721	21,090	3.4%	3.4%	4.5%	5.4%
2022	21,155	533	21,688	2.5%	2.6%	3.4%	3.6%
2023	21,537	582	22,119	2.6%	2.8%	3.3%	3.6%
Feb-24	21,771	515	22,286	2.3%	2.3%	3.3%	3.9%

Source: Bureau of Labor Statistics

Major Employers

The following table includes numerous major employers in the City and Wilson County.

Employer	Employees	Product/Service
Under Armour	1,500*	Clothing Distribution Center
Amazon	1,000	Fulfillment Services
Cracker Barrel Old Country Store	820	Corporate Headquarters for Restaurants
Performance Food Group	646	Food Distribution Center
CEVA Logistics	625	VMI & Logistics Provider for DELL & Nissan
University Medical Center	600	Hospital
Genco	500	Electronics Refurbishment
TRW Automotive	500	Hydraulic Steering Gears
Manheim Nashville	425	Auto Auction Facility
Lochinvar, LLC	425	Water Heaters, Boilers and Pool Heaters
Jones Bros., Inc.	400	Road Building and Earth Moving
Genesco	400	Footwear Distribution
FedEx	400	Distribution Center
Ozburn Hessey Logistics	380	Distribution & Logistics
L&W Engineering Co.	367	Metal Stamping
Environmental Science Corporation	350	Laboratory Testing
Amersports	300	Sports Equipment Distribution
LoJac Enterprises	275	Heavy Construction / Asphalt Plants
Permobil	215	Electric Wheelchairs

* - Over 5 years

Source: City of Mt. Juliet.

Retail Development/Trade

Wilson County has experienced strong growth in commercial and retail activity over the past decade. The Tennessee Department of Revenue reports that total retail sales in the County was \$3.47 billion for 2022 which represents a 98% increase since 2013.

2013	\$1,755,930,244	2018	\$2,581,139,825
2014	\$1,867,771,657	2019	\$2,543,680,123
2015	\$2,054,296,592	2020	\$2,506,271,943
2016	\$2,466,926,295	2021	\$3,103,691,623
2017	\$2,740,635,003	2022	\$3,470,578,858

Source: Tennessee Department of Revenue

Like Wilson County, Mt. Juliet has similarly experienced growth in retail sales and sales tax collections. Mt. Juliet is home to Providence, a 1,000 acre commercial, retail and residential development. The retail component, Providence Marketplace, is one of the largest open-air shopping centers between Nashville and Knoxville. The shopping center offers over 850,000 square feet for retailers and restaurants. The shopping center is home to a variety of popular stores such as Belk, JC Penny, Best Buy, TJ Max and Target. The marketplace also features

numerous specialty shops. The residential portion of the project includes over 1,000 homes in multiple different neighborhoods. The development includes multiple swimming pools with over 50 acres of natural areas for hiking and biking trails.

Mt. Juliet is also home to The Paddocks of Mt. Juliet. This shopping area is anchored by Lowe's and Walmart Supercenter. The Paddocks is a 140 acre open air lifestyle center with room for future development.

In March 2024, Schneider Electric announced plans to expand its manufacturing presences in Middle Tennessee. This expansion plan includes a new facility in Mt. Juliet that is projected to create 355 new jobs in the area.

The City has disclosed plans for several new residential and commercial developments in the area including a 349 lot subdivision, a multiuse development with 674 units of apartments, townhomes, and houses combined with commercial space, a multiuse development with 180 townhomes and commercial space, an apartment complex with 30 units plus commercial space, and a 660 unit apartment and senior living housing complex with additional commercial space.

Location and Transportation

Mt. Juliet is accessed by I-40. I-840 is located in the County within 2 miles from the City. U.S. Highways 70 and 231 and State Highways 10, 24, 26, 109, 141, 171 and 265 traverse the County. Freight rail service is provided by the Nashville Railroad & Eastern Corporation.

Air Transport

The Lebanon Municipal Airport is Wilson County's municipal airport with a 5,000 foot asphalt runway.

Located just 12 miles from Mt. Juliet is the Nashville International Airport. The airport provides commercial air service to the metropolitan area and all of Middle Tennessee through all major commercial carriers. With approximately 600 daily flights, the Nashville International Airport serves 90+ nonstop markets by 20 airlines.

Rail Transport

The Music City Star is a regional rail service running between Nashville and Lebanon, Tennessee. The service uses the existing trackage of the Nashville and Eastern Railroad. The line currently has seven stops along the line from downtown Nashville to Lebanon, including a stop in Mt. Juliet. The operation covers 32 miles of rail line. Service began in September of 2006.

Public Education

The Tennessee General Assembly has authorized two different school systems to provide public education in the County - the Wilson County School System (the “County System”) and the Lebanon Special School District (the “District”). The County System operates grades kindergarten through twelve in 23 schools with a 2022-2023 average daily membership of 20,025 students.

The District operates grades kindergarten through eight in 7 schools with a 2022-2023 average daily membership of 4,052 students.

AVERAGE DAILY MEMBERSHIP			
School Year	Wilson County Schools	Lebanon Special School District	Total
2013-2014	16,446	3,581	20,027
2014-2015	16,766	3,628	20,394
2015-2016	17,206	3,552	20,758
2016-2017	17,693	3,537	21,230
2017-2018	18,051	3,627	21,678
2018-2019	18,314	3,727	22,041
2019-2020	18,640	3,823	22,463
2020-2021	18,234	3,683	21,917
2021-2022	19,251	3,879	23,130
2022-2023	20,025	4,052	24,077

Source: Tennessee Department of Education.

Higher Education

Mt. Juliet is less than a one hour drive from seventeen colleges and universities. Cumberland University is located in Lebanon, the County seat. Cumberland is a private school. Located 20 miles north is Volunteer State Community College in Gallatin. Located 35 miles southwest of Mt. Juliet is Middle Tennessee State University in Murfreesboro. Within a short drive are Tennessee State University, the University of Tennessee Space Institute, David Lipscomb University, Fisk University, Vanderbilt University, Belmont University and Trevecca Nazarene College.

Retirement Commitments

See page 54, Note 9 in Appendix C.

Other Post-employment Benefits (“OPEB”)

See page 57, Note 10 in Appendix C.

Government

The City of Mt. Juliet operates under a Commission-Manager form of government. The Municipality provides the following services as authorized by its charter: public safety (police), fire protection, highways and streets, public improvements, planning and zoning, general administrative services and sanitary sewers. The City is governed by an elected Mayor and four elected District Commissioners. The Mayor and Commissioners serve staggered 4-year terms. The most recent election was November 8, 2022, where Commissioners Bill Trivett and Jennifer Milele were re-elected to their seats in District 2 and 4, respectively.

SUMMARY OF OUTSTANDING DEBT

Original Issue Amount	Issue	Interest Rate	Final Maturity	Amount Outstanding 6/1/2024 ⁽¹⁾
Bonds and Other Obligations:				
General Obligation Debt				
\$6,070,000	GO Refunding and Improvement Bonds, Series 2019	5.00%	6/2026	\$1,940,000
\$7,980,000	GO Refunding Bonds, Series 2020	1.00% - 4.00%	6/2034	\$7,405,000
\$33,500,000	Proposed GO Bonds, Series 2024	TBD	6/2039	\$33,500,000 ⁽²⁾
Total General Obligation Debt				\$42,845,000
Other Obligations				
\$523,039	Capital Leases - Various	0.00% - 2.05%	5/2026	\$274,874 ⁽³⁾
Total Other Obligations				\$274,874
Total Current Outstanding Debt and Other Obligations				\$43,119,874

DEBT STATEMENT

(as of June 1, 2024)

Outstanding Debt	
Total Current Outstanding Debt ⁽¹⁾	\$43,119,874
Gross Direct Debt	\$43,119,874
Net Direct Debt	\$43,119,874
Net Overlapping Debt (as of June 30, 2023)	
Wilson County Debt (Pro rata estimate based on Mt. Juliet tax base)	\$143,677,369
Total Net Overlapping Debt	<u>\$143,677,369</u>
Overall Net Debt	<u><u>\$186,797,243</u></u>

DEBT RECORD OF MT. JULIET

There is no record of a default on bond principal and interest from information available.

(1) - As of 6/1/2024 and adjusted for Proposed GO Bonds, Series 2024.

(2) - Preliminary, subject to change.

(3) - Capital lease balances are estimated based on 6/30/23 audit and adjusted for leases matured by 6/1/2024.

Source: Comprehensive Annual Financial Reports prepared and audited by Blankenship CPA Group, PLLC for the year ending June 30, 2023.

POPULATION

	<u>Mt. Juliet</u>	<u>Wilson County</u>	<u>Tennessee</u>
1990 U.S. Census	8,312	68,019	4,890,626
2000 U.S. Census	12,366	89,236	5,703,719
2010 U.S. Census	23,671	114,681	6,355,518
2020 U.S. Census	39,303	148,659	6,926,091
2021 U.S. Census Estimate	40,811	152,036	6,963,709
2022 U.S. Census Estimate	42,565	158,593	7,048,976
2023 U.S. Census Estimate	42,912	163,674	7,126,489

Source: U.S. Bureau of the Census

Note - In 2024, the City of Mt. Juliet completed a special census and counted 40,430 residents living within the City.

PER CAPITA DEBT RATIOS

Outstanding Debt	\$1,005
Gross Direct Debt	\$1,005
Net Direct Debt	\$1,005
Total Net Overlapping Debt	\$3,348
Overall Net Debt	\$4,353

DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Outstanding Debt to	2.12%	0.43%
Gross Direct Debt to	2.12%	0.43%
Net Direct Debt to	2.12%	0.43%
Total Net Overlapping Debt to	7.07%	1.44%
Overall Net Debt to	9.19%	1.87%

DEBT TREND

Fiscal Years Ending June 30

	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>
GO Bonds & Loans	\$10,400,000	\$11,390,000	\$12,345,000	\$13,818,100	\$12,189,800
Capital Leases	570,205	1,093,014	1,052,132	1,349,599	1,678,324
Obligation to Co. School System	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt	<u>\$10,970,205</u>	<u>\$12,483,014</u>	<u>\$13,397,132</u>	<u>\$15,167,699</u>	<u>\$13,868,124</u>

Sources: Comprehensive Annual Financial Reports prepared and audited by Blankenship CPA Group, PLLC for the years ending June 30, 2020 through 2023 and Yeary, Howell and Associates, Certified Public Accountants, for the year ending June 30, 2019.

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS
as of June 1, 2024⁽¹⁾

Year No.	Year Ended June 30	Total Outstanding Principal	Plus: Proposed GO Bonds, Series 2024 ⁽²⁾	Total Principal Requirements	Percent Principal Retired	Total Outstanding Interest	Plus: Proposed GO Bonds, Series 2024 ⁽²⁾	Total Interest Requirements	Total Debt Service Requirements
1	2025	1,115,000	1,150,000	2,265,000		260,405	1,451,120	1,711,525	3,976,525
2	2026	1,165,000	1,200,000	2,365,000		206,305	1,389,600	1,595,905	3,960,905
3	2027	780,000	1,810,000	2,590,000		149,805	1,329,600	1,479,405	4,069,405
4	2028	815,000	1,900,000	2,715,000		118,605	1,239,100	1,357,705	4,072,705
5	2029	855,000	2,000,000	2,855,000	29.85%	86,005	1,144,100	1,230,105	4,085,105
6	2030	895,000	2,100,000	2,995,000		51,805	1,044,100	1,095,905	4,090,905
7	2031	910,000	2,200,000	3,110,000		42,855	939,100	981,955	4,091,955
8	2032	920,000	2,300,000	3,220,000		33,755	845,600	879,355	4,099,355
9	2033	935,000	2,380,000	3,315,000		23,635	753,600	777,235	4,092,235
10	2034	955,000	2,480,000	3,435,000	67.37%	12,415	658,400	670,815	4,105,815
11	2035		2,580,000	2,580,000			559,200	559,200	3,139,200
12	2036		2,680,000	2,680,000			456,000	456,000	3,136,000
13	2037		2,800,000	2,800,000			348,800	348,800	3,148,800
14	2038		2,900,000	2,900,000			236,800	236,800	3,136,800
15	2039		3,020,000	3,020,000	100.00%		120,800	120,800	3,140,800
		<u>\$9,345,000</u>	<u>\$33,500,000</u>	<u>\$42,845,000</u>		<u>\$985,590</u>	<u>\$12,515,920</u>	<u>\$13,501,510</u>	<u>\$56,346,510</u>

(1) As of 6/1/2024 and adjusted for Proposed GO Bonds, Series 2024. Excludes short term capital leases.

(2) Preliminary, Subject to change.

Source: Comprehensive Annual Financial Reports prepared and audited by Blankenship CPA Group, PLLC for the Fiscal Year Ending June 30, 2023.

PROPERTY VALUATION AND PROPERTY TAX

The City is authorized to levy a tax on all property within the City without limitation as to rate or amount. All real and personal property within the City is assessed in accordance with the state constitutional and statutory provisions by the County Property Tax Assessor except most utility property, which is assessed by the Office of State Assessed Properties. All property taxes are due on October 1 of each year based upon appraisals as of January 1 of the same calendar year. All property taxes are delinquent on March 1 of the subsequent calendar year.

PROPERTY VALUATION

Fiscal Year Tax Year	Reappraisal Year				
	2023-2024 2023	2022-2023 2022	2021-2022 2021	2020-2021 2020	2019-2020 2019
ESTIMATED ACTUAL VALUES					
Residential & Farm	\$7,094,816,266	\$4,814,172,800	\$4,626,117,300	\$4,085,601,705	\$3,565,392,074
Commercial & Industrial	2,470,891,780	1,676,360,800	1,366,717,100	1,261,555,095	1,199,126,746
Personal Tangible Property	362,977,695	400,036,804	196,556,954	190,179,551	183,337,432
Public Utilities	60,044,612	76,036,337	67,257,377	44,922,250	48,536,330
Total Estimated Actual Values	\$9,988,730,353	\$6,966,606,741	\$6,256,648,731	\$5,582,258,601	\$4,996,392,582
Annual Percentage Change	43.38%	11.35%	12.08%	11.73%	6.92%
Estimated Per Capita Amount	\$234,764	\$163,735	\$153,391	\$141,847	\$134,932
ASSESSED VALUES					
Residential & Farm (at 25%)	\$1,237,335,950	\$1,203,543,200	\$1,156,529,325	\$808,132,025	\$765,846,225
Commercial & Industrial (at 40%)	689,477,640	670,544,320	546,686,840	399,256,960	412,115,880
Personal Tangible Property (at 30%)	79,421,583	120,011,117	58,967,155	47,423,601	48,671,456
Public Utilities (at 30%-55%)	26,209,473	33,189,861	29,357,845	19,608,823	21,186,346
Total Assessed Values	\$2,032,444,646	\$2,027,288,498	\$1,791,541,165	\$1,274,421,409	\$1,247,819,907
Annual Percentage Change	0.25%	13.16%	40.58%	2.13%	7.00%
Estimated Per Capita Amount	\$47,768	\$47,647	\$43,922	\$32,384	\$33,698
Appraisal Ratio	69.76%	100.00%	100.00%	79.12%	85.92%
Assessed Values to Actual Values	20.35%	29.10%	28.63%	22.83%	24.97%

Source: Tennessee Division of Property Assessments.

Property Tax Collections For Fiscal Years Ending June 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
GOVERNMENTAL FUNDS					
Tax Rate	\$0.1100	\$0.1100	\$0.1664	\$0.1664	\$0.1664
Property Taxes Levied	\$2,193,509	\$1,938,402	\$2,088,010	\$2,076,372	\$1,940,664
Current Fiscal Year Collections	\$2,169,529	\$1,902,732	\$2,039,392	\$2,032,351	\$1,923,963
Percentage Collected in Current Year	98.9%	98.2%	97.7%	97.9%	99.1%

Sources: Comprehensive Annual Financial Reports prepared and audited by Blankenship CPA Group, PLLC for the years ending June 30, 2020 through 2023 and Yeary, Howell and Associates, Certified Public Accountants, for the year ending June 30, 2019.

**TOP TAXPAYERS
(Property Tax)**

For fiscal year 2023 the City of Mt. Juliet levied a property tax of \$0.11 per \$100 of assessed value, resulting in a levy approximately \$2.2 million. This property tax only represents 4.5% of total revenue collected by the City. Although the top ten property taxpayers represent 15% of total property taxes, they represent less than 1% of the total revenue collected by the City.

Name	Description	Assessment	Tax
Amazon.com Services Inc	Retail Distribution	\$108,033,575	\$118,837
Amazon.com Services LLC	Retail Distribution	\$63,665,518	\$70,032
Western A Midwest Tn LLC	Manufacturing	20,404,480	22,445
American Homes 4 Rent	Rental Homes	18,803,325	20,678
Lc Providence I LLC	Shopping Center	18,641,988	20,506
Ramco Providence Marketplace LLC	Shopping Center	16,396,360	18,039
Glass Creek Village LLC	Apartments	15,751,240	17,326
Industrial Development Board of Wilson Cty	Manufacturing	14,525,760	15,978
Deerfield at Providence	Apartments	13,716,066	15,088
Vintage Station North Owner LLC	Apartments	13,328,800	14,662
Total Top 10		\$303,267,112	\$333,591
Total 2022 Assessed Value		\$2,027,288,498	\$2,193,509
Top 10 % of Total Property Tax Assessment		15%	15%

Source: City Officials.

**LOCAL SALES TAX
For Fiscal Years Ending June 30**

Local option sales tax revenues are a major source of revenue for the City. For FY 2024, the City budgeted \$18.775 million in revenue. Through the first nine months of the FY 2024, sales tax collections are approximately 5.17% higher than for the same period in FY 2023.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020*</u>	<u>2019</u>
Rate (Percent of retail sales)	2.75%	2.75%	2.75%	2.25%	2.25%
Distribution to Following Funds					
General Fund	\$19,443,615	\$18,270,523	\$16,131,817	\$11,586,907	\$10,607,465
Total Amount Collected	\$19,443,615	\$18,270,523	\$16,131,817	\$11,586,907	\$10,607,465
% of Increase	6.42%	13.26%	39.22%	9.23%	3.18%

* - Rate was increased to 2.75% effective May 2020.

Sources: Comprehensive Annual Financial Reports prepared and audited by Blankenship CPA Group, PLLC for the years ending June 30, 2020 through 2023 and Yeary, Howell and Associates, Certified Public Accountants, for the year ending June 30, 2019.

FUND BALANCES
For Fiscal Years Ending June 30

The General Fund balance increased substantially from FY 2019 to FY 2023. During FY 2024, the Board of Commissioners used approximately \$16 million of the fund balance for one-time capital expenditures related to land, facilities and equipment for various purposes including public safety and parks. An additional \$9.8 million was transferred to the capital projects fund for other capital expenditures. As a result of these one-time expenditures, the City estimates that the FY 2024 General Fund balance will be in the \$45 to \$50 million range.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
GOVERNMENTAL FUNDS					
General Government Fund ⁽¹⁾	\$70,313,311	\$62,626,484	\$49,545,377	\$40,126,105	\$36,425,901
State Street Aid Fund	265,860	524,266	222,011	303,050	141,001
Drug Fund	510,604	419,081	295,658	326,602	324,385
Stormwater Fund	1,529,948	1,128,988	1,130,300	866,604	657,024
Emergency/Community Svc Fund ⁽¹⁾	0	0	3,374,513	3,213,341	1,519,704
Debt Service Fund	355,662	221,988	272,215	188,304	260,206
Capital Projects	8,050,846	11,282,307	8,291,805	4,638,488	1,699,083
Total Governmental Funds	<u>\$81,026,231</u>	<u>\$76,203,114</u>	<u>\$63,131,879</u>	<u>\$49,662,494</u>	<u>\$41,027,304</u>
PROPRIETARY FUNDS					
Sewer Fund - Net Assets	<u>\$102,685,222</u>	<u>\$94,092,979</u>	<u>\$87,951,640</u>	<u>\$73,569,367</u>	<u>\$70,435,135</u>
TOTAL GOVERNMENTAL FUNDS	<u><u>\$183,711,453</u></u>	<u><u>\$170,296,093</u></u>	<u><u>\$151,083,519</u></u>	<u><u>\$123,231,861</u></u>	<u><u>\$111,462,439</u></u>

(1) In FY 2022 the Emergency Services Fund was consolidated into the General Fund.

Sources: Comprehensive Annual Financial Reports prepared and audited by Blankenship CPA Group, PLLC for the years ending June 30, 2020 through 2023 and Yearly, Howell and Associates, Certified Public Accountants, for the year ending June 30, 2019.

**STATEMENT OF OPERATING REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES
General Fund – For Fiscal Years Ending June 30**

REVENUES	2023	2022	2021	2020	2019
Local Taxes:					
Real & Personal Property	\$2,232,364	\$1,987,230	\$0	\$0	\$0
Local Sales Taxes	19,443,615	18,270,523	16,131,817	11,586,907	10,607,465
Wholesale Beer Tax	1,040,794	1,123,795	1,165,642	1,018,088	816,693
Wholesale Liquor Tax	724,280	698,732	689,799	607,985	520,618
Franchise Taxes	1,271,503	1,205,143	1,008,728	1,236,082	1,058,135
Hotel/Motel Tax	1,452,140	1,073,173	631,636	642,310	721,257
Business Taxes	2,030,680	1,609,177	1,642,488	1,172,226	1,138,225
Intergovernmental Revenue	15,777,425	5,590,314	6,672,665	3,627,506	3,653,143
Fines and Forfeits	1,116,022	973,415	891,312	1,333,128	1,320,430
Licenses & Permits	2,011,347	3,515,325	3,306,663	3,309,621	2,434,815
Charges for Services	401,860	264,711	581,578	325,304	430,333
Uses of Money and Property	1,099,690	346,847	331,105	431,822	380,446
Miscellaneous	432,145	478,466	253,136	373,675	162,130
Total Revenues & Other Sources	\$49,033,865	\$37,136,851	\$33,306,569	\$25,664,654	\$23,243,690
EXPENDITURES					
General Government	\$7,941,399	\$4,958,768	\$4,452,098	\$3,394,560	\$3,309,008
Public Safety ⁽¹⁾	16,012,957	12,116,223	7,776,190	7,737,341	7,092,733
Streets and Public Works	2,494,223	2,274,781	1,558,497	3,917,598	2,251,241
Parks and Culture	1,883,668	1,728,068	1,750,631	1,307,310	1,323,846
Capital Outlay	7,983,968	5,131,067	2,767,000	1,378,462	1,671,955
Total Expenditures & Other Uses	\$36,316,215	\$26,208,907	\$18,304,416	\$17,735,271	\$15,648,783
Excess of Revenues Over (Under) Expenditures	\$12,717,650	\$10,927,944	\$15,002,153	\$7,929,383	\$7,594,907
OTHER FINANCING SOURCES (USES):					
Bond Issuance/Lease Proceeds	\$0	\$0	\$0	\$0	\$292,166
Proceeds from sale of property	\$0	\$604,235	\$0	\$0	\$364,501
Interfund Transfer In (Out)	(5,030,823)	(1,825,585)	(5,582,881)	(4,229,179)	(685,003)
Total Other Financing Sources (Uses):	(\$5,030,823)	(\$1,221,350)	(\$5,582,881)	(\$4,229,179)	(\$28,336)
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	\$7,686,827	\$9,706,594	\$9,419,272	\$3,700,204	\$7,566,571
Fund Balance, July 1	62,626,484	49,545,377	40,126,105	36,425,901	29,280,700
Restatement	0	3,374,513	0	0	(421,370)
Fund Balance, June 30	\$70,313,311	\$62,626,484	\$49,545,377	\$40,126,105	\$36,425,901

(1) In FY 2022 the Emergency Services Fund was consolidated into the General Fund.

Sources: Comprehensive Annual Financial Reports prepared and audited by Blankenship CPA Group, PLLC for the years ending June 30, 2020 through 2023 and Yeary, Howell and Associates, Certified Public Accountants, for the year ending June 30, 2019.

APPENDIX C

Audited Financial Statements for Fiscal Year Ended June 30, 2023

**City of Mt. Juliet, Tennessee
Annual Financial Report
For the Year Ended June 30, 2023**



City of Mt. Juliet, Tennessee
Annual Financial Report
For the Year Ended June 30, 2023

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City of Mt. Juliet, Tennessee
Annual Financial Report
For the Year Ended June 30, 2023

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Introductory Section

City of Mt. Juliet, Tennessee
Schedule of City Officials (Unaudited)
For the Year Ended June 30, 2023

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. Lockett
Director of Public Works	Matthew White
Chief of Police	James Hambrick
Interim Fire Chief	Joey Edwards
Director of Economic Development	Vacant
Director of Parks	Roger Lee
Director of Human Resources	Lynn Gore
Director of Information Technology	Travis Taylor
Building and Codes Chief	Mark Kirk
Director of Planning	Jennifer Hamblen
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, 2023, 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, 2023, 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 83) 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 83) 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 84-85 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 18, 2023 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 18, 2023

City of Mt. Juliet, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

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, 2023. 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 assets and deferred outflows of resources of the City of Mt. Juliet, TN exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by more than \$303 million.
- The government's total net position increased by more than \$33 million, due to increases in the business type activities net position of over \$8 million and over \$25 million due to government activity over 2023.
- As of the close of the current fiscal year, the City of Mt. Juliet's governmental funds reported combined ending fund balances of over \$81 million, an increase of approximately \$5 million in comparison with the prior year. Over 83% of this total amount, or \$67 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 \$67.0 million, or 139% 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 decreased by \$1.5 million (12%) during the current fiscal year. The decrease was created by principal payments of \$990 thousand as scheduled for bonds and capital notes, and payments on lease (fire-fighting) obligations of \$523 thousand.
- The City's OPEB (Other Post-Employment Benefits) obligation is calculated under GASB (Governmental Accounting Standards Board) Statement 75. The beginning balance was stated at \$316 thousand. Net changes through the year decreased this balance by \$37 thousand.
- The City of Mt. Juliet retained its AA+ rating by Standard and Poor's, held since 12/30/2013 and has been classified as stable since 6/30/2009.

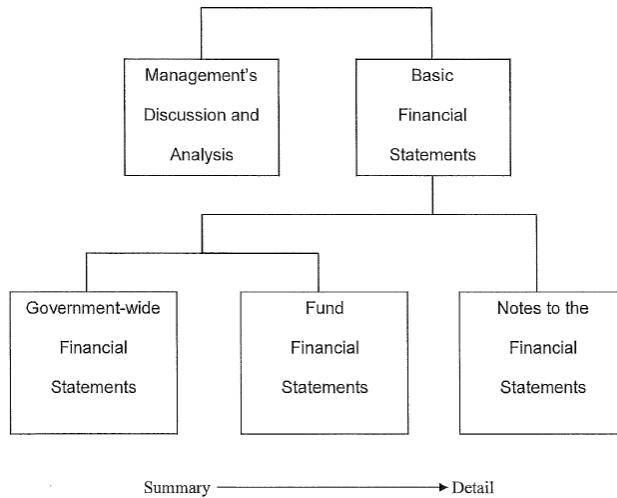
Overview of the Financial Statements

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, 2023

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, 2023

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, TN, 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, 2023

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 City's net position increased by more than \$33 million for the fiscal year ended June 30, 2023 when compared to the fiscal year ended June 30, 2022. Net position was \$303 million as of June 30, 2023. The largest portion of net position, 63% 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, 6%, represents resources that are subject to restriction on how they may be used. The remaining balance of over \$94 million, 31% is unrestricted.

City of Mt. Juliet, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

Statement of Net Position (In Thousands)

	Primary Government					
	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 92,242	\$ 97,100	\$ 25,961	\$ 27,239	\$ 118,203	\$ 124,339
Capital assets	125,317	105,835	77,833	68,118	203,150	173,953
Total Assets	217,559	202,935	103,794	95,357	321,353	298,292
Deferred Outflows of Resources						
Deferred outflows	4,881	3,079	425	264	5,306	3,343
Liabilities						
Other liabilities	8,470	13,158	1,374	448	9,844	13,606
Long-term liabilities	9,827	10,922	-	523	9,827	11,445
Total Liabilities	18,297	24,080	1,374	971	19,671	25,051
Deferred Inflows of Resources						
Deferred inflows	3,326	6,303	124	390	3,450	6,693
Net Position						
Net Investment in capital assets						
net of related debt	113,677	93,773	77,340	67,871	191,017	161,644
Restricted	13,303	23,631	5,101	12,732	18,404	36,363
Unrestricted	73,837	58,227	20,280	13,657	94,117	71,884
Total Net Position	\$ 200,817	\$ 175,631	\$ 102,721	\$ 94,260	\$ 303,538	\$ 269,891

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 refinancing of 2009 and 2016 bonds in recent years.

City of Mt. Juliet, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

Statement of Activities (In Thousands)

	Primary Government					
	Governmental		Business-type			
	Activities		Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues						
Charges for services	\$ 4,755	\$ 6,292	\$ 9,129	\$ 8,546	\$ 13,884	\$ 14,838
Operating grants and contributions	1,259	1,351	-	3	1,259	1,354
Capital grants and contributions	10,576	16,371	7,594	5,389	18,170	21,760
General Revenues						
Sales Tax	19,568	18,414	-	-	19,568	18,414
Property Tax	2,232	1,987	-	-	2,232	1,987
Other Locally Assessed Taxes	6,550	5,711	-	-	6,550	5,711
Other State Shared Taxes	5,681	5,414	-	-	5,681	5,414
General Grants and Contributions	10,987	-	-	-	10,987	-
Investment Earnings & Rental Incon	1,108	149	343	68	1,451	217
Other	1,011	1,441	-	34	1,011	1,475
Total Revenues	63,727	57,130	17,066	14,040	80,793	71,170
Expenses						
General government	7,798	4,510	-	-	7,798	4,510
Public safety	18,233	13,498	-	-	18,233	13,498
Recreation and Culture	2,494	2,109	-	-	2,494	2,109
Streets and Public Works	9,239	7,207	-	-	9,239	7,207
Stormwater	566	472	-	-	566	472
Interest on long-term debt	210	33	-	-	210	33
Sewer	-	-	8,605	7,975	8,605	7,975
Total Expenses	38,540	27,829	8,605	7,975	47,145	35,804
Increase (Decrease) in net position	25,187	29,301	8,461	6,065	33,648	35,366
Net Position - Beginning	175,630	146,145	94,260	88,195	269,890	234,340
Prior period adjustment	-	185	-	-	-	185
Net Position - Ending	\$ 200,817	\$ 175,631	\$ 102,721	\$ 94,260	\$ 303,538	\$ 269,891

City of Mt. Juliet, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

Governmental Activities: Governmental activities increased the City's net position by over \$25 million, thereby accounting for 75% of the total growth in the net position of the City of Mt. Juliet. Key elements of this increase are as follows:

- General grants increased \$11 million because of the receipt of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).
- Sales Tax revenues increased over \$1.2 million, or 6% over the prior year, showing continued growth in the City residential and business community.
- City codes require developers to build to a certain standard in streets for which the City then assumes responsibility and receives donated infrastructure, which totaled \$8.9 million for the year ended 6/30/2023.

Business-type activities: Business-type activities increased the City of Mt. Juliet's net position by over \$8.4 million, accounting for 25% 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 \$6.8 million.
- Development continues to increase the business-type assets with sewer tap fees and sewer development fee requirements.
- 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. No rate increase was instituted in fiscal year 2022 and a 4% increase was instituted in fiscal year 2023.
- The City expects to re-examine the sewer rates for 2023-2024 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 \$66.9 million, while total fund balance was over \$70.3 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 162% 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 170% of the same expenditures.

City of Mt. Juliet, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

Governmental Funds: At June 30, 2023, the governmental funds of the City of Mt. Juliet reported a combined fund balance of over \$81 million, a 6.3% increase over last year. Included in this change are fund balance increases in the General, Debt Service, Drug Funds, and Stormwater and decreases in the State Street Aid and Capital Projects 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 \$21.2 million since inception. 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 6.3% above that of the prior year as well as 21.5% above the budget of such revenue, which is the largest City revenue category. The third largest contributor to local revenue, Business Tax was 92.7% or over \$977 thousand above budget. Hotel/Motel tax revenue increased 81.5% or \$652 thousand over budget and 35.3% over the previous year as well. The other largest increases were the result of state shared sales tax revenue. License and Permit fee revenue decreased by 1.6 million or 40%. Building slowed due to the completion of several phases of developments and a slow start in upcoming phases. The City expects this revenue to increase as future phases of approved developments begin 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 Cedar Creek Greenway project and continues working on the Town Center Trail. The practice fields at Hamilton Denson Park and the tennis and pickleball courts at Sgt. Jerry Mundy Memorial Park 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, 2023

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 over \$20.2 million. The total increase in net position for the fund was over \$8.5 million.

- Developers built sewer lines to the required City standard, which were contributed to the City, in the amount of over \$6.8 million. The City assumed responsibility for maintenance, repair, and eventual replacement of these assets.
- Developers also contributed over \$757 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, 2023, totals over \$203.2 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 2022-2023

Governmental Activities

Business-type Activities

CITY VEHICLES W/EQUIPMENT	\$1,817,051	STONERS CREEK INTERCEPTOR SEWER REPLACEMENT	\$3,590,559
FIRE STATION NORTH -#2	\$1,559,324	SEWER VEHICLES W/EQUIPMENT	\$ 263,553
EMS VEHICLES & EQUIPMENT	\$1,308,649	MANHOLE PROJECT	\$ 296,574
LAND AT 620 CLEMMONS RD	\$1,302,889	SEWER CONTROL PANELS	\$ 195,896
MUNDY PARK DRAINAGE IMPROVEMENTS	\$1,215,757	FLYGT PUMP	\$ 159,400
MUNDY PARK TENNIS & PICKLEBALL COURTS	\$1,170,553	JOHN WRIGHT ROAD SEWER EXT	\$ 109,313
OLDR WIDENING PROJECT	\$ 909,223	CREEKSIDE DRIVE INTERCEPTOR	\$ 49,590
CITY GARAGE	\$ 902,346	CEDAR CREEK INTERCEPTOR SEWER UPSIZING	\$ 47,703
CEDAR CREEK GREENWAY PROJECT	\$ 826,414	BELINDA CITY LATERAL LINING	\$ 36,530
HAMILTON DENSON PARK PROJECT	\$ 817,825	EQ BASIN PROJECT	\$ 32,775
TRAFFIC SIGNAL IMPROVEMENTS	\$ 593,965		
NEW POLICE HEADQUARTERS	\$ 463,670		
MT JULIET- PLEASANT GROVE RD PROJECT	\$ 273,307		
EAST DIVISION STREET WIDENING PROJECT	\$ 264,746		
TOWN CENTER TRAIL PROJECT	\$ 183,125		
SOUTH GREENHILL ROUNDABOUT	\$ 155,613		
INTERCHANGE LIGHTING PROJECT	\$ 110,825		
ITS & SIGNAL IMPROVEMENTS	\$ 107,273		
SOUTH MT JULIET RD IMPROVEMENTS PROJECT	\$ 100,776		
LEBANON RD WIDENING PROJECT	\$ 86,008		

City of Mt. Juliet, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

City of Mt. Juliet's Capital Assets (In Thousands)						
<u>Asset Class</u>	Governmental Activities		Business Type Activities		Total	Total
	2023	2022	2023	2022	2023	2022
Land	\$ 9,977	\$ 9,326	\$ 3,333	\$ 2,681	\$ 13,310	\$ 12,007
Bldgs and Improvements	7,843	7,843	514	514	8,357	8,357
Improv Other than Bldgs	8,386	7,044	293	293	8,679	7,337
Machinery and Equipment	19,057	15,935	1,684	1,427	20,741	17,362
Construction in Progress	24,075	17,121	4,117	266	28,192	17,387
Collection System	-	-	101,208	93,634	101,208	93,634
Infrastructure	99,688	86,998	-	-	99,688	86,998
Total Cost	\$ 169,026	\$ 144,267	\$ 111,149	\$ 98,815	\$ 280,175	\$ 243,082
Less Accumulated Depreciation	43,709	38,431	33,316	30,698	77,025	69,129
Net Capital Assets	\$ 125,317	\$ 105,836	\$ 77,833	\$ 68,117	\$ 203,150	\$ 173,953

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, 2023, the City of Mt. Juliet had total bonded debt, lease-purchases, long-term obligations, and capital notes outstanding of over \$11.4 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
	2023	2022	2023	2022	2023	2022
General Obligation Bonds and						
Capital Notes	\$ 10,400	\$ 11,390	\$ -	\$ -	\$ 10,400	\$ 11,390
Lease	570	1,093	-	-	570	1,093
Bond Premium	476	659	-	-	476	659
Total	\$ 11,446	\$ 13,142	\$ -	\$ -	\$ 11,446	\$ 13,142

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 \$1.5 million, for the fund to meet the outstanding obligations. The City of Mt. Juliet has maintained its AA+ rating by Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of the City of Mt. Juliet.

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 6/30/2023, governmental debt was less than .57% of assessments and less than \$292 per capita.

City of Mt. Juliet, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

Long-term Debt: Total debt payments for the next fiscal year are near \$1.5 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 has remained relatively level from an estimated 2.9% last June to 3.1% which is below the national average of 3.6% and the Tennessee rate of 3.8% but in line with 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.
- The City approved the development of a BJ's Wholesale Club. The project will bring about 175 jobs and tax revenue to the city and is set to open in December 2023.
- 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 also approved the addition of a Costco within the Legacy Pointe development. Costco will bring approximately 275 jobs to the area 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 Whataburger, opening in early 2024, Maniac's Chicken opening in 2023 and Mid Tenn Powersports planned relocation to the Legacy Point area.

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 7.0% along with a 28% growth in local business tax revenues in fiscal year 2023. 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 with a deadline for submittal of February 2024. The City receives approximately \$170 per capita in state shared revenues.

The City is utilizing the reserve from hotel/motel tax collections and unrestricted funds to continue its focus of improving the City parks and trail system. The City is adding playgrounds to Sgt Jerry Mundy Memorial Park and Hamilton Denson Park as well as a toddler park in Charlie Daniels Park. The City also continues to expand the Town Center Trail and Cedar Creek Greenways in a continued effort to make the city more walkable and bike friendly.

The City, in its efforts to stay competitive and combat inflation approved a 6.75% 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 the addition of a Chief Training Officer, an EMS Compliance Officer and 3 additional lieutenants.

In response to continued growth and need for services, 16 additional positions were added to the budget including police officers, public works employees, and other department staff throughout the City.

City of Mt. Juliet, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

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

Governmental Activities: General Fund expenditures are anticipated to increase with the largest increments being in transfers for roadway construction including the Central Pike Interchange. Budgeted expenditures are expected to exceed budgeted revenue for 6/30/2024 by nearly \$7 million due to effort directed city roadway improvements and the building of a new police headquarters.

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 4% due to the CPI and in accordance with the Metro contract. Personnel costs can be expected to rise due to salary study adjustments and added personnel. General operating expenses will increase as the number of personnel increases and the City works to maintain the growing system. Two new capital projects for relocation of existing systems have been added to the budget. The City also received a grant for 50% of an interceptor upgrade project. 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.

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, 2023

	<u>Primary Government</u>		Total	<u>Component Unit</u>
	Governmental Activities	Business-type Activities		
Assets				
Cash and cash equivalents	\$ 40,295,982	\$ 6,131,852	\$ 46,427,834	\$ 2,000,000
Certificates of deposit, current portion	23,000,000	13,129,130	36,129,130	-
Receivables, net				
Property taxes	2,243,152	-	2,243,152	-
Other taxes	724,464	-	724,464	-
Customers and other	254,915	1,352,577	1,607,492	-
Due from other governments	4,948,930	-	4,948,930	-
Interest receivable	427,500	103,267	530,767	-
Prepaid expenses	124,402	22,718	147,120	-
Inventories	-	120,833	120,833	-
Restricted assets				
Cash, construction	285,552	5,100,831	5,386,383	-
Certificates of deposit, net of current portion	19,000,000	-	19,000,000	-
Capital assets, net of accumulated depreciation	91,265,431	70,383,709	161,649,140	-
Land and construction in progress, non-depreciable	34,051,739	7,449,453	41,501,192	-
Lease assets, net of amortization	937,298	-	937,298	-
Total assets	<u>217,559,365</u>	<u>103,794,370</u>	<u>321,353,735</u>	<u>2,000,000</u>
Deferred Outflows of Resources				
Deferred pension outflows of resources	4,623,173	420,878	5,044,051	-
Deferred OPEB outflows of resources	34,506	3,835	38,341	-
Deferred amounts on refunding	223,771	-	223,771	-
Total deferred outflows of resources	<u>4,881,450</u>	<u>424,713</u>	<u>5,306,163</u>	<u>-</u>

Continued

City of Mt. Juliet, Tennessee
Statement of Net Position
June 30, 2023

	<u>Primary Government</u>		<u>Total</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		
Liabilities				
Accounts payable	2,560,906	551,719	3,112,625	27,345
Accrued liabilities	678,284	99,615	777,899	-
Other liabilities	1,589,210	348,737	1,937,947	-
Accrued interest	25,967	-	25,967	-
Long-term liabilities, current portion	2,292,547	-	2,292,547	-
Lease liabilities, current portion	414,744	-	414,744	-
Long-term liabilities, net of current portion	9,671,573	-	9,671,573	-
Lease liabilities, net of current portion	155,461	-	155,461	-
Over-recovered costs	-	343,058	343,058	-
Net pension liability	657,974	2,462	660,436	-
OPEB liability	251,367	27,929	279,296	-
Total liabilities	<u>18,298,033</u>	<u>1,373,520</u>	<u>19,671,553</u>	<u>27,345</u>
Deferred Inflows of Resources				
Deferred pension inflows of resources	746,107	86,267	832,374	-
Deferred OPEB inflows of resources	342,202	38,021	380,223	-
Deferred property tax revenues	2,237,378	-	2,237,378	-
Total deferred inflows of resources	<u>3,325,687</u>	<u>124,288</u>	<u>3,449,975</u>	<u>-</u>
Net Position				
Net investment in capital assets	113,677,154	77,339,819	191,016,973	-
Restricted for				
Capital improvements	8,050,846	5,100,831	13,151,677	-
Debt service	355,662	-	355,662	-
Streets	2,573,604	-	2,573,604	-
Drug	510,604	-	510,604	-
Stormwater	1,527,081	-	1,527,081	-
Parks	285,140	-	285,140	-
Specific commercial development	-	-	-	2,000,000
Unrestricted	<u>73,837,004</u>	<u>20,280,625</u>	<u>94,117,629</u>	<u>(27,345)</u>
Total net position	\$ 200,817,095	\$ 102,721,275	\$ 303,538,370	\$ 1,972,655

City of Mt. Juliet, Tennessee
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 7,797,627	\$ 2,011,347	\$ -	\$ 154,181	\$ (5,632,099)	\$ -	\$ (5,632,099)	\$ -
Public safety	18,233,546	1,378,214	-	-	(16,855,332)	-	(16,855,332)	-
Recreation and culture	2,493,727	129,907	-	-	(2,363,820)	-	(2,363,820)	-
Streets and public works	9,238,853	68,749	1,258,868	10,422,234	2,510,998	-	2,510,998	-
Stormwater	566,305	1,166,405	-	-	600,100	-	600,100	-
Interest on debt	209,822	-	-	-	(209,822)	-	(209,822)	-
Total governmental activities	38,539,880	4,754,622	1,258,868	10,576,415	(21,949,975)	-	(21,949,975)	-
Business-type Activities								
Sewer	8,605,128	9,128,795	-	7,593,699	-	8,117,366	8,117,366	-
Total primary government	\$ 47,145,008	\$ 13,883,417	\$ 1,258,868	\$ 18,170,114	(21,949,975)	8,117,366	(13,832,609)	-
Component Units								
The Industrial Development Board of the City of Mt. Juliet, TN	\$ 27,345	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,972,655
General Revenues								
Property taxes					2,232,364	-	2,232,364	-
Sales taxes					19,567,825	-	19,567,825	-
Wholesale beer tax					1,040,794	-	1,040,794	-
Wholesale liquor tax					724,280	-	724,280	-
Franchise tax					1,271,503	-	1,271,503	-
Hotel/motel tax					1,453,455	-	1,453,455	-
Business tax					2,059,673	-	2,059,673	-
State shared unrestricted taxes								
State shared sales tax					4,674,311	-	4,674,311	-
State shared beer tax					17,940	-	17,940	-
State shared alcoholic beverage tax					231,081	-	231,081	-
State shared income tax					144,114	-	144,114	-
State shared TVA tax					472,382	-	472,382	-
Other unrestricted state shared taxes					140,778	-	140,778	-
Grants and contributions not restricted to specific programs					10,987,003	-	10,987,003	-
Unrestricted investment earnings					1,108,371	343,058	1,451,429	-
Other					1,011,122	708	1,011,830	-
Total general revenues					47,136,996	343,766	47,480,762	-
Change in net position					25,187,021	8,461,132	33,648,153	1,972,655
Net position, beginning of year					175,630,074	94,260,143	269,890,217	-
Net position, end of year					\$ 200,817,095	\$ 102,721,275	\$ 303,538,370	\$ 1,972,655

City of Mt. Juliet, Tennessee
Balance Sheet
Governmental Funds
June 30, 2023

	<u>Special Revenue</u>					Total
	General	State Street Aid	Capital Projects	Debt Service	Other Governmental	
Assets						
Cash	\$ 34,895,900	\$ 968,857	\$ 1,286,769	\$ 355,662	\$ 1,899,269	\$ 39,406,457
Certificates of deposit, current portion	20,000,000	-	3,000,000	-	-	23,000,000
Receivables, net						
Accounts	11,413	-	-	-	243,502	254,915
Property taxes, net	2,240,619	-	-	-	-	2,240,619
Other taxes	724,464	-	-	-	-	724,464
Due from other governments	4,517,257	233,367	310,288	-	-	5,060,912
Due from other funds	-	-	62,551	-	-	62,551
Interest receivable	355,479	-	72,021	-	-	427,500
Prepaid expenses	120,628	-	-	-	2,867	123,495
Certificates of deposit, net of current portion	15,000,000	-	4,000,000	-	-	19,000,000
Restricted assets						
Cash, for construction	-	-	285,552	-	-	285,552
Total assets	\$ 77,865,760	\$ 1,202,224	\$ 9,017,181	\$ 355,662	\$ 2,145,638	\$ 90,586,465

Continued

City of Mt. Juliet, Tennessee
Balance Sheet
Governmental Funds
June 30, 2023

	<u>Special Revenue</u>					Total
	General	State Street Aid	Capital Projects	Debt Service	Other Governmental	
Liabilities						
Accounts payable	\$ 770,396	\$ 823,260	\$ 966,335	\$ -	\$ 915	\$ 2,560,906
Accrued costs	2,163,323	-	-	-	104,171	2,267,494
Unearned revenues	-	-	-	-	-	-
Due to other funds	62,551	-	-	-	-	62,551
Total liabilities	<u>2,996,270</u>	<u>823,260</u>	<u>966,335</u>	<u>-</u>	<u>105,086</u>	<u>4,890,951</u>
Deferred Inflows of Resources						
Unavailable tax revenues	4,556,179	113,104	-	-	-	4,669,283
Fund Balances						
Nonspendable						
Prepaid items	120,628	-	-	-	2,867	123,495
Restricted for						
Streets	2,307,744	265,860	-	-	-	2,573,604
Parks	285,140	-	-	-	-	285,140
Drug	-	-	-	-	510,604	510,604
Stormwater	-	-	-	-	1,527,081	1,527,081
Debt service	-	-	-	355,662	-	355,662
Committed to						
Capital projects	-	-	8,050,846	-	-	8,050,846
Stabilization	600,000	-	-	-	-	600,000
Assigned for						
Parks project	30,000	-	-	-	-	30,000
Unassigned	66,969,799	-	-	-	-	66,969,799
Total fund balances	<u>70,313,311</u>	<u>265,860</u>	<u>8,050,846</u>	<u>355,662</u>	<u>2,040,552</u>	<u>81,026,231</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 77,865,760	\$ 1,202,224	\$ 9,017,181	\$ 355,662	\$ 2,145,638	\$ 90,586,465

City of Mt. Juliet, Tennessee
 Reconciliation of Balance Sheet, Governmental Funds to
 Statement of Net Position, Governmental Activities
 June 30, 2023

Amounts reported for fund balance, total governmental funds		\$ 81,026,231
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.		125,317,170
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		2,325,895
Property taxes receivable		(3,439)
Lease assets in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		937,298
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.		890,432
In the statement of activities, interest is accrued on outstanding bonds, whereas, in the governmental funds, interest expenditures are reported when due.		(25,967)
Bond premiums are amortized over the life of the bonds on the statement of activities.		(476,128)
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.		223,771
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	\$ (657,974)	
Deferred outflows of resources	4,623,173	
Deferred inflows of resources	<u>(746,107)</u>	3,219,092
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	(251,367)	
Deferred inflows of resources	(342,202)	
Deferred outflows of resources	<u>34,506</u>	(559,063)
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	(10,400,000)	
Lease liabilities	(570,205)	
Compensated absences	<u>(1,087,992)</u>	(12,058,197)
Net position of governmental activities		\$ 200,817,095

City of Mt. Juliet, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2023

	<u>Special Revenue</u>					Total
	General	State Street Aid	Capital Projects	Debt Service	Other Governmental	
Revenues						
Taxes	\$ 28,195,376	\$ -	\$ -	\$ -	\$ -	\$ 28,195,376
Intergovernmental	15,777,425	1,369,212	989,195	-	62,074	18,197,906
Fines and fees	1,116,022	-	-	334,605	58,988	1,509,615
Licenses and permits	2,011,347	-	-	-	367,096	2,378,443
Charges for services	401,860	-	-	-	799,309	1,201,169
Uses of money and property	1,099,690	10,103	122,297	1,069	997,647	2,230,806
Miscellaneous	432,145	83,938	487,880	-	-	1,003,963
Total revenues	<u>49,033,865</u>	<u>1,463,253</u>	<u>1,599,372</u>	<u>335,674</u>	<u>2,285,114</u>	<u>54,717,278</u>
Expenditures						
Current						
General government	7,941,399	-	-	-	-	7,941,399
Police	10,934,807	-	-	-	32,975	10,967,782
Fire	4,273,260	-	-	-	-	4,273,260
EMS	804,890	-	-	-	-	804,890
Streets and public works	2,494,223	1,721,659	-	-	-	4,215,882
Stormwater	-	-	-	-	506,852	506,852
Parks and culture	1,883,668	-	-	-	-	1,883,668
Debt service	-	-	-	1,732,823	-	1,732,823
Capital outlay	7,983,968	-	8,330,833	-	1,252,804	17,567,605
Total expenditures	<u>36,316,215</u>	<u>1,721,659</u>	<u>8,330,833</u>	<u>1,732,823</u>	<u>1,792,631</u>	<u>49,894,161</u>
Excess (deficiency) of revenues over expenditures	12,717,650	(258,406)	(6,731,461)	(1,397,149)	492,483	4,823,117
Other Financing Sources (Uses)						
Transfers from (to) other funds	(5,030,823)	-	3,500,000	1,530,823	-	-
Net change in fund balances	7,686,827	(258,406)	(3,231,461)	133,674	492,483	4,823,117
Fund balances, beginning of year	62,626,484	524,266	11,282,307	221,988	1,548,069	76,203,114
Fund balances, end of year	\$ 70,313,311	\$ 265,860	\$ 8,050,846	\$ 355,662	\$ 2,040,552	\$ 81,026,231

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, 2023

Amounts reported for net change in fund balances, total governmental funds \$ 4,823,117

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	\$ 16,016,686	
Disposal of capital assets	(8,333)	
Depreciation expense	<u>(5,685,398)</u>	10,322,955

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	124,210	
State shared revenues	(84,748)	
Contributed capital assets	<u>8,942,441</u>	8,981,903

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.

Debt payments	990,000	
Lease payments	351,897	
Interest	<u>181,104</u>	1,523,001

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

Changes in lease assets and lease liabilities		(106,047)
Compensated absences		(286,951)

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, 2023

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 348,488

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 195,684

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).

(615,129)

Change in net position of governmental activities **\$ 25,187,021**

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, 2023

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
Revenues				
Local taxes				
Real estate taxes	\$ 2,221,034	\$ 2,221,034	\$ 2,232,364	\$ 11,330
Local sales taxes	16,000,000	16,000,000	19,443,615	3,443,615
Wholesale beer	1,100,000	1,100,000	1,040,794	(59,206)
Wholesale liquor	650,000	650,000	724,280	74,280
Franchise taxes	1,000,000	1,000,000	1,271,503	271,503
Hotel/motel taxes	800,000	800,000	1,452,140	652,140
Business taxes	1,053,500	1,053,500	2,030,680	977,180
Total local taxes	<u>22,824,534</u>	<u>22,824,534</u>	<u>28,195,376</u>	<u>5,370,842</u>
Intergovernmental revenues				
State sales tax	4,361,079	4,361,079	4,662,833	301,754
State beer tax	18,465	18,465	17,940	(525)
State income tax	-	-	1,538	1,538
City petroleum special tax	71,899	71,899	71,978	79
State alcohol beverage tax	185,000	185,000	250,604	65,604
Police in-service	60,000	60,000	68,800	8,800
Other state revenue allocation	86,434	86,434	77,169	(9,265)
TVA in lieu of tax	412,535	412,535	472,382	59,847
Grants	10,430,000	10,537,500	10,154,181	(383,319)
Total intergovernmental revenues	<u>15,625,412</u>	<u>15,732,912</u>	<u>15,777,425</u>	<u>44,513</u>
Fines and forfeits				
City court and drug control	898,000	898,000	1,116,022	218,022
Licenses and permits				
Building permits	1,150,000	1,150,000	585,938	(564,062)
Plumbing permits	250,000	250,000	120,396	(129,604)
Review and inspection fees	575,000	575,000	352,794	(222,206)
Zoning permits	7,500	7,500	22,742	15,242
Sign permits	6,000	6,000	11,225	5,225
Electrical permits	475,000	475,000	394,921	(80,079)
Other permits	803,400	803,400	523,331	(280,069)
Total licenses and permits	<u>3,266,900</u>	<u>3,266,900</u>	<u>2,011,347</u>	<u>(1,255,553)</u>
Charges for services				
Emergency medical services	940,000	940,000	137,573	(802,427)
Public safety charges	35,750	35,750	65,631	29,881
Road improvement fees	100,000	100,000	68,749	(31,251)
Recreational fees	80,650	80,650	129,907	49,257
Total charges for services	<u>1,156,400</u>	<u>1,156,400</u>	<u>401,860</u>	<u>(754,540)</u>
Other uses of property and money				
Administrative support services	105,000	105,000	105,000	-
Rent	22,000	22,000	30,432	8,432
Interest	150,000	150,000	964,258	814,258
Total other uses of property and money	<u>277,000</u>	<u>277,000</u>	<u>1,099,690</u>	<u>822,690</u>
Other revenues				
Contributions from others	6,000	137,500	237,397	99,897
Sale of assets	10,000	10,000	30,945	20,945
Miscellaneous	4,800	39,049	163,803	124,754
Total other revenues	<u>20,800</u>	<u>186,549</u>	<u>432,145</u>	<u>245,596</u>
Total revenues	<u>44,069,046</u>	<u>44,342,295</u>	<u>49,033,865</u>	<u>4,691,570</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, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget
	Original	Final		
Expenditures				
General government				
Legislative board				
Salaries	67,213	67,213	65,756	1,457
Employee benefits	9,242	9,242	5,939	3,303
Supplies and other	10,805	10,805	3,493	7,312
Total legislative board	<u>87,260</u>	<u>87,260</u>	<u>75,188</u>	<u>12,072</u>
City court				
Salaries	11,700	11,700	10,829	871
Employee benefits	895	895	847	48
Outside services	4,500	4,500	3,325	1,175
Supplies	1,000	1,000	320	680
Total city court	<u>18,095</u>	<u>18,095</u>	<u>15,321</u>	<u>2,774</u>
City manager				
Salaries	763,280	763,280	665,046	98,234
Employee benefits	212,511	212,511	179,538	32,973
Outside services	17,000	17,000	20,946	(3,946)
Membership and dues	50,000	50,000	38,304	11,696
Events and city beautification	46,500	46,500	40,455	6,045
Supplies	12,000	12,000	16,308	(4,308)
Insurance	5,500	5,500	5,864	(364)
Other costs	19,250	19,250	18,709	541
Retiree benefits	350	350	125	225
Capital outlay	60,000	60,000	58,780	1,220
Total city manager	<u>1,186,391</u>	<u>1,186,391</u>	<u>1,044,075</u>	<u>142,316</u>
Finance				
Salaries	480,714	480,714	461,814	18,900
Employee benefits	181,313	181,313	160,615	20,698
Outside services	81,000	113,175	89,307	23,868
Supplies	17,900	17,900	20,773	(2,873)
Other costs	5,150	5,150	3,275	1,875
Total finance	<u>766,077</u>	<u>798,252</u>	<u>735,784</u>	<u>62,468</u>
City attorney				
Outside services	325,000	325,000	324,150	850
Other costs	-	-	698	(698)
Total city attorney	<u>325,000</u>	<u>325,000</u>	<u>324,848</u>	<u>152</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, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget
	Original	Final		
Expenditures				
General government				
Economic and community development				
Salaries	393,678	393,678	371,588	22,090
Employee benefits	161,094	161,094	137,972	23,122
City beautification	10,000	10,000	9,656	344
Outside services	72,000	72,000	69,831	2,169
Paid to City IDB	2,000,000	2,000,000	2,000,000	-
Other costs	14,050	16,300	15,222	1,078
Capital outlay	70,000	70,000	67,758	2,242
Total economic and community development	<u>2,720,822</u>	<u>2,723,072</u>	<u>2,672,027</u>	<u>51,045</u>
Planning and codes				
Salaries	1,033,390	1,033,390	973,721	59,669
Employee benefits	398,974	398,974	341,930	57,044
Supplies	34,000	34,000	25,954	8,046
Insurance	18,500	18,500	27,507	(9,007)
Outside services	40,000	40,000	17,424	22,576
Other costs	58,700	58,700	43,426	15,274
Capital outlay	37,000	37,000	35,636	1,364
Total planning and codes	<u>1,620,564</u>	<u>1,620,564</u>	<u>1,465,598</u>	<u>154,966</u>
City buildings and IT services				
Salaries	521,839	521,839	482,521	39,318
Employee benefits	145,073	145,073	126,468	18,605
Supplies	363,100	363,100	348,485	14,615
Repairs and maintenance	59,500	59,500	50,039	9,461
Outside services	240,500	240,500	184,291	56,209
Utilities	341,400	342,400	321,812	20,588
Insurance	28,048	28,048	29,075	(1,027)
Equipment rental	225,500	225,500	221,739	3,761
Other costs	17,300	17,300	6,302	10,998
Capital outlay	456,508	456,508	193,673	262,835
Total city buildings and IT services	<u>2,398,768</u>	<u>2,399,768</u>	<u>1,964,405</u>	<u>435,363</u>
Total general government	<u>9,122,977</u>	<u>9,158,402</u>	<u>8,297,246</u>	<u>861,156</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, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget
	Original	Final		
Expenditures				
Public safety				
Police department				
Salaries	7,572,386	7,647,886	7,203,830	444,056
Benefits	2,269,552	2,275,052	1,924,439	350,613
Repairs and maintenance	232,900	232,900	224,419	8,481
Supplies	645,060	658,575	570,653	87,922
Outside services	725,150	726,150	646,152	79,998
Utilities	61,300	62,750	59,416	3,334
Insurance	216,328	216,328	236,539	(20,211)
Other costs	85,650	85,650	69,359	16,291
Capital outlay	<u>2,533,000</u>	<u>2,628,800</u>	<u>1,622,292</u>	<u>1,006,508</u>
Total police	14,341,326	14,534,091	12,557,099	1,976,992
Fire department				
Salaries	4,044,425	4,044,425	2,993,688	1,050,737
Benefits	1,101,471	1,101,471	819,950	281,521
Utilities	99,500	99,950	93,294	6,656
Contract services	10,000	10,000	7,861	2,139
Supplies	161,500	161,500	138,488	23,012
Repairs and maintenance	122,000	133,712	121,945	11,767
Insurance	79,000	79,000	70,437	8,563
Other	57,850	57,850	27,597	30,253
Capital outlay	<u>795,000</u>	<u>795,000</u>	<u>339,122</u>	<u>455,878</u>
Total fire	6,470,746	6,482,908	4,612,382	1,870,526
EMS department				
Salaries	848,619	848,619	389,872	458,747
Benefits	266,807	266,807	114,021	152,786
Contract services	92,000	92,000	92,452	(452)
Supplies	149,500	149,500	131,248	18,252
Repairs and maintenance	26,000	26,000	36,871	(10,871)
Insurance	20,000	20,000	2,704	17,296
Other	45,000	45,000	37,722	7,278
Capital outlay	<u>368,000</u>	<u>1,142,025</u>	<u>1,136,909</u>	<u>5,116</u>
Total EMS	1,815,926	2,589,951	1,941,799	648,152
Streets and public works				
Salaries	1,563,260	1,563,260	1,397,094	166,166
Benefits	575,508	575,508	476,947	98,561
Repairs and maintenance	241,000	241,000	86,787	154,213
Supplies	65,000	65,000	56,253	8,747
Outside services	324,000	324,000	154,523	169,477
Utilities	36,000	37,500	46,804	(9,304)
Insurance	33,550	33,550	41,511	(7,961)
Other costs	344,500	344,500	234,304	110,196
Capital outlay	<u>2,522,000</u>	<u>2,522,000</u>	<u>1,955,347</u>	<u>566,653</u>
Total streets and public works	5,704,818	5,706,318	4,449,570	1,256,748

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, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget
	Original	Final		
Expenditures				
Recreation and culture				
Salaries	942,867	942,867	862,054	80,813
Employee benefits	349,085	349,085	312,255	36,830
Repairs and maintenance	53,000	63,500	59,390	4,110
Supplies	164,200	164,200	122,478	41,722
Outside services	126,000	126,000	24,039	101,961
Utilities	76,300	80,900	89,366	(8,466)
Insurance	20,000	20,000	21,336	(1,336)
Other costs	5,950	5,950	2,000	3,950
Appropriation to non-profits	398,000	395,750	390,750	5,000
Capital outlay	<u>3,495,000</u>	<u>3,710,000</u>	<u>2,574,451</u>	<u>1,135,549</u>
Total recreation and culture	5,630,402	5,858,252	4,458,119	1,400,133
Total expenditures	43,086,195	44,329,922	36,316,215	8,013,707
Excess (deficiency) of revenues over expenditures	982,851	12,373	12,717,650	12,705,277
Other Financing Sources (Uses)				
Transfers out	(11,091,152)	(12,330,152)	(5,030,823)	7,299,329
Change in fund balance	(10,108,301)	(12,317,779)	7,686,827	20,004,606
Fund balance, beginning of year	<u>62,626,484</u>	<u>62,626,484</u>	<u>62,626,484</u>	<u>-</u>
Fund balance, end of year	\$ 52,518,183	\$ 50,308,705	\$ 70,313,311	\$ 20,004,606

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, 2023

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
Revenues				
Intergovernmental				
Gasoline motor fuel city tax	\$ 705,125	\$ 705,125	\$ 702,098	\$ (3,027)
Gas 1989 tax	110,542	110,542	110,067	(475)
Gas 3 cent tax	204,113	204,113	203,237	(876)
Gas 2017 tax	355,335	355,335	353,810	(1,525)
Interest	2,000	2,000	10,103	8,103
Miscellaneous	-	42,535	83,938	41,403
Total revenues	<u>1,377,115</u>	<u>1,419,650</u>	<u>1,463,253</u>	<u>43,603</u>
Expenditures				
Street maintenance				
Repairs and maintenance	2,045,000	2,087,535	1,558,464	529,071
Street lighting and signage	190,000	190,000	163,195	26,805
Total expenditures	<u>2,235,000</u>	<u>2,277,535</u>	<u>1,721,659</u>	<u>555,876</u>
Excess (deficiency) of revenues over expenditures	(857,885)	(857,885)	(258,406)	599,479
Other Financing Sources (Uses)				
Transfers in (out)	857,885	857,885	-	(857,885)
Excess (deficiency) of revenues and other sources over expenditures	-	-	(258,406)	(258,406)
Fund balance, beginning of year	<u>222,011</u>	<u>250,277</u>	<u>524,266</u>	<u>273,989</u>
Fund balance, end of year	\$ 222,011	\$ 250,277	\$ 265,860	\$ 15,583

City of Mt. Juliet, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type	
	Activities	
	Sewer	Internal
	Enterprise Fund	Service Fund
Assets		
Current assets		
Cash	\$ 6,095,799	\$ 889,525
Certificates of deposit	13,129,130	-
Receivables, net of allowance for doubtful accounts of \$28,583	1,352,577	-
Interest receivable	103,267	-
Prepaid insurance	22,718	907
Inventory	120,833	-
Total current assets	<u>20,824,324</u>	<u>890,432</u>
Capital assets		
Land	3,332,583	-
Construction in progress	4,116,870	-
Collection system	101,208,391	-
Buildings and other improvements	807,168	-
Equipment and rolling stock	1,683,960	-
Capital assets before depreciation	<u>111,148,972</u>	<u>-</u>
Less: accumulated depreciation	(33,315,810)	-
Capital assets, net	<u>77,833,162</u>	<u>-</u>
Other noncurrent assets		
Cash restricted for capital projects	5,100,831	-
Net pension asset	-	-
Total other noncurrent assets	<u>5,100,831</u>	<u>-</u>
Total assets	103,758,317	890,432
Deferred Outflows of Resources		
Pension plan	420,878	-
OPEB	3,835	-
Total deferred outflows of resources	<u>424,713</u>	<u>-</u>

Continued

City of Mt. Juliet, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities	
	Sewer Enterprise Fund	Internal Service Fund
Liabilities		
Current liabilities		
Accounts payable	551,719	-
Over-recovered cost	343,058	
Accrued expenses	99,615	-
Surety bonds	348,737	-
Total current liabilities	<u>1,343,129</u>	<u>-</u>
Net pension liability	2,462	-
OPEB liability	27,929	-
Total liabilities	<u>1,373,520</u>	<u>-</u>
Deferred Inflows of Resources		
Pension plan	86,267	-
OPEB	38,021	-
Total deferred inflows of resources	<u>124,288</u>	<u>-</u>
Net Position		
Net investment in capital assets	77,339,819	-
Restricted for capital improvements	5,100,831	-
Unrestricted	20,244,572	890,432
Total net position	\$ 102,685,222	\$ 890,432
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund (cash	36,053	
	<u>\$ 102,721,275</u>	

City of Mt. Juliet, Tennessee
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities	
	Sewer	Internal
	Enterprise Fund	Service Fund
Operating Revenues		
Charges for services, sewer	\$ 8,525,094	\$ 2,967,357
Sewer inspection and administrative charges	391,054	-
Penalties	113,317	-
Other	99,330	-
Total operating revenues	<u>9,128,795</u>	<u>2,967,357</u>
Operating Expenses		
Sewer line and pump maintenance	1,860,535	-
Sewer lift station operation	339,079	-
Administrative and accounting	515,334	3,582,486
Sewer transportation and treatment	2,949,228	-
Depreciation	2,618,247	-
Professional services	191,594	-
Total operating expenses	<u>8,474,017</u>	<u>3,582,486</u>
Operating income (loss)	654,778	(615,129)
Non-operating Revenues (Expenses)		
Interest income	343,058	-
Gain on sale of assets	708	-
Total non-operating revenues (expenses)	<u>343,766</u>	<u>-</u>
Net income (loss) before contributions	998,544	(615,129)
Contributions		
Capital contribution, tap fees	756,949	-
Capital contribution, utility plant	6,836,750	-
Total contributions	<u>7,593,699</u>	<u>-</u>
Change in net position	8,592,243	(615,129)
Net position, beginning of year	94,092,979	1,505,561
Net position, end of year	<u>\$ 102,685,222</u>	<u>\$ 890,432</u>
Change in net position shown above	\$ 8,592,243	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	131,111	
Change in net position of business-type activities	<u>\$ 8,461,132</u>	

City of Mt. Juliet, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Sewer Enterprise Fund	Internal Service Fund
Cash flows from operating activities		
Cash received from customers	\$ 9,527,928	\$ -
Cash paid to suppliers for goods and services	(3,911,976)	-
Cash paid to employees for services	(1,400,807)	-
Cash received (returned) for over-recovered cost	-	-
Cash received (returned) for surety bonds	(285,288)	-
Cash paid for interfund administrative support services	(105,000)	-
Premiums/reimbursements received	-	2,967,357
Medical claims and administrative expenses paid	-	(3,582,486)
Net cash provided (used) by operating activities	<u>3,824,857</u>	<u>(615,129)</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(5,777,147)	-
Sale of capital assets	708	-
Contributions from customers	756,949	-
Net cash provided (used) by capital and related financing activities	<u>(5,019,490)</u>	-
Cash flows from investing activities		
Purchase of investments	(12,008,856)	-
Interest received	242,144	-
Net cash provided (used) by investing activities	<u>(11,766,712)</u>	-
Net change in cash	(12,961,345)	(615,129)
Cash, beginning of year	24,157,975	1,504,654
Cash, end of year	\$ 11,196,630	\$ 889,525
Reconciliation of cash and restricted cash		
Unrestricted cash	\$ 6,095,799	\$ 889,525
Cash restricted for capital projects	5,100,831	-
	\$ 11,196,630	\$ 889,525

Continued

City of Mt. Juliet, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Sewer Enterprise Fund	Internal Service Fund
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ 654,778	\$ (615,129)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation and amortization	2,618,247	-
Change in:		
Receivables, net	(86,569)	-
Prepaid insurance	(3,448)	-
Inventory	9,640	-
Net pension asset	378,198	-
Deferred outflows of resources related to pensions	(161,884)	-
Deferred outflows of resources related to OPEB	1,195	-
Accounts payable	496,524	-
Over-recovered cost	343,058	-
Accrued expenses	(12,361)	-
Surety bonds	(142,644)	-
OPEB liability	(3,719)	-
Deferred inflows of resources related to pensions	(246,938)	-
Deferred inflows of resources related to OPEB	(19,220)	-
Net cash provided (used) by operating activities	<u>\$ 3,824,857</u>	<u>\$ (615,129)</u>
Supplemental disclosure of noncash capital and related financing activities		
Contributions of sewer lines	\$ 6,836,750	\$ -
Capital assets financed by accounts payable	\$ 527,618	\$ -

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2023

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, 2023

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, 2023

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. Required disclosures are included in the following notes.

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	\$ 35,425
Public safety	978,952
Streets and public works	1,500
Recreation and culture	227,850
Transfers out	<u>1,239,000</u>
	\$ 2,482,727
 State Street Aid Fund	 \$ 42,535

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, 2023

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 \$36,053, 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, 2023

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.

Leases

The City determines if an arrangement is or contains a lease at contract inception and recognizes an intangible right of use asset and a lease liability at the lease commencement date. Subsequently, the intangible right of use asset is amortized on a straight-line basis over its useful life. The City also enters into agreements, as lessor, to lease property, recognizing a lease receivable and a deferred inflow of resources. The lease term includes the noncancelable period of the lease plus an additional period covered by either an option to extend or not to terminate the lease that the lessee is reasonably certain to exercise, or an option to extend or not to terminate the lease controlled by the lessor. The City uses its estimated incremental borrowing rate as the discount rate for leases.

The City monitors for events or changes in circumstances that require a reassessment of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the intangible right of use asset.

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, 2023

Note 1. Summary of Significant Accounting Policies

Property Taxes

Taxes are levied at a rate of \$0.1100 per \$100 of assessed valuation for 2023. Payments may be made during the period October 1 through February 28. Current tax collections of \$2,198,237 for the fiscal year ended June 30, 2023 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 \$2,237,180, which is net of an allowance for doubtful collections of \$3,439. Of this receivable, \$2,206,229 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 \$2,240,619, with offsetting deferred inflows of resources for amounts not available at June 30, 2023. The additional taxes receivable of \$724,464 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, 2023

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, 2023

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, 2023

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.

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.

As of June 30, 2023, 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.

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 2. Cash and Investments

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, 2023

Note 3. Receivables

Accounts and taxes receivable at June 30, 2023 consisted of the following, by fund:

	General	Capital Projects	State Street Aid	Stormwater	Sewer Enterprise	Internal Service	Total
Property taxes	* \$ 2,240,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,240,619
Beer/liquor taxes	188,382	-	-	-	-	-	188,382
Franchise taxes	369,093	-	-	-	-	-	369,093
Hotel/motel tax	166,989	-	-	-	-	-	166,989
Other governments	4,489,912	376,337	127,357	-	-	-	4,993,606
Customer	-	5,972	-	-	1,382,998	-	1,388,970
Interest	355,479	-	-	-	103,267	-	458,746
Other	38,758	-	-	271,978	-	-	310,736
Less: allowance for doubtful accounts	* (3,439)	-	-	(28,476)	(30,421)	-	(62,336)
	\$ 7,845,793	\$ 382,309	\$ 127,357	\$ 243,502	\$ 1,455,844	\$ -	\$ 10,054,805

*Net property taxes receivable \$ 2,237,180

Note 4. Property Taxes Receivable

Net property taxes receivable of \$2,237,180* 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, 2023

Note 5. Capital Assets

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2023:

Governmental Activities

	Beginning balance	Increases	Decreases	Transfers	Ending balance
Capital assets not being depreciated					
Land	\$ 9,325,572	\$ 651,444	\$ -	\$ -	\$ 9,977,016
Construction in progress	17,120,679	12,034,608	-	(5,080,564)	24,074,723
	<u>26,446,251</u>	<u>12,686,052</u>	<u>-</u>	<u>(5,080,564)</u>	<u>34,051,739</u>
Capital assets being depreciated					
Buildings and improvements	7,843,133	-	-	-	7,843,133
Improvements other than buildings	7,044,425	-	5,850	1,347,920	8,386,495
Machinery and equipment	15,934,755	3,315,178	193,274	-	19,056,659
Infrastructure	86,997,723	8,957,897	-	3,732,644	99,688,264
	<u>117,820,036</u>	<u>12,273,075</u>	<u>199,124</u>	<u>5,080,564</u>	<u>134,974,551</u>
Less: accumulated depreciation					
Buildings and improvements	3,151,685	204,632	-	-	3,356,317
Improvements other than buildings	4,191,695	469,079	2,925	-	4,657,849
Machinery and equipment	9,933,248	1,861,883	404,637	-	11,390,494
Infrastructure	21,154,656	3,149,804	-	-	24,304,460
Total accumulated depreciation	<u>38,431,284</u>	<u>5,685,398</u>	<u>407,562</u>	<u>-</u>	<u>43,709,120</u>
Governmental activities capital assets, net	105,835,003	19,273,729	(208,438)	-	125,317,170
Intangible right to use assets					
Machinery and equipment	3,553,853	-	430,786	-	3,123,067
Less: accumulated amortization	<u>2,124,485</u>	<u>492,070</u>	<u>430,786</u>	<u>-</u>	<u>2,185,769</u>
	1,429,368	(492,070)	-	-	937,298
	\$ 107,264,371	\$ 18,781,659	\$ (208,438)	\$ -	\$ 126,254,468

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 5. Capital Assets

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2023:

Business-type Activities

	Beginning balance	Increases	Decreases	Transfers	Ending balance
Capital assets not being depreciated					
Land	\$ 2,681,138	\$ 651,445	\$ -	\$ -	\$ 3,332,583
Construction in progress	266,390	4,208,877	-	(358,397)	4,116,870
	<u>2,947,528</u>	<u>4,860,322</u>	<u>-</u>	<u>(358,397)</u>	<u>7,449,453</u>
Capital assets being depreciated					
Buildings and improvements	807,168	-	-	-	807,168
Collection system	93,633,645	7,216,349	-	358,397	101,208,391
Equipment and rolling stock	1,427,360	256,600	-	-	1,683,960
	<u>95,868,173</u>	<u>7,472,949</u>	<u>-</u>	<u>358,397</u>	<u>103,699,519</u>
Less: accumulated depreciation					
Collection system and buildings	29,900,015	2,513,689	-	-	32,413,704
Equipment and rolling stock	797,548	104,558	-	-	902,106
Total accumulated depreciation	30,697,563	2,618,247	-	-	33,315,810
Business-type activities capital assets, net	\$ 68,118,138	\$ 9,715,024	\$ -	\$ -	\$ 77,833,162

During the year, the City accepted donated roadways in the amount of \$8,942,441, and sewer lines in the amount of \$6,836,750. Depreciation expense was charged to functions/programs as of June 30, 2023, as follows:

Governmental Activities		
General government		\$ 183,233
Public safety		1,530,519
Streets and public works		3,549,428
Stormwater		36,333
Recreational and culture		385,885
Total depreciation expense, governmental activities		<u>\$ 5,685,398</u>
Amortization of right to use assets		\$ 492,070
Business-type Activities		
Sewer		\$ 2,618,247

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 5. Capital Assets

Lease assets are summarized below:

	Fire equipment	Office equipment	Total
Right-to-use asset	\$ 2,600,028	\$ 523,039	\$ 3,123,067
Less: accumulated amortization	<u>1,950,021</u>	<u>235,748</u>	<u>2,185,769</u>
Lease assets, net	\$ 650,007	\$ 287,291	\$ 937,298

Amortization expense for the year was charged to the general government function in the amount of \$492,070.

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, 2023, the components of deferred outflows and inflows of resources on the government-wide statement of net position consisted of the following:

	Governmental activities	Business-type activities
Deferred outflows of resources		
Deferred charge on refunding	\$ 223,771	\$ -
Pension related items	4,623,173	420,878
OPEB related items	<u>34,506</u>	<u>3,835</u>
Total deferred outflows of resources	\$ 4,881,450	\$ 424,713
Deferred inflows of resources		
2023 assessed but unlevied property taxes	\$ 2,237,378	\$ -
Pension related items	746,107	86,267
OPEB related items	<u>342,202</u>	<u>38,021</u>
Total deferred inflows of resources	\$ 3,325,686	\$ 124,288

Deferred inflows of resources in the governmental fund statements totaled \$4,669,283 and consisted of unlevied property taxes of \$2,206,133, delinquent property taxes of \$31,248, and unavailable state and local shared taxes of \$2,431,902.

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Years Ended June 30, 2023

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:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Governmental activities					
GO refunding bonds	\$ 11,390,000	\$ -	\$ (990,000)	\$ 10,400,000	\$ 1,055,000
Bond premiums	658,728	-	(182,600)	476,128	149,555
Total governmental activities long-term debt	12,048,728	-	(1,172,600)	10,876,128	1,204,555
Compensated absences	801,041	286,951	-	1,087,992	1,087,992
	\$ 12,849,769	\$ 286,951	\$ (1,172,600)	\$ 11,964,120	\$ 2,292,547
Business-type activities					
Compensated absences*	\$ 77,256	\$ -	\$ (13,933)	\$ 63,323	\$ 63,323

Long-term notes and bonds at June 30, 2023 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%	\$ 2,840,000
\$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%	7,560,000
Total governmental activities obligations	10,400,000
Less: current portion	(1,055,000)
Total long-term governmental activities obligations	\$ 9,345,000

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

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.

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, 2023 are as follows:

Year ending June 30,	GO Refunding Bonds		
	Principal	Interest	Total
2024	\$ 1,055,000	\$ 311,605	\$ 1,366,605
2025	1,115,000	260,405	1,375,405
2026	1,165,000	206,305	1,371,305
2027	780,000	149,805	929,805
2028	815,000	118,605	933,605
2029-2033	4,515,000	238,055	4,753,055
2034	<u>955,000</u>	<u>12,415</u>	<u>967,415</u>
Totals	\$ 10,400,000	\$ 1,297,195	\$ 11,697,195

Note 8. Leases

The City entered into financing leases for the purchase of certain public safety equipment and office equipment under non-cancelable lease arrangements. Terms of the leases range from 1 to 3 years and contain fixed payment terms. The City used the actual interest rates of the leases as of the lease inception dates, which ranged from 0% to 6.55%. None of the leases contain variable payments, residual value guarantees, or commitments before the commencement of the lease term. See summary of leased assets included in note 5. The amount of payments made during the year applied to the lease liabilities totaled \$522,809. The following is a summary of the changes in lease liabilities:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Fire equipment	\$ 576,630	\$ -	\$ (284,489)	\$ 292,141	\$ 292,141
Police equipment	78,876	-	(78,876)	-	-
Office equipment	<u>437,508</u>	<u>-</u>	<u>(159,444)</u>	<u>278,064</u>	<u>122,603</u>
	\$ 1,093,014	\$ -	\$ (522,809)	\$ 570,205	\$ 414,744

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 8. Leases

Leases

The future minimum lease obligations and net present values of those payments are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 414,744	\$ 9,501	\$ 424,245
2025	110,227	782	111,009
2026	<u>45,234</u>	<u>177</u>	<u>45,411</u>
	\$ 570,205	\$ 10,460	\$ 580,665

Note 9. 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, 2023

Note 9. Pension Plan

General Information about the Pension Plan

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitled to but not yet receiving benefits	146
Active employees	<u>203</u>
	395

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, 2023, employer contributions for the City were \$1,311,549, based on a rate of 8.46% 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, 2022, 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, 2022 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, 2022 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, 2023

Note 9. 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:

Asset class	Long-term expected real rate of return	Target allocation
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%
		<hr style="width: 100%; border: 0.5px solid black;"/> 100%

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, 2023

Note 9. **Pension Plan**

Changes in Net Pension Liability (Asset)

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a) - (b)
Balance, June 30, 2021	\$ 21,981,984	\$ 26,003,628	\$ (4,021,644)
Service cost	936,558	-	936,558
Interest	1,533,376	-	1,533,376
Changes of benefit terms	-	-	-
Difference between expected and actual experience	1,972,859	-	1,972,859
Contributions, employer	-	782,087	(782,087)
Contributions, employees	-	-	-
Net investment income	-	(1,001,661)	1,001,661
Benefit payments, including refunds of employee contributions	(403,708)	(403,708)	-
Administrative expenses	-	(19,713)	19,713
Other changes	-	-	-
Net change	<u>4,039,085</u>	<u>(642,995)</u>	<u>4,682,080</u>
Balance, June 30, 2022	\$ 26,021,069	\$ 25,360,633	\$ 660,436

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:

	1% Decrease (5.75%)	Current rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	\$ 5,503,127	\$ 660,436	\$ (3,207,856)

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

Pension Expense

For the year ended June 30, 2023, the City recognized pension expense of \$932,437.

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 9. Pension Plan

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

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 1,766,962	\$ 832,375
Net difference between expected and actual earnings on pension plan investments	93,600	-
Changes in assumptions	1,871,940	-
Contributions made subsequent to measurement date of June 30, 2022	1,311,549	-
	\$ 5,044,051	\$ 832,375

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:

Year ending June 30,	
2024	\$ 242,372
2025	283,066
2026	197,973
2027	908,664
2028	506,920
Thereafter	761,132

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

Note 10. 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, 2023

Note 10. 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	\$0.83 per month
Pre-age 65 medical	Varies; generally, \$720.82 or \$870.06 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, 2023

Active employees	10
Retired employees	3
Total	<u>13</u>

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 10. Other Postemployment Benefits Plan (OPEB)

Actuarial Methods and Assumptions

Actuarial funding method	Entry age normal, level % pay
Valuation date	July 1, 2022 (June 30, 2022 census)
Discount rate	4.09% per annum (for FYE 2023 Expenses) 4.13% 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, 2023 was 4.13%). 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:

Year	Assumed increase
1	8.0%
2	7.5%
3	7.0%
4	6.5%
5	6.0%
6	5.5%
7+	5.0%

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 10. 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	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, 2023.

	1% Decrease 3.13%	Discount rate 4.13%	1% Increase 5.13%
OPEB liability, June 30, 2023	\$ 295,207	\$ 279,296	\$ 264,414
GASB 75 expense, June 30, 2023	\$ (180,000)	\$ (179,378)	\$ (180,000)

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, 2023.

	1.00% Decrease 7.00% decreasing to 4.00%	Healthcare cost trend rate 8.00% decreasing to 5.00%	1.00% Increase 9.00% decreasing to 6.00%
OPEB liability, June 30, 2023	\$ 262,927	\$ 279,296	\$ 297,465
Projected expense for year ended 2023	\$ (180,000)	\$ (179,378)	\$ (180,000)

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 10. Other Postemployment Benefits Plan (OPEB)

OPEB Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2023, the City recognized OPEB expense of \$(179,378).

Total OPEB Expense

Service cost	\$	3,770
Interest		12,166
Changes in benefit terms		-
Difference between expected and actual experience		(195,314)
		(195,314)
GASB 75 annual OPEB expense	\$	(179,378)

The City's total OPEB liability of \$279,296 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

The components of total OPEB liability at June 30, 2023 is as follows:

Total OPEB Liability

Balance, June 30, 2022	\$	316,481
Service cost		3,770
Interest		12,166
Changes in benefit terms		-
Difference between expected and actual experience		(14,470)
Changes In assumptions		(601)
Benefit payments		(38,050)
		(37,185)
Net change in total OPEB liability		(37,185)
Balance, June 30, 2023	\$	279,296

Plan fiduciary net position, end of year		0%
Employee covered payroll	\$	796,207
OPEB liability as a % of employee covered payroll		35.08%

City of Mt. Juliet, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 10. Other Postemployment Benefits Plan (OPEB)

OPEB Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 484	\$ 366,942
Changes in assumptions	<u>37,857</u>	<u>13,281</u>
	\$ 38,341	\$ 380,223

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

Year ending June 30,		
2024	\$	(195,314)
2025		(74,984)
2026		(66,326)
2027		(5,354)
2028		96

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

Note 11. 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:

Plan name	Plan administrator	Plan type
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, 2023

Note 11. 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 12. 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 \$604 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 \$2,956,855 for sewer treatment and connection charges under this agreement.

Contracts

The City currently has approximately \$12,100,000 in project contracts. These contracts were approximately 52% complete at June 30, 2023 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, 2023

Note 13. Interfund Transfers

Interfund transfers for the year ended June 30, 2023 are attributable to the budgeted allocation of resources from one fund to another and consist of the following:

	Transfers in	Transfers out
Governmental activities		
General Fund	\$ -	\$ 5,030,823
Capital Projects Fund	3,500,000	-
Debt Service Fund	<u>1,530,823</u>	<u>-</u>
Total	\$ 5,030,823	\$ 5,030,823

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 14. Interfund Balances

Interfund receivables and payables are attributable to obligations between funds. The actual cash transfers had not been made at June 30, 2023. 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, 2023:

	Due to	Due from
General Fund	\$ -	\$ 62,551
Capital Projects Fund	<u>62,551</u>	<u>-</u>
Total	\$ 62,551	\$ 62,551

Note 15. 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, 2023

Note 16. 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, 2023 and 2022, the Board had an accumulated net position of \$796,340 and \$844,198, respectively. The net change in net position for fiscal year 2023 was \$47,858. 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 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 936,558	\$ 807,131	\$ 801,350	\$ 784,750	\$ 852,384	\$ 645,473	\$ 546,207	\$ 485,779	\$ 443,365
Interest	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	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	(403,708)	(486,944)	(345,480)	(322,837)	(289,724)	(319,276)	(262,126)	(224,747)	(264,132)
Net change in total pension liability	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	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)	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
Plan Fiduciary Net Position									
Contributions, employer	782,087	722,436	1,026,768	978,716	936,797	957,220	860,287	798,473	806,691
Contributions, employees	-	-	-	593	-	199	1,762	398	-
Net investment income	(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	(403,708)	(486,944)	(345,480)	(322,837)	(289,724)	(319,276)	(262,126)	(224,747)	(264,132)
Administrative expenses	(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	(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	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)	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)	\$ 660,436	\$ (4,021,644)	\$ (2,313,342)	\$ (2,333,681)	\$ (1,533,099)	\$ (486,304)	\$ (157,541)	\$ (401,389)	\$ (372,951)
Plan fiduciary net position as a percentage of total pension liability	97.46%	118.30%	112.74%	114.12%	109.96%	103.35%	101.24%	103.46%	103.49%
Covered payroll	\$ 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	5.29%	-39.19%	-24.18%	-26.80%	-18.39%	-6.06%	-2.18%	-6.00%	-5.80%

Notes to Schedules

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

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 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 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	1,311,549	782,087	722,436	1,026,768	978,716	936,615	957,220	860,287	798,473	806,691
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 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	8.46%	6.26%	7.04%	10.73%	11.24%	11.24%	11.92%	11.93%	11.93%	12.54%

Notes to Schedules

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Methods and assumptions used to determine contribution rates:

Valuation date	Actuarially determined contribution rates for the year ended June 30, 2023 were calculated based on the June 30, 2021 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 2023

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

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 2023

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 27,243	\$ 48,524	\$ 52,563	\$ 82,705	\$ 100,387	\$ 50,705
Contributions in relation to the actuarially determined contribution	38,050	29,091	19,950	21,705	46,545	(72,552)
Contribution excess (deficiency)	\$ 10,807	\$ (19,433)	\$ (32,613)	\$ (61,000)	\$ (53,842)	\$ 21,847
Covered-employee payroll	\$ 796,207	\$ 743,000	\$ 702,606	\$ 702,606	\$ 756,600	\$ 739,482
Contributions as a percentage of covered-employee payroll	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

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	7/1/2022	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017
Census date, by year	6/30/2022	6/30/2022	6/30/2020	6/30/2019	6/30/2018	6/30/2018
Investment rate of return, by year	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	8.00%, decreasing to 5.00% ultimate					
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, 2023

	Special Revenue Funds		Total nonmajor governmental funds
	Drug fund	Stormwater fund	
Assets			
Cash and cash equivalents	\$ 570,472	\$ 1,328,797	\$ 1,899,269
Accounts receivable	-	243,502	243,502
Prepays	-	2,867	2,867
Total assets	\$ 570,472	\$ 1,575,166	\$ 2,145,638
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 9	\$ 906	\$ 915
Accrued liabilities	59,859	44,312	104,171
Total liabilities	59,868	45,218	105,086
Fund balances			
Nonspendable, prepaids	-	2,867	2,867
Restricted	510,604	1,527,081	2,037,685
Total fund balances	510,604	1,529,948	2,040,552
Total liabilities and fund balances	\$ 570,472	\$ 1,575,166	\$ 2,145,638

City of Mt. Juliet, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds		Total nonmajor governmental funds
	Drug fund	Stormwater fund	
Revenues			
Intergovernmental	\$ 62,074	\$ -	\$ 62,074
Licenses, permits, and fines	-	367,096	367,096
Drug-related fines, seizures, and sales	58,988	-	58,988
Charges for services	-	799,309	799,309
Grants	-	987,003	987,003
Interest	3,436	7,208	10,644
Total revenues	124,498	2,160,616	2,285,114
Expenditures			
Current			
Salaries	-	254,768	254,768
Employee benefits	-	66,662	66,662
Supplies	1,324	11,403	12,727
Investigations	15,980	-	15,980
Contract services	12,369	-	12,369
Theft	(20)	-	(20)
Travel	3,322	-	3,322
Other	-	174,019	174,019
Capital outlay	-	1,252,804	1,252,804
Total expenditures	32,975	1,759,656	1,792,631
Excess of revenues over expenditures	91,523	400,960	492,483
Fund balances, beginning of year	419,081	1,128,988	1,548,069
Fund balances, end of year	\$ 510,604	\$ 1,529,948	\$ 2,040,552

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, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget
	Original	Final		
Revenues				
Interest	\$ 1,000	\$ 1,000	\$ 3,436	\$ 2,436
Federal equitable sharing	5,500	5,500	62,074	56,574
Drug-related fines, seizures, and sales	<u>45,000</u>	<u>45,000</u>	<u>58,988</u>	<u>13,988</u>
Total revenues	51,500	51,500	124,498	72,998
Expenditures				
Program costs				
Training	3,000	3,000	-	3,000
Supplies	2,400	2,400	1,324	1,076
Investigations	20,000	20,000	15,980	4,020
Contract services	14,600	14,600	12,369	2,231
Theft	-	-	(20)	20
Travel	<u>7,500</u>	<u>7,500</u>	<u>3,322</u>	<u>4,178</u>
Total expenditures	47,500	47,500	32,975	14,525
Excess of revenues over (under) expenditures	4,000	4,000	91,523	87,523
Fund balance, beginning of year	<u>419,081</u>	<u>419,081</u>	<u>419,081</u>	<u>-</u>
Fund balance, end of year	\$ 423,081	\$ 423,081	\$ 510,604	\$ 87,523

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, 2023

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
Revenues				
Utility service charges	\$ -	\$ 1,000,000	\$ 799,309	\$ (200,691)
Licenses and permits	431,500	431,500	367,096	(64,404)
Grants	987,003	987,003	987,003	-
Interest	3,000	3,000	7,208	4,208
Total revenues	<u>1,421,503</u>	<u>2,421,503</u>	<u>2,160,616</u>	<u>(260,887)</u>
Expenditures				
Street maintenance				
Salaries	195,889	298,115	254,768	43,347
Employee benefits	72,447	88,915	66,662	22,253
Professional services	20,000	20,000	-	20,000
Supplies	14,950	14,950	11,403	3,547
Other	199,550	199,550	174,019	25,531
Capital outlay	1,285,000	1,285,000	1,252,804	32,196
Total expenditures	<u>1,787,836</u>	<u>1,906,530</u>	<u>1,759,656</u>	<u>146,874</u>
Excess of revenues over (under) expenditures	(366,333)	514,973	400,960	(114,013)
Fund balance, beginning of year	<u>1,128,988</u>	<u>1,128,988</u>	<u>1,128,988</u>	<u>-</u>
Fund balance, end of year	\$ 762,655	\$ 1,643,961	\$ 1,529,948	\$ (114,013)

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, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget
	Original	Final		
Revenues				
Intergovernmental				
Grants	\$ 9,904,789	\$ 9,904,789	\$ 989,195	\$ (8,915,594)
Other				
Interest	20,000	20,000	122,297	102,297
Miscellaneous	-	-	487,880	487,880
Total revenues	<u>9,924,789</u>	<u>9,924,789</u>	<u>1,599,372</u>	<u>(8,325,417)</u>
Expenditures				
Capital outlay	31,675,308	32,214,308	8,330,833	23,883,475
Excess of revenues over (under) expenditures	(21,750,519)	(22,289,519)	(6,731,461)	15,558,058
Other Financing Sources (Uses)				
Operating transfers in (out)	9,402,444	9,941,444	3,500,000	(6,441,444)
Excess of revenues and other sources over (under) expenditures and other uses	(12,348,075)	(12,348,075)	(3,231,461)	9,116,614
Fund balance, beginning of year	<u>11,282,307</u>	<u>11,282,307</u>	<u>11,282,307</u>	<u>-</u>
Fund balance, end of year	\$ (1,065,768)	\$ (1,065,768)	\$ 8,050,846	\$ 9,116,614

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, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget
	Original	Final		
Revenues				
Grants	\$ 2,000	\$ 2,000	\$ 1,069	\$ (931)
Impact fees	<u>900,000</u>	<u>900,000</u>	<u>334,605</u>	<u>(565,395)</u>
Total revenues	902,000	902,000	335,674	(566,326)
Expenditures				
Debt service				
Principal	1,341,897	1,341,897	1,341,897	-
Interest	<u>390,926</u>	<u>390,926</u>	<u>390,926</u>	<u>-</u>
Total expenditures	1,732,823	1,732,823	1,732,823	-
Excess of revenues over (under) expenditures	(830,823)	(830,823)	(1,397,149)	(566,326)
Other Financing Sources (Uses)				
Operating transfers in (out)	830,823	1,530,823	1,530,823	-
Excess of revenues and other sources over (under) expenditures and other uses	-	700,000	133,674	(566,326)
Fund balance, beginning of year	<u>221,988</u>	<u>221,988</u>	<u>221,988</u>	<u>-</u>
Fund balance, end of year	\$ 221,988	\$ 921,988	\$ 355,662	\$ (566,326)

City of Mt. Juliet, Tennessee
 Capital Assets Used in Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2023

Function and Activity	Land	Buildings and improvements	Machinery and equipment	Infrastructure	Construction in progress	Total
General government	\$ 404,611	\$ 2,000,854	\$ 1,486,615	\$ 20,336	\$ 3,981,258	\$ 7,893,674
Public safety						
Police	1,474,758	3,328,460	8,764,205	179,426	595,790	14,342,639
Fire	255,425	1,927,709	3,182,259	3,604	-	5,368,997
Streets and public works	6,161,293	2,509,809	3,923,702	95,112,669	16,901,735	124,609,208
Stormwater	-	-	137,618	1,233,420	153,970	1,525,008
Parks	1,680,929	6,462,796	1,562,260	3,138,809	2,441,970	15,286,764
Total governmental funds capital assets	\$ 9,977,016	\$ 16,229,628	\$ 19,056,659	\$ 99,688,264	\$ 24,074,723	\$ 169,026,290

City of Mt. Juliet, Tennessee
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 June 30, 2023

Function and Activity	Balance June 30, 2022	Additions	Retirements and transfers	Balance June 30, 2023
General government	\$ 6,047,751	\$ 1,845,923	\$ -	\$ 7,893,674
Public safety				
Police	13,097,446	1,438,467	(193,274)	14,342,639
Fire	3,875,712	1,493,285	-	5,368,997
Streets and public works	108,913,435	15,695,773	-	124,609,208
Stormwater	267,928	1,257,080	-	1,525,008
Parks	12,064,015	3,228,599	(5,850)	15,286,764
Total governmental funds capital assets	\$ 144,266,287	\$ 24,959,127	\$ (199,124)	\$ 169,026,290

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, 2023

Fiscal Year	Tax rate	Assessment	Levy	Taxes receivable		Collections	Allowance for Uncollectibles	Taxes receivable June 30, 2023
				June 30, 2022	Levy			
2023	\$ 0.1100	\$ 1,994,098,637	\$ 2,193,509	\$ -	\$ 2,193,509	\$ (2,169,529)	\$ -	\$ 23,980
2022	\$ 0.1100	1,762,183,320	1,938,402	35,670	-	(26,118)	(3,439)	6,113
2021	\$ 0.1664	1,254,813,851	2,088,010	2,761	-	(2,526)	-	235
2020	\$ 0.1664	1,247,819,907	2,076,372	372	-	(32)	-	340
2019	* \$ 0.1664	1,166,264,423	1,940,664	315	-	(32)	-	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	-	-	-	-	-
2014	* \$ 0.2000	742,716,000	1,485,432	-	-	-	-	-
				\$ 39,118	\$ 2,193,509	\$ (2,198,237)	\$ (3,439)	30,951
2023 Levy**								<u>2,206,229</u>
								\$ 2,237,180

* 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, 2023

Description of Indebtedness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding July 1, 2022	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2023
Governmental Activities									
Bonds payable									
GO refunding bonds, Series 2019	\$ 6,070,000	5.00%	8/12/19	6/1/26	\$ 3,690,000	\$ -	\$ 850,000	\$ -	\$ 2,840,000
GO refunding bonds, Series 2020	\$ 7,980,000	4.00%	12/1/20	6/1/34	7,700,000	-	140,000	-	7,560,000
Total bonds payable					\$ 11,390,000	\$ -	\$ 990,000	\$ -	\$ 10,400,000

City of Mt. Juliet, Tennessee
Schedule of Long-term Debt, Principal, and Interest Requirements
Governmental Activities
June 30, 2023

Fiscal year ending June 30,	GO refunding bonds Series 2019		GO refunding bonds Series 2020		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 900,000	\$ 142,000	\$ 155,000	\$ 169,605	\$ 1,055,000	\$ 311,605
2025	950,000	97,000	165,000	163,405	1,115,000	260,405
2026	990,000	49,500	175,000	156,805	1,165,000	206,305
2027	-	-	780,000	149,805	780,000	149,805
2028	-	-	815,000	118,605	815,000	118,605
2029	-	-	855,000	86,005	855,000	86,005
2030	-	-	895,000	51,805	895,000	51,805
2031	-	-	910,000	42,855	910,000	42,855
2032	-	-	920,000	33,755	920,000	33,755
2033	-	-	935,000	23,635	935,000	23,635
2034	-	-	955,000	12,415	955,000	12,415
Total	<u>\$ 2,840,000</u>	<u>\$ 288,500</u>	<u>\$ 7,560,000</u>	<u>\$ 1,008,695</u>	<u>\$ 10,400,000</u>	<u>\$ 1,297,195</u>

City of Mt. Juliet, Tennessee
Schedule of Changes in Lease Obligations
For the Year Ended June 30, 2023

Description of indebtedness	Original amount of issue	Interest rate	Date of issue	Maturity date	Outstanding July 1, 2022	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2023
Governmental Activities									
<i>Leases payable through general fund</i>									
Fire equipment	\$ 2,600,028	2.69%	10/01/2013	10/01/2023	\$ 576,630	\$ -	\$ 284,489	\$ -	\$ 292,141
Police Equipment	\$ 292,169	5.38%	06/19/2019	06/19/2023	78,876	-	78,876	-	-
Dell Financial 6493852-013	\$ 101,508	4.68%	04/01/2019	03/01/2023	20,426	-	20,426	-	-
Dell Financial 6493852-014	\$ 37,116	3.83%	05/01/2019	04/01/2023	8,181	-	8,181	-	-
Dell Financial 6493852-015	\$ 45,535	6.55%	10/01/2019	09/01/2023	15,443	-	12,253	-	3,190
Dell Financial 6493852-016	\$ 117,839	0.99%	03/01/2021	02/01/2025	79,012	-	29,385	-	49,627
Dell Financial 6493852-017	\$ 191,526	0.00%	10/01/2021	09/01/2025	155,615	-	47,881	-	107,734
Dell Financial 6493852-018	\$ 48,084	2.05%	02/01/2022	01/01/2026	43,183	-	11,733	-	31,450
Dell Financial 6493852-019	\$ 30,055	0.60%	03/01/2022	02/01/2026	27,564	-	7,457	-	20,107
Novatech Copier	\$ 90,000	1.10%	06/01/2022	05/01/2026	88,084	-	22,128	-	65,956
Total leases payable - Governmental Activities					\$ 1,093,014	\$ -	\$ 522,809	\$ -	\$ 570,205

City of Mt. Juliet, Tennessee

Schedule of Lease Obligations, Principal, and Interest Requirements by Fiscal Year June 30, 2023

Year	Fire Equipment		Dell Financial Services 6493852-015		Dell Financial Services 6493852-016		Dell Financial Services 6493852-017	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 292,141	\$ 7,859	\$ 3,190	\$ 35	\$ 29,678	\$ 357	\$ 47,882	\$ -
2025	-	-	-	-	19,949	74	47,882	-
2026	-	-	-	-	-	-	11,970	-
Total	\$ 292,141	\$ 7,859	\$ 3,190	\$ 35	\$ 49,627	\$ 431	\$ 107,734	\$ -

Year	Dell Financial Services 6493852-018		Dell Financial Services 6493852-019		Novatech NT73508	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 11,977	\$ 533	\$ 7,502	\$ 100	\$ 22,374	\$ 617
2025	12,225	285	7,548	55	22,623	368
2026	7,248	50	5,057	11	20,959	116
Total	\$ 31,450	\$ 868	\$ 20,107	\$ 166	\$ 65,956	\$ 1,101

Year	Total	
	Principal	Interest
2024	\$ 414,744	\$ 9,501
2025	110,227	782
2026	45,234	177
Total	\$ 570,205	\$ 10,460

City of Mt. Juliet, Tennessee
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2023

CFDA number	Federal grantor/Pass-through grantor/Program title	Pass-through entity	Contract number	Expenditures
Federal Awards				
US Department of Justice				
16.607	Bulletproof Vest Partnership Program (BVP)	N/A - Direct	N/A	\$ 9,210
US Department of Transportation				
20.205	Highway Planning and Construction Cluster Town Center Trail, Phase 3	TN Department of Transportation	CM-1952 (10) 95LPLM-F0-124	135,596
20.205	Highway Planning and Construction Cluster TAP, Belinda Sidewalks	TN Department of Transportation	TAP-M-4855 (10) 95LPLM-F3-053 (051)	32,410
20.205	Highway Planning and Construction Cluster ADA Upgrades Phase 2	TN Department of Transportation	HIP-C-M-171(36) 95LPLM-F3-111	69,110
20.205	Highway Planning and Construction Cluster Cedar Creek	TN Department of Transportation	TAP-4854 (10) 95LPLM-F3-058	639,465
20.205	Highway Planning and Construction Cluster Congestion Mitigation and Air Quality Improvement Program ITS and Signal Improvement Project Phase 2	TN Department of Transportation	CM-NH-171 (32) 95LPLM-F1-086	47,735
20.205	Highway Planning and Construction Cluster Surface Transportation Program Lebanon Sidewalks Phase 2	TN Department of Transportation	STP-M-9322 (4) 95LPLM-F3-091 (088)	1,127
20.205	Highway Planning and Construction Cluster ITS & Signal Improvement Project, Phase 3	TN Department of Transportation	HIP-CM-171(37) 95LPLM-F0-120	30,171
	Total grants, US Department of Transportation, Highway Planning and Construction Cluster			<u>955,614</u>
US Department of the Treasury				
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	N/A - Direct	N/A	10,987,003
Department of Homeland Security				
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	N/A - Direct	N/A	<u>144,980</u>
	Total federal awards			<u>12,096,807</u>
State Financial Assistance				
TN Department of Transportation				
	Multimodal Access Grant, Lebanon Road Sidewalks Phase 3	TN Department of Transportation	95LPLM-53-100	<u>33,507</u>
	Total state grants, US Department of Transportation			<u>33,507</u>
	Total state financial assistance			<u>33,507</u>
	Total federal awards and state financial assistance			\$ 12,130,314

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, 2023. 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. FEMA/TEMA Expenditures Incurred in Prior Year

The amounts reported for FEMA/TEMA (97.036) include \$144,980 incurred in a prior year.

City of Mt. Juliet, Tennessee
Schedule of Liability and Property Insurance (Unaudited)
For the Year Ended June 30, 2023

Insurance Coverage	Details of Coverage
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)	\$ 48,886,279
EDP equipment/media	\$ 665,000
Mobile equipment	\$ 1,921,445
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, 2023

Number of customers	14,992
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	\$ 20.49
Each additional 1,000 gallons	\$ 10.05
Outside city, residential (service requested after June 9, 2019)	
Minimum bill, first 2,000 gallons	\$ 32.78
Each additional 1,000 gallons	\$ 16.06
Inside city, commercial	
Minimum bill, first 2,000 gallons	\$ 23.12
Each additional 1,000 gallons	\$ 11.19
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, 2023, 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 18, 2023.

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 18, 2023



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, 2023. 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, 2023.

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 18, 2023

City of Mt. Juliet, Tennessee
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023

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, 2023

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, 2023

Financial Statement Findings

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

Federal Award Findings and Questioned Costs

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

Compliance and Other Matters

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

APPENDIX D

Form of Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered this ____ day of _____, 2024, by the City of Mt. Juliet, Tennessee (the “City”) in connection with the issuance of \$ _____ in aggregate principal amount of its General Obligation Bonds, Series 2024 (the “Series 2024 Bonds”). The City hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Beneficial Owners (as herein defined) of the Series 2024 Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution (as herein defined), which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to the Rule and this Disclosure Certificate.

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2024 Bonds (including persons holding Series 2024 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2024 Bonds for federal income tax purposes.

“EMMA” shall mean MSRB’s Electronic Municipal Market Access System.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

“Official Statement” shall mean the Official Statement of the City relating to the Series 2024 Bonds.

“Participating Underwriter” shall mean _____

“Resolution” shall mean the Resolution of the City pursuant to which the Series 2024 Bonds were issued, adopted on April 8, 2024.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Tennessee.

SECTION 3. Provision of Annual Reports.

(a) Not later than twelve months after the end of each fiscal year, commencing with Fiscal Year ending June 30, 2024, the City shall provide an Annual Report to EMMA. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate. Notwithstanding the foregoing, the audited financial statements of the City may be submitted separately from the balance of the Annual Report when such audited financial statements are available. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the City shall include its unaudited financial statements in the

Annual Report and shall indicate in the Annual Report the date on which the audited financial statements of the City will be submitted. The audited financial statements of the City, when available, will be provided to EMMA.

(b) The City shall also:

(i) determine each year prior to the date for providing the Annual Report the appropriate location for filing with EMMA and the proper form of such filing in an electronic format as prescribed by the MSRB; and

(ii) if the Annual Report (or audited financial statements which were to be separately submitted) is not filed in accordance with subsection (a), send a notice in a timely manner to EMMA in substantially the form attached as Exhibit A.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) If audited financial statements of the City are not yet available, the unaudited financial statements of the City, and when audited financial statements are available, the audited financial statements of the City, both such types of financial statements to be prepared in conformity with generally accepted accounting principles, as in effect from time to time. Such audited financial statements shall be accompanied by an audit report resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards.

(b) If the accounting principles changed from the previous Fiscal Year, a description of the impact of the change as required by Section 8 of this Disclosure Certificate.

(c) If the Fiscal Year has changed, a statement indicating the new Fiscal Year.

(d) An update of the information in Appendix B of the Official Statement under the following headings:

CITY OF MT. JULIET:

Summary of Outstanding Indebtedness

Debt Statement

Population

Debt Per Capita Ratios

Debt Ratios

Debt Trend

General Obligation Debt by Fiscal Year

Property Valuation and Property Tax

Fund Balances

Local Option Sales Tax

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been filed in accordance with the Rule and the other rules of the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

(i) Principal and interest payment delinquencies.

- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2024 Bonds or other material events affecting the tax status of the Series 2024 Bonds.
- (vii) Modifications to rights of the holders of the Series 2024 Bonds, if material.
- (viii) Series 2024 Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Series 2024 Bonds, if material.
- (xi) Rating changes with respect to the Series 2024 Bonds.
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person (For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person).
- (xiii) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; or

- (xvi) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever there shall occur a Listed Event which is subject to the materiality standard as described above, the City shall, within ten business days of such occurrence, determine if such event would constitute material information for Beneficial Owners of the Series 2024 Bonds and if so, shall file notice thereof pursuant to Section 5(c) hereof.

(c) In a timely manner not in excess of ten business days after the occurrence of the event, the City shall file notice with the MSRB and the State information depository, if any, of the occurrence of any of the Listed Events listed above which are determined under Section 5(b) hereof to be material and, with respect to any other Listed Event, without regard to any determination of materiality.

The content of any notice of the occurrence of a Listed Event shall be determined by the City and shall be in substantially the form attached as Exhibit B.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Series 2024 Bonds. The City shall notify EMMA that the City's obligations under this Disclosure Certificate have terminated. If the City's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the City, and the City shall have no further responsibility hereunder.

SECTION 7. Dissemination Agent. The City may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and the City may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent, if at any time there is not a designated dissemination agent, the City shall be the dissemination agent.

SECTION 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the City to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended or any provision of the Disclosure Certificate is waived, the notice of a Listed Event pursuant to Section 5(a)(vii) hereof shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If an amendment or waiver is made in this Disclosure Certificate which allows for a change in the accounting principles to be used in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. A notice of the change in the accounting principles shall be deemed to be material and shall be sent to EMMA.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any Beneficial Owner may take such actions as may be

necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance. The costs of performing the obligations under the provisions of this Disclosure Certificate shall be paid solely from funds lawfully available for such purpose.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto or the City), and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such Counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2024 Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Participating Underwriter, and Beneficial Owners from time to time of the Series 2024 Bonds, and shall create no rights in any other person or entity.

SECTION 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney's fees), provided that such expense was authorized in writing in advance by the City.

SECTION 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State.

SECTION 16. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 17. Filings with the MSRB. All filings required to be made electronically at www.emma.msrb.org shall be accompanied by identifying information as prescribed by the MSRB and shall be submitted in any other manner pursuant to, and in accordance with, SEC Release No. 34-59062.

CITY OF MT. JULIET, TENNESSEE

By: _____
Mayor

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of City: City of Mt. Juliet, Tennessee

Name of Bond Issue: General Obligation Bonds, Series 2024

CUSIP Number¹: _____

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the City of Mt. Juliet, Tennessee (the "City") has not provided an Annual Report due with respect to the above-named Series 2024 Bonds as required by its Disclosure Certificate, dated _____, 2024. The City anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

CITY OF MT. JULIET, TENNESSEE

By: _____
Mayor

¹ No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE TO REPOSITORIES
OF THE OCCURRENCE OF [INSERT THE LISTED EVENT]

Relating to

CITY OF MT. JULIET, TENNESSEE
GENERAL OBLIGATION BONDS, SERIES 2024
CUSIP NUMBERS²:

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

Dated: _____

CITY OF MT. JULIET, TENNESSEE

By: _____
Mayor

² No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

