

**FINANCIAL ANALYSIS OF THE FINANCIAL STATEMENTS
CITY OF MT. JULIET NET ASSETS**

Net Capital Assets of the City in Governmental activities increased from \$9.1 million to \$12.8 million in FY06-07.

Net Capital Assets of the City in Business-type activities increased from \$22.5 million to \$26.4 million in FY-06-07

Governmental Activities

Governmental activities increased the City's net assets by \$4.4 million. The City has consistently appropriated and spent less in ongoing operations than it receives in ongoing revenues. The excess in revenue has historically been invested in and increased the value of the City's net assets. We expect this trend to continue in the future and to be evident once again in next year's financial report.

Business-Type Activities

Business-type activities increased the City's net assets by \$3.0 million. The most significant component of this increase were payments of tap & capacity fees and additions to the collection system built by the City as well as additions built by developers and dedicated to the City.

	City of Mt. Juliet Changes in Net Assets					
	Governmental		Business Type		Total	Total
	Activities	Activities	Activities	Activities		
	2007	2006	2007	2006	2007	2006
Revenues:						
Program Revenues:						
Charges for Services						
Charges for Services	\$3,562,295	\$3,045,095	\$3,223,841	\$3,003,421	\$6,786,136	\$6,048,516
Operating Grants and Contributions	719,931	586,668		2,000	719,931	588,668
Capital Grants and Contributions	3,215,447	370,303	3,261,234	4,293,856	6,476,681	4,664,159
General Revenues						
Sales Taxes	3,797,465	2,335,478			3,797,465	2,335,478
Other Locally Assessed Taxes	1,238,302	1,083,102			1,238,302	1,083,102
Other State Shared Taxes	1,736,744	1,294,906			1,736,744	1,294,906
Investment Earnings & Rental						
Income	158,585	115,549	181,512	131,308	340,097	246,857
Other	22,231	24,699			22,231	24,699
Total Revenues	14,451,000	8,855,800	6,666,587	7,430,585	21,117,587	16,286,385
Expenses:						
General						
Government	2,180,160	1,773,792			2,180,160	1,773,792
Public safety	3,428,345	2,587,871			3,428,345	2,587,871
Recreation and Culture	885,727	809,225			885,727	809,225
Streets and Public Works	3,036,764	3,868,353			3,036,764	3,868,353
Stormwater	176,591	168,996			176,591	168,996
Interest on Debt	310,231	224,510			310,231	224,510
Sewer			3,678,787	3,249,121	3,678,787	3,249,121
Total Expenses	10,017,818	9,432,747	3,678,787	3,249,121	13,696,605	12,681,868
Increase (Decrease) in Net Assets	4,433,182	(576,947)	2,987,800	4,181,464	7,420,982	3,604,517
Net Assets Beginning of Year	4,731,309	5,308,256	27,522,899	23,341,435	32,254,208	28,649,691
Net Assets End of Year	\$9,164,491	\$4,731,309	\$30,510,699	\$27,522,899	\$39,675,190	\$32,254,208