

TYLER TRANSFORMING

Annual Comprehensive Financial Report for Fiscal Year Ending
September 30, 2023 - City of Tyler, Texas



CITY OF TYLER, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

**Prepared by:
Keidric Trimble, Chief Financial Officer
Finance Department
Tyler, Texas**



A Natural Beauty

CITY OF TYLER, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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INTRODUCTORY SECTION



A Natural Beauty



March 27, 2024

The Honorable Mayor, Members of the City Council, and Citizens
City of Tyler
Tyler, Texas

The City of Tyler, Texas' (City) Charter requires an audit of the City's financial activities to be conducted by an independent certified public accountant at the end of each fiscal year. Upon completion of the audit, the results shall be reported in writing to the Council as soon as reasonably possible. This report is published to fulfill that requirement for the fiscal year ending September 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control. In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements that are free of any material misstatements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. To further ensure the validity of internal controls, we have implemented a fraud hotline.

Gollob Morgan Peddy & Co PC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Tyler's financial statements for the year ended September 30, 2023. In addition to meeting City Charter requirements, the audit was designed to meet the requirements of the Federal Single Audit Act of 1996 requirements and related Uniform Guidance requirements. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with this document.

City Profile

The City of Tyler, Texas, the county seat of Smith County, is considered the advanced manufacturing, health care, educational, and retail center of East Texas. Tyler is located on U.S. Highway 69 just south of Interstate 20, an equal distance (approximately 90 miles) between the cities of Dallas, Texas, and Shreveport, Louisiana. The City, encompassing approximately 53 square miles, had a 2020 census population of 105,995, which is a 9.38% increase from the 2010 census population of 96,900. Currently, the City's population is estimated to be 105,995. The City is commonly referred to as the City of Roses.

The City, incorporated in 1850, is a home rule city operating under the Council-Manager form of government. The City Charter was adopted on February 9, 1937. The home rule corporation status is granted under the Constitution and Laws of the State of Texas. The City Council is comprised of the Mayor and six Council members who function as the policy-making body of the City's government, determining the overall goals, objectives and direction for City services, and adopting the annual operating budgets for all City departments. The City Council appoints the City Manager and is responsible for the daily management and implementation of the City's policy, including appointing the various executive team members and department leaders. The Mayor and Council members serve two-year terms, with general Council elections occurring yearly based on district. The mayor is elected at large; the remaining Council members are elected by district.

The City is a full-service municipality. Major services provided under general government and enterprise functions are police and fire protection, water and sewer services, sanitation services, parks and recreational facilities, library services, street improvements, capital projects administration, municipal court, animal services, code enforcement, development and planning services, and general administrative services. The City also offers an airport and a convention center. Internal services of the City, accounted for on a cost reimbursement basis, are the fleet services operations; technology services;

property and facility management services; productivity pool; risk management services and the active and retired employee health and dental coverage. The City's Basic Financial Statements include all government activities, organizations, and functions for which the City is financially accountable, including blended component units as defined by the Governmental Accounting Standards Board (GASB).

The City Charter provides that the City Council shall adopt by ordinance an annual budget prepared by the City Manager. This budget is presented to the City Council, and opportunities are provided for public comment during a series of public hearings before adoption. Budgetary control has been established at the individual fund level. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, the City Council must approve any revisions that alter the total revenues or expenditures of any fund. Although the budget is adopted at a fund level, continued line item review and forecasting are done monthly and quarterly throughout the fiscal year to ensure compliance with the budget and completion of projects.

Local Economy

The information presented in the budget document is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. The chief industries in and around Tyler include health care and research; education; grocery distribution; retail and retail distribution; air conditioning unit manufacturing; cable, internet, and phone services; government services; engineering services; banking services; meat packing and processing; cast iron pipes and fitting manufacturing; oil and gas refining; ready mix concrete production; tourism; and growing and shipping rose bushes. This diversification is evident in the fact that no single taxpayer represents more than 2.24% of assessed valuation in the City.

Four institutions of higher education are located in Tyler. They are The University of Texas at Tyler, The University of Texas Health Science Center, Texas College, and Tyler Junior College. Several public school districts provide primary and secondary education, three charter schools, and ten private/parochial schools in the Tyler area.

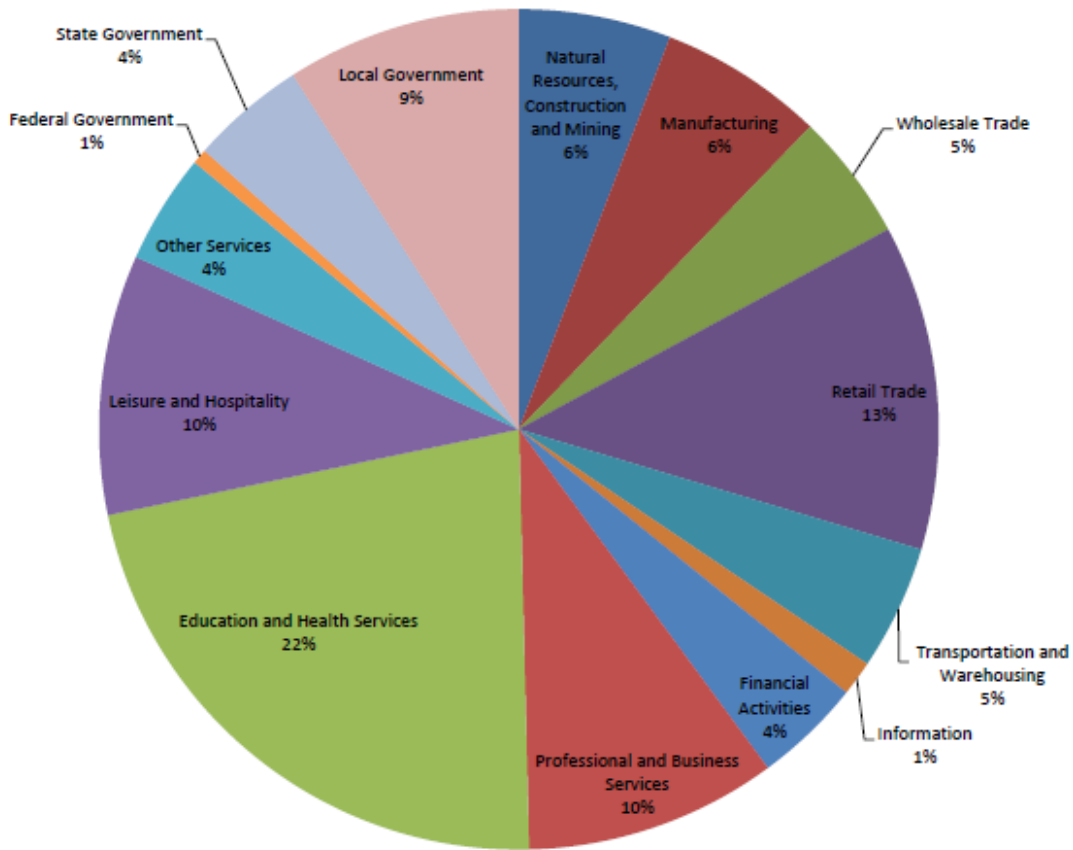
Tyler is also the medical center of East Texas with three hospitals and numerous other supporting clinics, practices and specialty hospitals. Additionally, Tyler has many tourist attractions. The Texas Rose Festival includes the crowning of the Rose Queen, attracting a large number of visitors each year. The Azalea Trails attract additional tourism in the spring. Each September Tyler hosts the East Texas State Fair for one week providing midway, craft and 4H activities. Tyler State Park is located just north of Tyler and provides nature trails and camping in a scenic setting. Lake Tyler and Lake Tyler East, located twelve miles southeast of the City, are popular recreational and fishing sites.

The City actively works with the Tyler Economic Development Corporation and local industries to encourage expansions and relocations to our community. Two TIF/TIRZ zones were created in 2008, one in downtown and another in north Tyler in coordination with revitalization efforts. In fiscal year 2016, the downtown TIF/TIRZ was dissolved due to the value falling below the initial baseline. This was due to governmental agencies purchasing of properties and housing units receiving favorable tax exemptions. In October 2016, the city began the process of creating the new downtown TIRZ. In February 2018, the interlocal agreements were approved by City Council creating zone 4. Land is available for development; the area has an abundant water supply and typically mild weather. The Tyler area cost of living index has consistently been 90-96% of the national average for the past five years. Economic incentives as well as historic preservation incentives are available to facilitate business expansions or relocations.

Because of its location in a region with a varied economic base, unemployment is relatively stable, and in the last five years, trending with the State of Texas has remained consistently below the national average. During the past ten years, the unemployment rate has ranged from a low of 3.2 percent (2019) to a previous decade high of 6.9 percent (2013), only to end at the current rate of 3.3 percent. This figure indicates a decrease of 0.9 % over the prior year while remaining in line with the State and National trends. The total workforce for the Tyler region has increased from 48,106 in 2010 to 50,674 in 2020.

Workforce Breakdown

Smith County/Tyler MSA

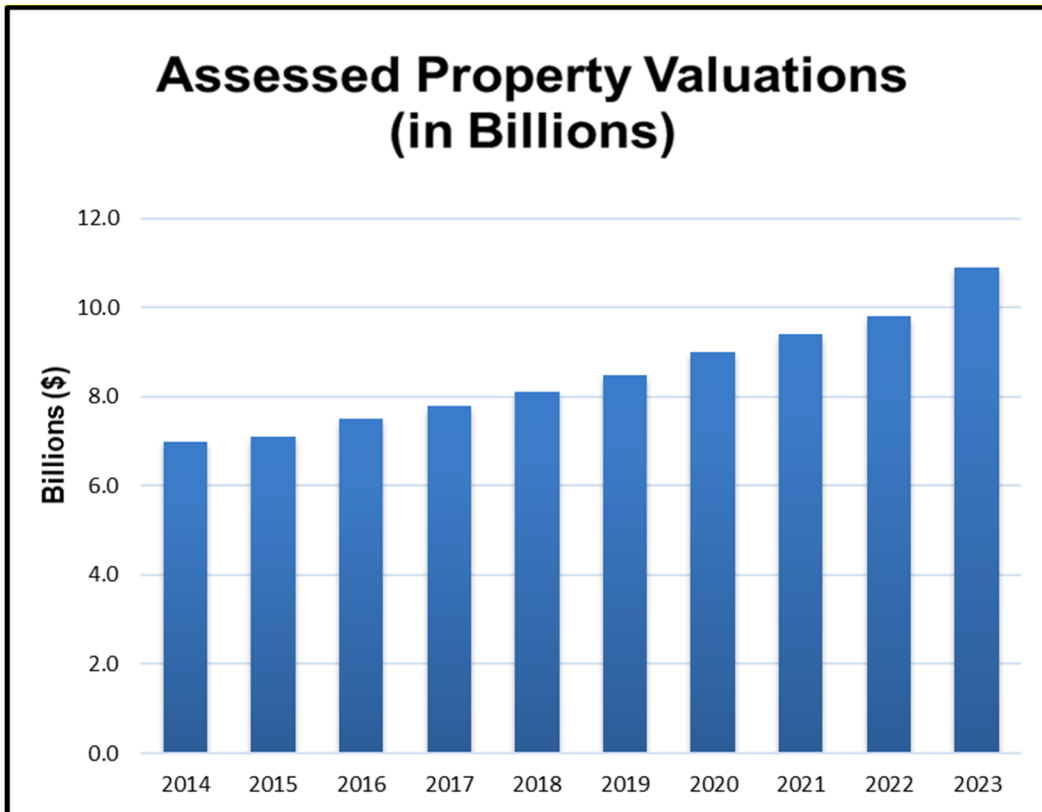
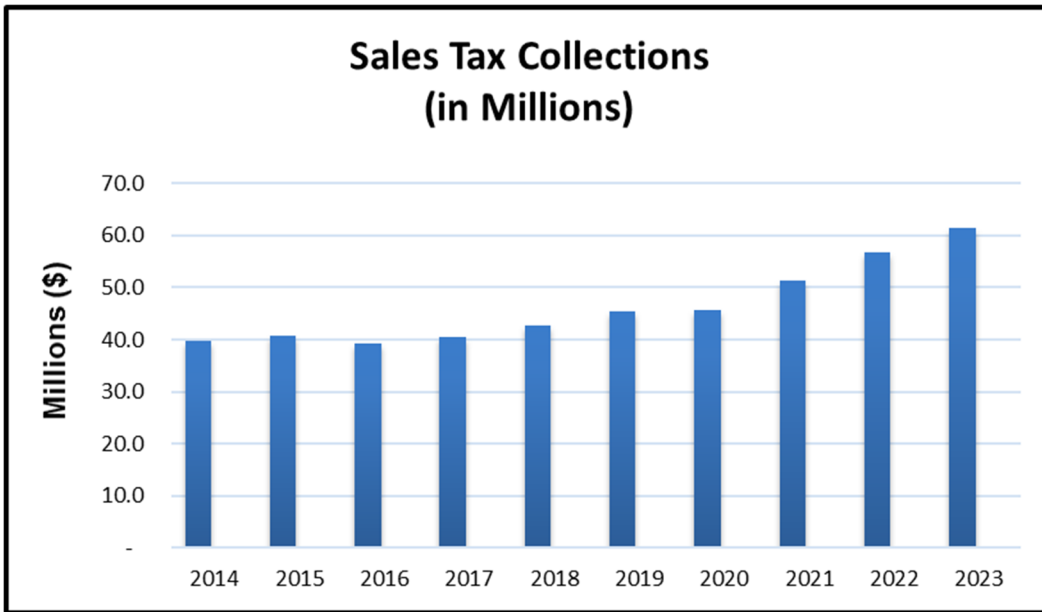


Population growth in the last five years has outpaced previous periods. The population grew 10 percent from 1990 to the year 2000. From 2000 to 2010, the population grew 16 percent. From 2010 to 2020, the population grew by 6 percent. From 2020 to the current year, the growth has been 1 percent. Market and economic analysts estimate that as many as 270,000 people come to Tyler daily to work, attend school, seek medical services, or shop. Loop 49 Toll Project is complete from State Highway 110 to I-20 to the west of Tyler. Loop 49 Toll will create a horseshoe loop around Tyler, connecting the City's southern regions to I-20. The loop allows for increased traffic from I-20 into the City of Tyler for shopping and economic development purposes.

Along with the Loop 49 project, the Northeast Texas Regional Mobility Authority was authorized in 2004 to construct, operate, and maintain turnpike projects in the state, including the Tyler area. Including various other interstate access means, the Tyler Pounds Regional Airport allows for secure and efficient air travel in and out of the region. Total flight enplanements have declined due to COVID-19 from 85,069 in 2014 to a current level of 43,170 in 2023. Tyler is the first Certified Retirement City in Texas. Tyler meets high standards for retiree living such as low cost of living, low crime rate, quality health care, abundant recreation and educational opportunities. Tyler is 16th in the nation for cost of living in Retirement Places Rated: Special Millennium Edition.

The economic outlook for Tyler is encouraging, with an increase in sales tax collections by 8.27%. According to economist Dr. Ray Perryman, Tyler should see job growth over the next five years. Growth in Tyler is expected to occur at a pace faster than the nationwide rate. Assessed values have increased by 11.22% in 2023. The potential for sustained development is present, and many governmental and business leaders are working to ensure the City is poised for economic growth.

Economic Signs:



Long-term Financial Planning

Within the policy guidelines set by the Council for budgetary and planning purposes, the City of Tyler maintains an unassigned fund balance greater than 15 percent of total General Fund expenditures less transfers. In addition to the Capital Projects Fund, the City takes advantage of half cent sales tax (4B) dollars to pay for capital projects related to street improvements, drainage projects, park improvements and other projects as approved by the corporation board and the City Council. By paying cash for infrastructure projects, the City has attained its goal of eliminating general obligation debt as of February 2008.

The City has continued to maintain the lowest property tax rate for mid to large-sized cities in Texas in an effort to balance citizen desire for lower property tax rates and the City's need to match operating costs associated with future planning initiatives. Sales tax has played a significant role in allowing the City to obtain this objective with a ten-year average increase of 5.29 percent. However, such a significant dependence has caused budgeting constraints and all other sources of revenues will need to be reviewed to stabilize the cities revenue stream in the future. By maintaining adequate reserves and monitoring future economic conditions, the city plans to continue to provide for future citizens' needs in a streamlined and cost-effective manner.

Relevant Financial Policies

Multiyear forecasting is used in the revenue and expenditure budgeting process to realize all potential budgetary gains during restricted budgetary cycles. An OPEB trust was created in fiscal year 2009 to separate and invest the dollars related to retiree benefits to realize a greater rate of return while maintaining fiduciary responsibility and security of principal.

Major Initiatives

Tyler's rapid growth and potential for change make this the critical moment for a new comprehensive plan to guide and shape future development. The comprehensive plan, entitled Tyler 1st, was adopted in late 2007 and sets out a strategic framework for making decisions about Tyler's long-term physical development. It defines a vision for the future linked to overall goals and policies, and it contains strategies and action items for achieving those goals. During the planning process, residents and others with a stake in Tyler's future had the opportunity to articulate and review community values and goals through public discussion, create a vision for the kind of place they want Tyler to be for their children and grandchildren, and identify the key areas where the city must act -- both to preserve enduring character and to shape change so that their vision for Tyler's future can be achieved.

Tyler 1st provides policy and strategic guidance on the physical development and redevelopment of the City; guides the City to actively seek positive change and deflect negative change rather than react to change; provides predictability for developers, businesses, and residents; helps the City save money because it plans for orderly investment in services, facilities, and infrastructure; and helps Tyler preserve the sense of place and identity that make it unique.

Upgraded Bond Rating

The City of Tyler received an upgrade to AAA from Standard and Poor for general obligation indebtedness in 2009. This rating increase was partly due to the current pay as you go environment and elimination of general obligation bond debt. Additional planning initiatives that the City began during 2009 include a Lean Sigma program for standardizing and reducing costs and continued multiyear planning, including replacement funding for fleet acquisitions, HVAC replacement and roof replacements. This rating was reaffirmed in 2014.

Reimagining Downtown Tyler

We are building Tyler's future cityscape today, and it begins in the heart of our community. Within the next three years, Downtown Tyler will undergo a transformation to become a more vibrant, pedestrian-friendly and livable community space through a County-City partnership.

Our revitalization project will provide a more connected and cohesive Downtown, with a focus on enhancing our quality of life through the creation of green spaces and streetscapes. The revitalized square will be a beautiful central park, which will serve as a gathering spot for community members and visitors alike. The park will have multiple amenities, including seating areas, water features, bathrooms and a small food truck park. The east side of the square will be an open space to allow for large community events and festivals.

Smith County has jumpstarted the transformation with the construction of a second parking structure with 500 spaces to accommodate visitors. This will be followed by the construction of the new County Courthouse, which will be an architectural masterpiece at the center of Downtown.

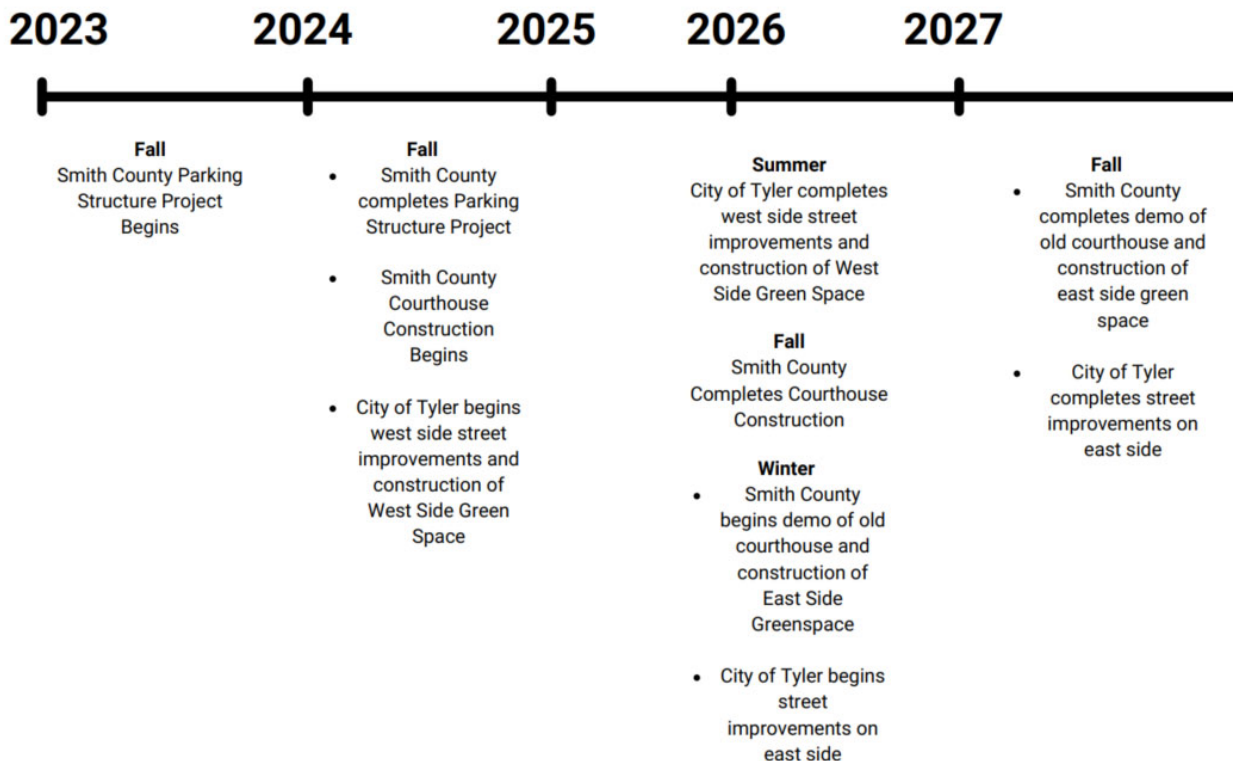
We are also prioritizing improving mobility for all forms of transportation. Streets will be reconfigured to allow for two-way traffic, and roundabouts will be installed to slow down, but not stop, the flow of traffic. We will also widen sidewalks and install new street furniture, lighting, and landscaping. All these changes will make the area more pedestrian-friendly and a place you go to, not through.

The project will promote economic development and attract new businesses to the area, encouraging the creation of new mixed-use developments, as well as the renovation of existing buildings to bring about new retail, office, and residential spaces. These initiatives will help generate new jobs and opportunities for local residents while also making Downtown Tyler a more attractive destination.

Investing in Downtown Tyler is an investment in the future of our City. By creating a more livable, walkable, and connected Downtown, we are positioning ourselves for long-term economic growth and success. We look forward to sharing a thriving and vibrant Downtown!

Our Downtown revitalization project would not be possible without the partnership and monetary contributions from Smith County and Tyler Junior College. The additional funding approved by both entities through the Tax Increment Reinvestment Zone will support public safety and maintenance of our beautiful new Downtown.

Estimated Timeline:



Mayor's Initiative – Tyler Rose Complex

Rose Complex / Conference Center:

Centrally located in Northeast Texas, Tyler is a hub for the region and is easily accessible to several major cities like Dallas and Shreveport, which makes it the perfect location to host groups for conferences and tours. The Tyler Rose Complex includes the newly built conference center, the historic Rose Garden and Mayfair building, the Tyler Civic Theater, Tyler ISD regional sport stadium and the surrounding areas. Altogether, it will boast over 60,000 square feet of meeting space. The new Complex will position Tyler as a destination experience for visitors and locals alike. The City's goal is to cultivate a distinct, all-inclusive atmosphere, nestled among the natural beauty of Tyler, with the best lodging, dining, shopping, and entertainment scene in East Texas.

The conference center, built as the centerpiece of the Rose Complex, is sure to offer attendees a conference experience like no other. A three-acre park stands before the mid-century-modern-inspired building to create an impressive and inviting entrance. The Center's unique design brings the outdoor beauty of the Tyler Rose Garden indoors, even inspiring the names of each room. From small break out rooms to one big space seating almost 1,800 people or 1,300 banquet style, the space can literally transform to fit all conference needs. Attractive and efficient meeting spaces will aid Tyler in recruiting larger conventions to the region.

Mayfair:

From its inception in 1927, The Mayfair was a cornerstone of entertainment, hosting everything from concerts and festivals to the occasional wrestling match. Following the renovations, it now serves as a dynamic extension of the Rose Complex, integrating with the neighboring W.T. Brookshire Conference Center and Tyler Rose Garden. This multipurpose venue boasts the capacity to host intimate gatherings or grand spectacles, with seating for up to 300 in a dinner-style arrangement or 500 in an auditorium format.

The former dance hall was renovated to preserve its historical elements, including the original floors, windows, stage and green room. The dressing room has been transformed into a small museum, displaying items found during the construction, like a vintage amplifier and record player, an unopened bottle of whiskey from the prohibition era and the mirror Elvis once sat in front of for a photo.

But the revitalization doesn't end there. New structural enhancements ensure the building's longevity, while expanded storage and ADA-compliant facilities cater to the needs of all, plus roll-up doors leading to a future spacious deck and food truck park.

The Mayfair's unique stories and its community relevance have earned it a spot in the esteemed National Register of Historic Places alongside the Tyler Rose Garden. As it stands on the cusp of a new chapter, The Mayfair epitomizes Tyler's commitment to honoring its heritage while embracing a future brimming with promise and possibility.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded the City a Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended September 30, 2022. This is the thirty-seventh consecutive year the government has received this prestigious award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

In addition, the City has received the Government Treasurer's Organization of Texas (GTOT) Investment Policy Certificate of Distinction for the City's annually adopted investment policy for eight consecutive periods. The award is valid for a two-year period. To qualify for the award, the City must demonstrate compliance with the State investment act and fiscal responsibility of their investments.

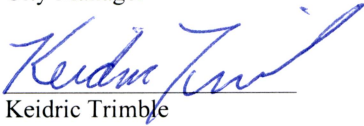
For seventeen years in a row, the City of Tyler has been presented with the Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada. This award assures that state and local governments prepare budget documents of the highest quality that reflect the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting.

The timely preparation of this report could not be accomplished without the efficient and dedicated services of all the staff of all City Departments. Appreciation is expressed to all City staff members who assisted and contributed to its preparation. Sincere thanks are extended to the Mayor and City Council members for their interest and support in planning and conducting the City's financial operations in a responsible and progressive manner.

Respectfully submitted,



Edward Broussard
City Manager



Keidric Trimble
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

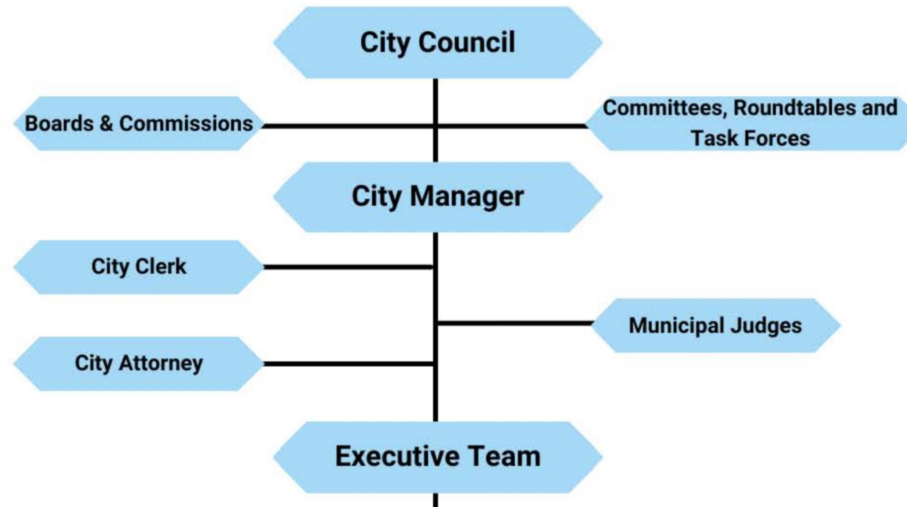
**City of Tyler
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



<p>David Coble <u>Fire Chief</u></p> <p>Strategic Planning Priorities: Public Safety and Emergency Management</p> <p>Areas of Responsibility:</p> <ul style="list-style-type: none"> • Fire • Emergency Management • Emergency Medical Services Liaison • Catalyst 100 Executive Committee 	<p>Heather Nick <u>Assistant City Manager</u></p> <p>Strategic Planning Priorities: Development and Growth</p> <p>Areas of Responsibility:</p> <ul style="list-style-type: none"> • Planning and Development Services • Metropolitan Planning Organization • Geographic Information Systems • Historic Preservation • Tyler 1st Comprehensive Plan • Permit Center • Economic Development (TIRZ Liaison) • Engineering • Street, Stormwater and Traffic 	<p>Stephanie Franklin <u>Deputy City Manager</u></p> <p>Strategic Planning Priorities: Quality of Life and Places</p> <p>Areas of Responsibility:</p> <ul style="list-style-type: none"> • Organizational Strategic Planning • Visitor & Convention Facilities • Library • Main Street • Liberty Hall • Cultural Affairs Board • Building Inspections • Facility Services • Visit Tyler • Innovations Pipeline Liaison 	<p>Jimmy Toler <u>Police Chief</u></p> <p>Strategic Planning Priorities: Public Safety and Emergency Management</p> <p>Areas of Responsibility:</p> <ul style="list-style-type: none"> • Police • Centralized Dispatch • 911 Liaison • Code Enforcement • Animal Services • Homeless Roundtable Liaison • Human Needs Network Liaison 	<p>Keidric Trimble <u>Chief Financial Officer</u></p> <p>Strategic Planning Priorities: Fiscal, Tech and Human Resources</p> <p>Areas of Responsibility:</p> <ul style="list-style-type: none"> • Finance • Budget • Purchasing • Municipal Court • Internal Audit Services • Utility Billing 	
<p>Leroy Sparrow <u>Director of Solid Waste, Transit and VES</u></p> <ul style="list-style-type: none"> • Solid Waste • Transit • Vehicle Services 	<p>Leanne Robinette <u>Director of Parks & Recreation</u></p> <ul style="list-style-type: none"> • Parks and Recreation • Tourism Facilities • Cemeteries • Keep Tyler Beautiful 	<p>Regina Moss <u>Director of Organizational Development</u></p> <ul style="list-style-type: none"> • Human Resources • Volunteer Services • City University • Lean Six Sigma • Risk 	<p>Julie Goodgame <u>Director of Marketing & Communication</u></p> <ul style="list-style-type: none"> • Marketing • Internal/External Communication • Legislative Affairs • Liberty Hall • Film Friendly Program 	<p>Kate Dietz <u>Director of Utilities</u></p> <ul style="list-style-type: none"> • Water Production • Wastewater Treatment • Water Service Center • Utilities Engineering 	<p>Benny Yazdanpanahi <u>Chief Information Officer</u></p> <ul style="list-style-type: none"> • Information Technology

**CITY OF TYLER, TEXAS
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2023**

MAYOR – DON WARREN

Members of City Council:

Stuart Hene, District 1
Broderick McGee, District 2
Shirley McKellar, District 3
James Wynne, District 4
Lloyd Nichols, District 5
Brad Curtis, District 6

City Manager – Edward Broussard

Chief Financial Officer – Keidric Trimble

City Attorney – Deborah Pullum

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Tyler, Texas

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Tyler, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Tyler, Texas' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Tyler, Texas, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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. 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 City of Tyler, Texas 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

City of Tyler, Texas's 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 City of Tyler, Texas' 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 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, 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 City of Tyler, Texas'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 City of Tyler, Texas'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 the management's discussion and analysis on pages 4-13 and the schedules related to pension and OPEB activity on pages 79-85 will be presented to supplement the basic financial statements. Such information, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 City of Tyler, Texas's basic financial statements. The introductory section, additional supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Texas *Uniform Grant Management Standards* are also not a required part of the basic financial statements.

The additional supplementary information and the schedules of expenditures of federal and state awards 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2024, on our consideration of City of Tyler, Texas’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 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 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 of Tyler, Texas’s internal control over financial reporting and compliance.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 8, 2024

CITY OF TYLER, TEXAS

Management's Discussion and Analysis
For Year Ended September 30, 2023
(Unaudited)

As management of the City of Tyler, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Tyler exceeded its liabilities and deferred inflows of resources on September 30, 2023, by \$602,000,714 (net position).
- The City's total net position increased by \$31,998,825 for the current year.
- As of the close of the current fiscal year, the City of Tyler's governmental funds reported combined ending fund balances of \$78,028,759. \$12,974,604 is unassigned and available for use within the City's fund designation and fiscal policies.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$12,920,186. The general fund operating reserve targeted amount was \$13,484,882 (15% of general fund expenditures).
- The City's revenue bond payable had a net decrease of \$6,145,000. The City has no general obligation bond payable.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The Statement of Activities presents information indicating how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general government, public safety, highways and streets, public services, and culture and recreation. The business-type activities of the City include utilities, airport, and sanitation operations. The government-wide financial statements are on pages 16-17 of this report.

Fund financial statements - 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. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources and balances of spendable resources available at the end of the fiscal year. Such information may be helpful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is helpful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Fund Statements of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 25 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General and the Capital Projects Half Cent Sales Tax Fund, both considered major funds. Data from the other 23 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 18-23.

Proprietary Funds - The City maintains two types 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 enterprise funds to account for its utilities, airport, and sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management, technology, property and facility management, productivity pay, active employee benefit program, and retiree benefit program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utilities, airport, and sanitation funds as they are considered to be major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided by combining statements elsewhere in this report. The basic proprietary fund financial statements are on pages 24-26 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Tyler's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements are on pages 27-28 of this report. Individual fund data for the fiduciary funds is provided by combining statements elsewhere in this report. An additional fiduciary fund was created in 2009 for the Other Post Employment Benefit Trust. Information about Other Post-Employment Benefits and the related trust can be found in note E-2 on pages 62-64. The Fireman's Relief and Retirement Fund as of 2012 is reported in the City's financial statements as a blended component unit. This information is included in the basic fiduciary fund statement on pages 27-28. A separate independent audit of the Fund's financial condition is completed each fiscal year, and details can be found in note E-2 on pages 62-64.

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. The notes to the financial statements can be found on pages 29-76.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 79-85 of this report.

The combined statements referred to earlier in connection with general governmental funds, non-major governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 87-147 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of governments' financial position. In the case of the City of Tyler, assets exceeded liabilities by \$602,000,714 as of September 30, 2023.

The largest portion of the City's net position, 90.7%, or \$546,096,364, reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction-in-progress, and infrastructure), less any outstanding debt used to acquire the assets. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF TYLER'S NET POSITION – Fiscal Year 2023

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$144,184,166	\$136,868,334	\$47,840,713	\$77,186,161	\$192,024,879	\$214,054,495
Capital assets	313,985,957	296,940,391	378,769,801	344,760,233	692,755,758	641,700,624
Total Assets	458,170,123	433,808,725	426,610,514	421,946,394	884,780,637	855,755,119
Deferred Outflow of Resources	57,775,494	20,459,452	13,651,327	785,987	71,426,821	21,245,439
Non-current liabilities	128,450,791	83,893,042	158,591,217	150,901,148	287,042,008	234,794,190
Other liabilities	31,005,158	27,705,652	10,293,661	10,090,301	41,298,819	37,795,953
Total Liabilities	159,455,949	111,598,694	168,884,878	160,991,449	328,340,827	272,590,143
Deferred Inflows of Resources	20,115,566	29,403,543	5,750,351	5,004,983	25,865,917	34,408,526
Net Position:						
Net Investment in Capital Assets	302,282,138	286,947,161	243,814,226	203,399,552	546,096,364	490,346,713
Restricted	58,646,738	57,958,272	16,720,857	51,496,593	75,367,595	109,454,865
Unrestricted	(24,554,774)	(31,639,493)	5,091,529	1,839,804	(19,463,245)	(29,799,689)
Total Net Position	\$336,374,102	\$313,265,940	\$265,626,612	\$256,735,949	\$602,000,714	\$570,001,889

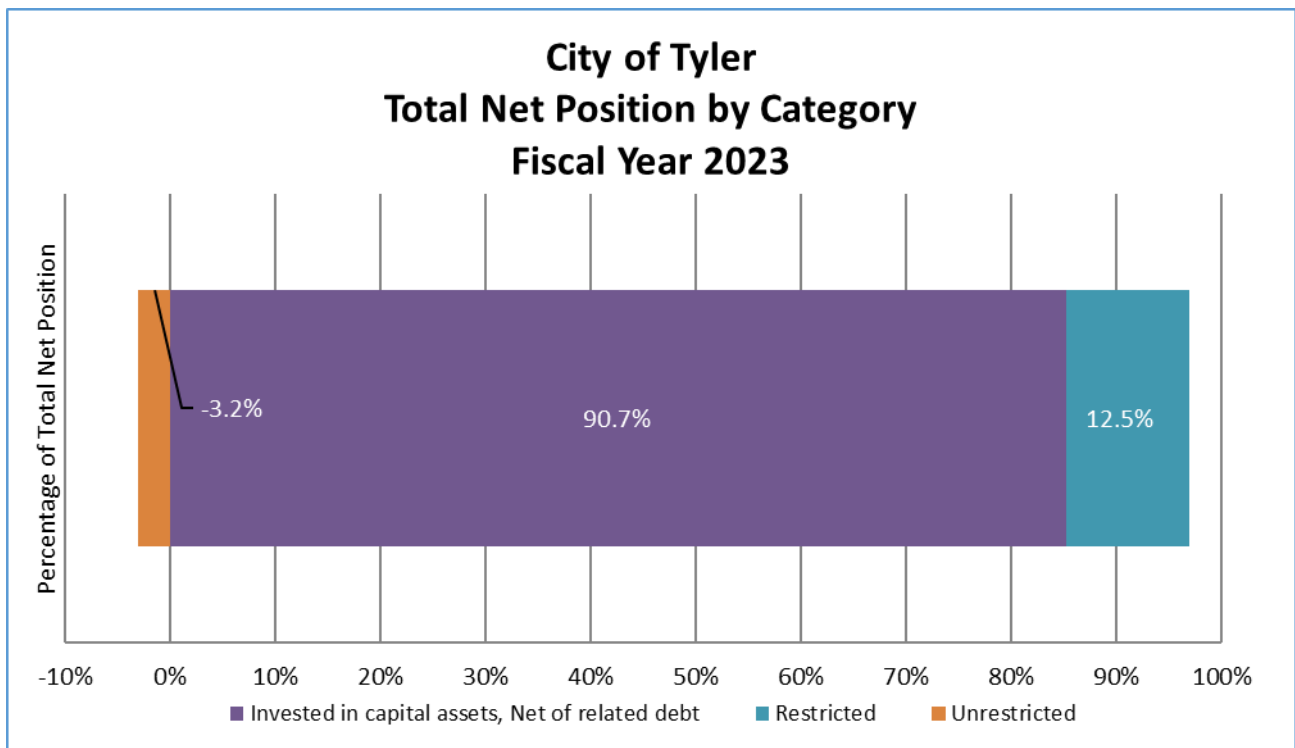
An additional portion of the City's net position, 12.5% or \$75,367,595, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is (3.2%) at \$(19,463,245).

The negative remaining balance in unrestricted net position is related to the implementation of GASB 68, 71, and 75 in prior years, requiring the recording of all pension and Other Post-Employment Benefits (OPEB) related assets and liabilities in the financial statements. Currently, Pension and OPEB liabilities exceed pension assets. The City of Tyler has two pension plans on its books: the Texas Municipal Retirement System (TMRS) and the Tyler Firemen's Relief and Retirement Fund (TFDRRF). Texas Municipal Retirement plan has a thirty-year closed amortization period. The TMRS pension plan is estimated to be 100% funded in 2036. 100% funding will mean that pension and

OPEB assets will be equal to liabilities. Once that has been achieved, it is expected that the City’s contribution rate (TMRS) and actuarial determined contribution (ADC) will be reduced. Tyler Firemen’s Relief and Retirement Fund is an open amortization plan that aims to amortize its unfunded actuarial accrued liability over fifteen to twenty-five year period.

This negative impact on the City’s net position is not unique to the City of Tyler. Many organizations across the country are experiencing similar scenarios with the implementation of this new accounting standard. This new standard has been discussed for some time, and organizations have prepared for its implementation. Pension plans like TMRS have worked with us and made changes to ensure we are properly setting aside the appropriate dollars for future benefits. The City has implemented a reduction in retiree Medicare RX and Medicare supplemental insurance contributions and increased its ADC to begin work toward reducing its OPEB liability.

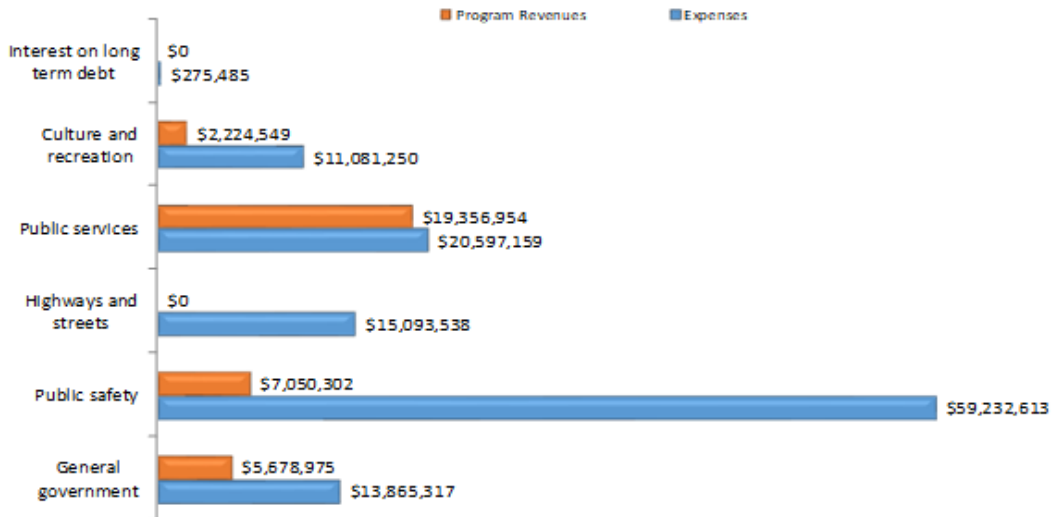
As of September 30, 2023 the City is able to report positive balances in two of the three categories of net position. The prior fiscal year also had positive balances in two of the three categories. The following chart illustrates the percentage of total net position that each category encompasses for the current fiscal year.



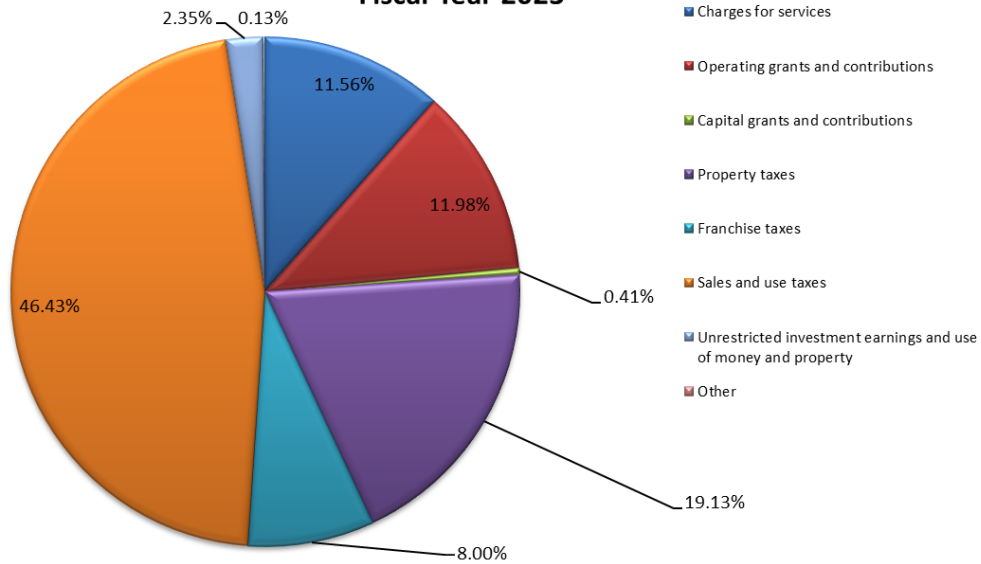
Analysis of the City’s Operations – Overall, the City’s total net position increased by \$31,998,825 for the current year.

Governmental Activities: Governmental activities increased total net position by \$23,108,162. Net position invested in capital assets; net of related debt increased by \$15,334,977 addition of assets. Restricted net position increased by \$688,466.

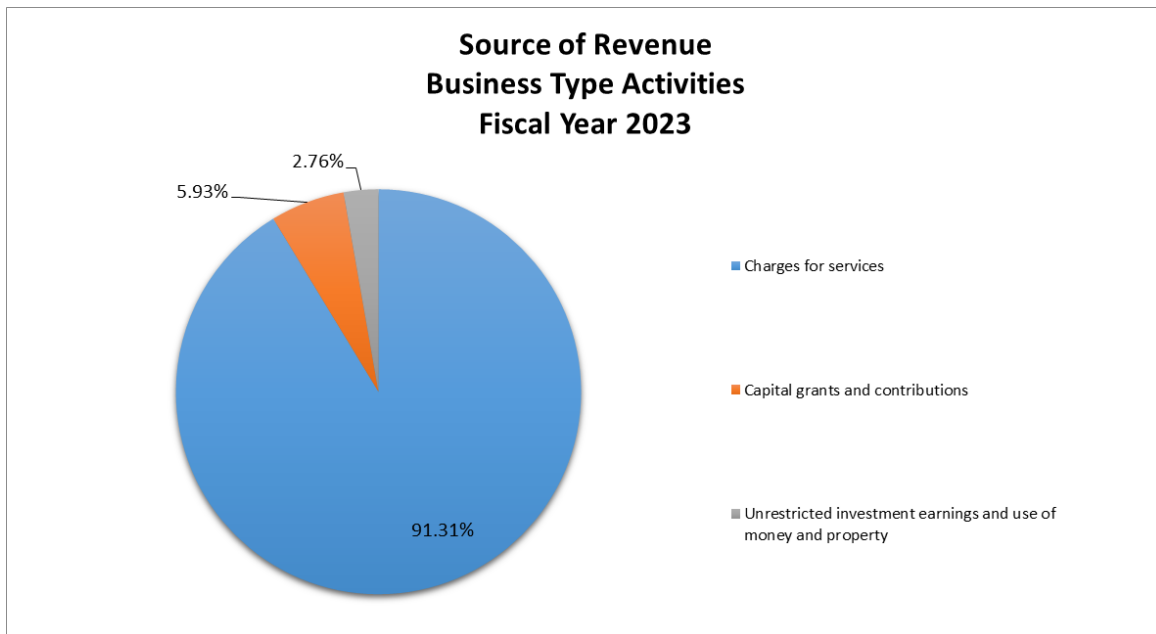
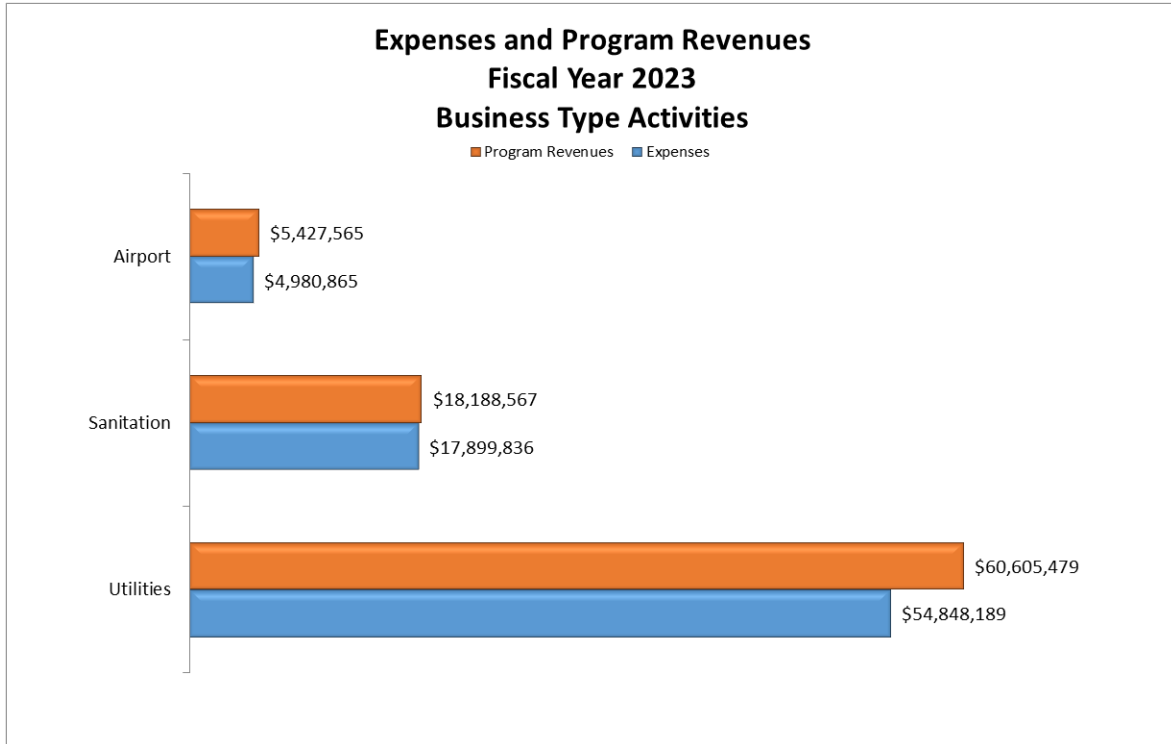
Expenses and Program Revenues Fiscal Year 2023 Governmental Activities



Source of Revenue Governmental Activities Fiscal Year 2023



Business-type Activities: Net Position from business-type activities increased by \$8,890,663. This increase was primarily due to increased capital assets related to the Airport and Water Utilities Fund.



The following table provides a summary of the City's operations for the year ended September 30, 2023 with comparative totals for the year ended September 30, 2022.

CITY OF TYLER'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$16,567,263	\$15,632,970	\$79,089,178	\$67,843,449	\$95,656,441	\$83,476,419
Operating grants and contributions	17,161,327	34,247,902	-	-	17,161,327	34,247,902
Capital grants and contributions	582,190	354,955	5,132,433	2,839,431	5,714,623	3,194,386
General revenues:						
Property taxes	27,403,562	25,387,943	-	-	27,403,562	25,387,943
Franchise taxes	11,462,535	11,243,225	-	-	11,462,535	11,243,225
Sales and use taxes	66,519,588	62,847,166	-	-	66,519,588	62,847,166
Investment earnings and use of money and property	3,372,781	829,440	2,392,860	2,461,694	5,765,641	3,291,134
Gain on sale of assets	189,360	646,760	-	-	189,360	646,760
Donations	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	143,258,606	151,190,361	86,614,471	73,144,574	229,873,077	224,334,935
Expenses:						
General government	13,865,317	27,066,638	-	-	13,865,317	27,066,638
Public safety	59,232,613	47,800,696	-	-	59,232,613	47,800,696
Streets	15,093,538	12,417,649	-	-	15,093,538	12,417,649
Public services	20,597,159	18,045,764	-	-	20,597,159	18,045,764
Culture and recreation	11,081,250	9,554,147	-	-	11,081,250	9,554,147
Interest on long-term debt	275,485	3,850,936	-	-	275,485	3,850,936
Water and sewer	-	-	54,848,189	50,266,374	54,848,189	50,266,374
Sanitation	-	-	17,899,836	15,083,456	17,899,836	15,083,456
Airport	-	-	4,980,865	5,192,442	4,980,865	5,192,442
Total Expenses	120,145,362	118,735,830	77,728,890	70,542,272	197,874,252	189,278,102
Increases (decreases) in net position before transfers	23,113,244	32,454,531	8,885,581	2,602,302	31,998,825	35,056,833
Transfers	(5,082)	744,035	5,082	(744,035)	-	-
Change in net position	23,108,162	33,198,566	8,890,663	1,858,267	31,998,825	35,056,833
Net position – October 1	313,265,940	280,067,374	256,735,949	254,877,682	570,001,889	534,945,056
Prior Period Adjustment	-	-	-	-	-	-
Net position – September 30	\$ 336,374,102	\$ 313,265,940	\$ 265,626,612	\$ 256,735,949	\$ 602,000,714	\$ 570,001,889

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds - The focus of the City of Tyler's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may be a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Tyler's governmental funds reported combined ending fund balances of \$78,028,759. Approximately 17% of this total amount, \$12,974,604, constitutes an unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been restricted or assigned for the following: 1) to pay for capital projects, \$35,050,589; 2) to pay for the perpetual care of city cemeteries, \$3,323,804; 3) to purchase items restricted under grant and donation terms, \$20,506,999; 4) to purchase items restricted under tourism and conventions, \$1,457,977 and 5) to pay for other miscellaneous restrictions, \$4,714,786. The City of Tyler also self-imposes an operating designation in the general fund equivalent to approximately 15 percent of total expenditures, \$13,484,882.

In the general fund, the City's original budget planned to increase the fund balance on a budget basis by \$883,591. Additional amendments were made to fund various expenses required for operations for a net budgeted decrease in the fund balance of \$3,300,532. Due to revenue and expenditure budget variances, the actual net increase in fund balance for fiscal year 2023 was \$2,404,637. Capital Projects Half Cent Sales Tax Fund balance increased in 2023 by \$5,027,858. Other non-major governmental fund balances decreased in 2023 by \$4,396,125, from \$19,027,958 to \$14,631,833.

Proprietary funds - The City's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the respective proprietary funds are Utilities - \$7,981,855, Sanitation - \$(1,662,850) and Airport - \$379,875. The following funds had a net position increase/(decrease) in 2023 as follows: Utilities \$5,538,499, Sanitation \$(706,722), and Airport- \$1,873,206.

General Fund Budgetary Highlights - The City revised the original budget appropriations approved by the City Council. Overall, these changes resulted in increased budgeted appropriations of \$4,184,123.

Actual revenues were above the final budgeted amounts by a total of \$2,714,661. Actual expenditures including transfers were under the final budgeted amounts by a total of \$2,990,568.

CAPITAL ASSETS

The City of Tyler's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$692,755,758 (net of accumulated depreciation). This investment in capital assets includes land, water rights, buildings, equipment, improvements, infrastructure, and construction in progress. The total net increase in capital assets for the current fiscal year was \$51,055,134.

Major capital asset events during the current fiscal year included the following:

- \$ 9,466,276 Roadway improvement projects
- \$ 5,138,084 Airport capital projects
- \$39,516,513 Water and Sewer capital projects
- \$ 9,101,888 Rose Complex Convention Center
- \$ 3,056,969 Drainage Capital Projects

	Capital Assets at Year End Net of Accumulated Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$17,309,365	\$17,138,642	\$12,073,047	\$12,063,799	\$29,382,412	\$29,202,441
Water rights	-	-	12,526,700	12,526,700	12,526,700	12,526,700
Building	40,642,396	49,241,223	23,720,063	24,979,091	64,362,459	74,220,314
Improvements	36,124,133	38,408,886	292,511,953	259,941,775	328,636,086	298,350,661
Machinery & equipment	25,521,953	22,144,980	6,851,004	6,343,325	32,372,957	28,488,305
Infrastructure	137,509,165	140,490,558	15,496,769	15,953,386	153,005,934	156,443,944
Right-to-use lease assets	671,802	833,394	-	-	671,802	833,394
Subscription Assets	907,456	-	-	-	907,456	-
Construction in progress	55,299,687	28,682,708	15,590,265	12,952,157	70,889,952	41,634,865
Total	\$313,985,957	\$296,940,391	\$378,769,801	\$344,760,233	\$692,755,758	\$641,700,624

Additional information on the City of Tyler's capital assets can be found in note 4 on page 45-48 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Tyler had a total bonded debt of \$136,535,000 comprised of bonds secured by water and sewer revenues \$127,230,000, airport customer facility revenue \$465,000, and hotel bond revenue \$8,840,000.

	Outstanding Debt at Year End Bonds and Notes Payable					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Capital leases	\$718,459	\$893,210	-	-	\$718,459	\$893,210
Subscription Leases	724,258	-	-	-	724,258	-
Revenue bonds payable	-	-	136,535,000	142,680,000	136,535,000	142,680,000
Total	1,442,717	\$893,210	\$136,535,000	\$142,680,000	\$137,977,717	\$143,573,210

During the fiscal year, the City's revenue bond debt decreased by \$6,145,000 or (4.3) %.

The City's General Obligation and Revenue Bond ratings are listed below.

	Standard & Poor's
General Obligation Bonds	AAA
Revenue Bonds	AA+
Revenue Bonds (Rose Complex)	A+

Please see note 4 on page 49 to explain reserve requirements for the City of Tyler. State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of Tyler is \$1,094,882,883. The City of Tyler has no outstanding general obligation bond debt.

Additional information on the City of Tyler's long term-debt can be found in note 4 on pages 49-50 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for the City of Tyler is currently 3.3%, which is a decrease from 0.9% a year ago. This compares to the state's average unemployment rate of 3.9% and the national average of 3.7%.
- Sales tax receipt growth over a ten-year average increased slightly to 5.29%. Property values have grown at an average of 4.84% over the last ten years. Growth in values includes new and existing values.

All of these factors were considered in preparing the budget for the fiscal year 2023-2024 and the City of Tyler anticipates that total net position will remain at similar levels by September 30, 2024.

REQUEST FOR INFORMATION

The financial report is designed to give our citizens, customers, investors, and creditors a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance, Attn: Chief Financial Officer at P.O. Box 2039, Tyler, Texas 75710, call (903) 531-1138, or email cfo@tylertexas.com.



BASIC FINANCIAL STATEMENTS

**CITY OF TYLER, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

EXHIBIT 1

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 51,282,476	\$ 19,469,966	\$ 70,752,442
Receivables (net of allowance for doubtful accounts)	29,580,936	12,991,001	42,571,937
Internal balances	3,494,706	(3,494,706)	-
Inventories	383,394	1,600,833	1,984,227
Prepaid items	2,092,832	61,970	2,154,802
Restricted Assets:			
Temporarily restricted			
Cash and cash equivalents	49,861,331	17,105,956	66,967,287
Permanently restricted			
Cash and cash equivalents	3,306,701	-	3,306,701
Lease receivable	123,214	105,693	228,907
Investment in joint venture	4,058,576	-	4,058,576
Capital assets not being depreciated:			
Land	17,309,365	12,073,047	29,382,412
Water rights	-	12,526,700	12,526,700
Construction in progress	55,299,687	15,590,265	70,889,952
Capital Assets net of accumulated depreciation:			
Buildings	40,642,396	23,720,063	64,362,459
Improvements, other than buildings	36,124,133	292,511,953	328,636,086
Machinery and equipment	25,521,953	6,851,004	32,372,957
Infrastructure	137,509,165	15,496,769	153,005,934
Right-to-use lease assets	671,802	-	671,802
Subscription assets (SBITA)	907,456	-	907,456
Total assets	<u>458,170,123</u>	<u>426,610,514</u>	<u>884,780,637</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	52,599,733	11,672,563	64,272,296
Deferred outflows related to OPEB	5,175,761	1,978,764	7,154,525
Total deferred outflows of resources	<u>57,775,494</u>	<u>13,651,327</u>	<u>71,426,821</u>
LIABILITIES			
Accounts payable	9,568,689	9,809,759	19,378,448
Deposits and other refundable balances	2,365,268	98,803	2,464,071
Insurance claims payable	1,297,275	-	1,297,275
Accrued interest payable	30,135	385,099	415,234
Unearned revenues	17,743,791	-	17,743,791
Non-current liabilities:			
Due within one year	1,742,228	6,153,686	7,895,914
Due in more than one year	126,708,563	152,437,531	279,146,094
Total liabilities	<u>159,455,949</u>	<u>168,884,878</u>	<u>328,340,827</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	122,189	100,348	222,537
Deferred inflows related to OPEB	5,665,916	877,502	6,543,418
Deferred inflows related to pensions	14,327,461	4,772,501	19,099,962
Total deferred inflows of resources	<u>20,115,566</u>	<u>5,750,351</u>	<u>25,865,917</u>
NET POSITION			
Net investment in capital assets	302,282,138	243,814,226	546,096,364
Restricted for:			
Perpetual care - nonexpendable	3,323,804	-	3,323,804
Storm water management	-	2,082,767	2,082,767
Public Safety	813,045	-	813,045
Capital improvements	1,399,525	-	1,399,525
Tourism and convention	1,107,720	-	1,107,720
Donor restrictions	1,101,004	-	1,101,004
Capital projects	29,798,945	8,276,596	38,075,541
Airport improvements	406,483	-	406,483
Communications	1,286,454	-	1,286,454
Housing assistance	1,213,052	-	1,213,052
Grant restrictions	472,029	-	472,029
COVID fiscal recovery	17,720,914	-	17,720,914
Debt service	3,763	6,361,494	6,365,257
Unrestricted	<u>(24,554,774)</u>	<u>5,091,529</u>	<u>(19,463,245)</u>
Total net position	<u>\$ 336,374,102</u>	<u>\$ 265,626,612</u>	<u>\$ 602,000,714</u>

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

**CITY OF TYLER, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Governmental activities:							
General government	\$ 13,865,317	\$ 5,625,573	\$ 53,402	\$ -	\$ (8,186,342)	\$ -	\$ (8,186,342)
Public safety	59,232,613	5,628,794	839,318	582,190	(52,182,311)	-	(52,182,311)
Highways and streets	15,093,538	-	-	-	(15,093,538)	-	(15,093,538)
Public services	20,597,159	3,088,347	16,268,607	-	(1,240,205)	-	(1,240,205)
Culture and recreation	11,081,250	2,224,549	-	-	(8,856,701)	-	(8,856,701)
Interest on long term debt	275,485	-	-	-	(275,485)	-	(275,485)
Total governmental activities	<u>120,145,362</u>	<u>16,567,263</u>	<u>17,161,327</u>	<u>582,190</u>	<u>(85,834,582)</u>	<u>-</u>	<u>(85,834,582)</u>
Business-type activities:							
Utilities	54,848,189	60,605,479	-	-	-	5,757,290	5,757,290
Sanitation	17,899,836	18,188,567	-	-	-	288,731	288,731
Airport	4,980,865	295,132	-	5,132,433	-	446,700	446,700
Total business-type activities	<u>77,728,890</u>	<u>79,089,178</u>	<u>-</u>	<u>5,132,433</u>	<u>-</u>	<u>6,492,721</u>	<u>6,492,721</u>
Total primary government	<u>\$ 197,874,252</u>	<u>\$ 95,656,441</u>	<u>\$ 17,161,327</u>	<u>\$ 5,714,623</u>	<u>(85,834,582)</u>	<u>6,492,721</u>	<u>(79,341,861)</u>
General revenues:							
Property taxes					27,403,562	-	27,403,562
Franchise taxes					11,462,535	-	11,462,535
Sales and use taxes					66,519,588	-	66,519,588
Unrestricted investment earnings and use of money and property					3,372,781	2,392,860	5,765,641
Gain (loss) on sale of assets					189,360	-	189,360
Transfers					(5,082)	5,082	-
Total general revenues and transfers					<u>108,942,744</u>	<u>2,397,942</u>	<u>111,340,686</u>
Change in net position					23,108,162	8,890,663	31,998,825
Net position - beginning of year					<u>313,265,940</u>	<u>256,735,949</u>	<u>570,001,889</u>
Net position - end of year					<u>\$ 336,374,102</u>	<u>\$ 265,626,612</u>	<u>\$ 602,000,714</u>

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

**CITY OF TYLER, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	MAJOR FUNDS		OTHER NON-MAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL
	GENERAL	ONE-HALF CENT SALES TAX	FUNDS	FUNDS
ASSETS				
Cash and cash equivalents	\$ 26,439,981	\$ -	\$ 8,334,542	\$ 34,774,523
Receivables (net of allowance for doubtful accounts) :				
Property taxes	765,979	-	-	765,979
Other	22,401,955	3,606,517	1,869,126	27,877,598
Due from other funds	3,043,055	-	-	3,043,055
Inventories	71,734	-	4,450	76,184
Prepaid items	119,128	687,847	8,902	815,877
Cash and cash equivalents - restricted	17,720,914	28,745,143	6,701,975	53,168,032
Total assets	\$ 70,562,746	\$ 33,039,507	\$ 16,918,995	\$ 120,521,248
LIABILITIES				
Accounts payable	\$ 3,812,257	\$ 3,240,432	\$ 1,647,538	\$ 8,700,227
Deposits and other refundable balances	2,073,286	-	291,982	2,365,268
Other liabilities	-	130	5,202	5,332
Due to other funds	-	-	341,611	341,611
Unearned Revenues	17,742,962	-	829	17,743,791
Total liabilities	23,628,505	3,240,562	2,287,162	29,156,229
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	721,206	-	-	721,206
Unavailable revenue-fines	12,574,941	-	-	12,574,941
Unavailable revenue-permits	40,113	-	-	40,113
Total deferred inflows of resources	13,336,260	-	-	13,336,260
FUND BALANCES				
Nonspendable:				
Inventory	71,734	-	4,450	76,184
Prepaid items	119,128	-	450	119,578
Permanent fund principal	-	-	3,323,804	3,323,804
Restricted for:				
Debt service	-	-	3,763	3,763
Public Safety	-	-	813,045	813,045
Capital improvements	-	-	1,399,525	1,399,525
Tourism and convention	-	-	1,107,720	1,107,720
Donor restrictions	-	-	1,101,004	1,101,004
Capital projects	-	29,798,945	-	29,798,945
Airport improvements	-	-	406,483	406,483
Communications	-	-	1,286,454	1,286,454
Housing assistance	-	-	1,213,052	1,213,052
Grant restrictions	-	-	472,029	472,029
COVID fiscal recovery	17,720,914	-	-	17,720,914
Assigned to:				
Development services	2,415,762	-	-	2,415,762
Capital improvements	-	-	-	-
Capital projects	-	-	3,445,636	3,445,636
Tourism and convention	350,257	-	-	350,257
Unassigned	12,920,186	-	54,418	12,974,604
Total fund balances	33,597,981	29,798,945	14,631,833	78,028,759
Total liabilities, deferred inflows of resources, and fund balances	\$ 70,562,746	\$ 33,039,507	\$ 16,918,995	\$ 120,521,248

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

**CITY OF TYLER, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total fund balances governmental funds (Exhibit 3)	\$ 78,028,759
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	288,410,420
Equity in an affiliated joint venture is included in governmental activities in the statement of net assets.	4,058,576
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	13,336,260
Deferred outflows of funds related to pension and OPEB activities	55,284,396
Deferred inflows of funds related to pension and OPEB activities	(18,962,569)
Net pension and OPEB liabilities reflected under GASB 68 and 75 at year end	(97,876,957)
Internal service funds are used by management to charge the costs of various goods or services provided to other departments or agencies of the City. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets (Net of the amount allocated to business-type activities - \$2,719,682)	39,041,481
Long term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	<u>(24,946,264)</u>
Net position of governmental activities (Exhibit 1)	<u>\$ 336,374,102</u>

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

CITY OF TYLER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	MAJOR FUNDS		OTHER NON-MAJOR GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	ONE-HALF CENT SALES TAX			
REVENUES					
Taxes:					
Property	\$ 27,025,622	\$ -	\$ 307,094	\$ -	\$ 27,332,716
Franchise	11,261,210	-	201,325	-	11,462,535
Sales and use	41,625,717	20,532,756	4,361,115	-	66,519,588
Licenses and permits	2,827,021	-	111,929	-	2,938,950
Fines, forfeitures, and penalties	3,995,667	-	497,775	-	4,493,442
Revenues from use of money or property	2,538,322	1,076,019	468,327	-	4,082,668
Charges for current services	2,778,097	-	1,098,895	-	3,876,992
Revenues from other agencies	862,773	37,764	16,842,980	-	17,743,517
Donations	-	-	755,453	-	755,453
Miscellaneous	988,536	117,392	583,498	-	1,689,426
Total revenues	<u>93,902,965</u>	<u>21,763,931</u>	<u>25,228,391</u>	<u>-</u>	<u>140,895,287</u>
EXPENDITURES					
Current:					
General government	11,226,356	183,750	1,413,365	-	12,823,471
Public safety	58,499,878	-	450,943	-	58,950,821
Public services	3,702,308	63,840	16,410,676	-	20,176,824
Highways and streets	6,371,171	-	-	-	6,371,171
Culture and recreation	9,376,180	-	608,268	-	9,984,448
Capital outlay	723,318	12,932,095	15,115,569	-	28,770,982
Debt service:					
Principal retirement	-	-	230,000	-	230,000
Interest and fiscal charges	-	-	364,055	-	364,055
Total expenditures	<u>89,899,211</u>	<u>13,179,685</u>	<u>34,592,876</u>	<u>-</u>	<u>137,671,772</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,003,754</u>	<u>8,584,246</u>	<u>(9,364,485)</u>	<u>-</u>	<u>3,223,515</u>
OTHER FINANCING SOURCES (USES)					
Other financing - SBITA's	45,548	-	-	-	45,548
Transfers in	2,500,000	-	8,190,730	(697,370)	9,993,360
Transfers out	(4,144,665)	(3,556,388)	(3,222,370)	697,370	(10,226,053)
Total other financing sources (uses)	<u>(1,599,117)</u>	<u>(3,556,388)</u>	<u>4,968,360</u>	<u>-</u>	<u>(187,145)</u>
Net change in fund balances	2,404,637	5,027,858	(4,396,125)	-	3,036,370
Fund balances - beginning of year	<u>31,193,344</u>	<u>24,771,087</u>	<u>19,027,958</u>	<u>-</u>	<u>74,992,389</u>
Fund balances - end of year	<u>\$ 33,597,981</u>	<u>\$ 29,798,945</u>	<u>\$ 14,631,833</u>	<u>\$ -</u>	<u>\$ 78,028,759</u>

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

CITY OF TYLER, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds	\$ 3,036,370
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	12,960,730
The net increase of the equity in investment in an affiliated joint venture is reflected on the statement of activities.	460,937
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	757,222
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The current adjustment reflects a net decrease in the deferral of the revenue.	689,129
The issuance of long-term debt (e.g. capital leases) 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.	362,715
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. This amount reflects the change in the accrued liability for compensated absences, accrued legal expenses, and net pension expense.	2,163,884
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities, net of amount allocated to business-type activities of \$1,780,710	<u>2,677,175</u>
Change in net assets of governmental activities	<u><u>\$ 23,108,162</u></u>

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

**CITY OF TYLER, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Property tax collections	\$ 27,223,265	\$ 27,223,265	\$ 27,025,622	\$ (197,643)
Franchise fees	11,204,758	11,204,758	11,261,210	56,452
Sales and use taxes	39,568,835	39,568,835	41,625,717	2,056,882
Licenses and permits	2,782,863	2,782,863	2,827,021	44,158
Fines, forfeitures, and penalties	3,961,000	3,961,000	3,995,667	34,667
Revenues from use of money or property	1,162,380	1,162,380	2,538,322	1,375,942
Charges for current services	2,700,293	2,966,593	2,778,097	(188,496)
Revenues from other agencies	607,365	1,268,882	862,773	(406,109)
Miscellaneous	1,361,576	1,095,276	1,034,084	(61,192)
Total revenues	90,572,335	91,233,852	93,948,513	2,714,661
EXPENDITURES				
GENERAL GOVERNMENT:				
General Government Services	5,258,369	7,923,779	7,009,402	914,377
Communications	608,367	608,367	592,083	16,284
Finance	1,655,454	1,676,504	1,683,234	(6,730)
Human Resources	648,329	648,329	594,223	54,106
Legal	1,473,172	1,472,672	1,338,656	134,016
Innovation Pipeline	140,659	8,481	8,758	(277)
Total General Government	9,784,350	12,338,132	11,226,356	1,111,776
PUBLIC SAFETY				
Police	33,755,203	33,606,339	33,191,180	415,159
Fire	22,997,223	23,125,003	22,932,303	192,700
Municipal Court	2,383,101	2,383,101	2,164,925	218,176
COPS	191,521	191,521	211,470	(19,949)
Total Public Safety	59,327,048	59,305,964	58,499,878	806,086
PUBLIC SERVICES				
Animal Services	1,500,206	1,478,206	1,423,635	54,571
Planning and Zoning Services	1,035,653	1,035,653	846,843	188,810
Building Services	1,542,582	1,547,089	1,431,830	115,259
Total Public Services	4,078,441	4,060,948	3,702,308	358,640

(Continued)

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

**CITY OF TYLER, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (continued)				
HIGHWAYS AND STREETS				
Engineering	\$ 877,723	\$ 882,723	\$ 769,565	\$ 113,158
Street administration	3,539,271	3,534,271	3,158,556	375,715
Traffic operations	2,736,864	2,736,864	2,443,050	293,814
Total Highways and Streets	<u>7,153,858</u>	<u>7,153,858</u>	<u>6,371,171</u>	<u>782,687</u>
CULTURE AND RECREATION				
Library	2,013,281	2,014,641	1,964,141	50,500
Parks administration	3,120,910	3,129,910	3,071,613	58,297
Indoor recreation	642,030	642,030	670,940	(28,910)
Outdoor recreation	290,921	281,921	289,642	(7,721)
Median maintenance and arborist	474,973	474,973	422,504	52,469
Rose Garden center	391,391	391,391	366,341	25,050
Rose Garden maintenance	610,091	610,091	618,426	(8,335)
Visitor facilities	1,165,574	1,165,574	1,293,512	(127,938)
Main Street	493,829	496,129	456,378	39,751
Liberty Hall	493,699	320,583	222,683	97,900
Total Culture and Recreation	<u>9,696,699</u>	<u>9,527,243</u>	<u>9,376,180</u>	<u>151,063</u>
Capital outlay	<u>236,860</u>	<u>677,567</u>	<u>723,318</u>	<u>(45,751)</u>
Total expenditures	<u>90,277,256</u>	<u>93,063,712</u>	<u>89,899,211</u>	<u>3,164,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>295,079</u>	<u>(1,829,860)</u>	<u>4,049,302</u>	<u>5,879,162</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,500,000	2,500,000	2,500,000	-
Transfers out	(1,911,488)	(3,970,672)	(4,144,665)	(173,993)
Total other financing sources (uses)	<u>588,512</u>	<u>(1,470,672)</u>	<u>(1,644,665)</u>	<u>(173,993)</u>
Net change in fund balance	883,591	(3,300,532)	2,404,637	5,705,169
Fund balance - beginning of year	<u>13,321,493</u>	<u>11,309,242</u>	<u>31,193,344</u>	<u>19,884,102</u>
Fund balance - end of year	<u>\$ 14,205,084</u>	<u>\$ 8,008,710</u>	<u>\$ 33,597,981</u>	<u>\$ 25,589,271</u>

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

**CITY OF TYLER, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023**

EXHIBIT 8

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	UTILITIES	SANITATION	AIRPORT			
ASSETS						
Current assets:						
Unrestricted current assets						
Cash and cash equivalents	\$ 17,755,600	\$ 757,730	\$ 956,636	\$ 19,469,966	\$ 16,507,953	\$ 1,276,955
Prepaid expenses	53,636	8,334	-	61,970	-	-
Accounts receivable (net of allowance for doubtful accounts)	8,168,943	2,518,880	2,280,553	12,968,376	937,359	-
Accrued interest receivable	11,365	5,804	5,456	22,625	-	-
Inventories - at average cost	1,600,833	-	-	1,600,833	307,210	-
Lease receivable	18,899	-	-	18,899	4,691	-
Total unrestricted current assets	<u>27,609,276</u>	<u>3,290,748</u>	<u>3,242,645</u>	<u>34,142,669</u>	<u>19,034,168</u>	<u>-</u>
Restricted Current assets:						
Temporarily restricted:						
Cash and cash equivalents for payment of current maturities of revenue bond principal and interest	6,642,413	-	104,180	6,746,593	-	-
Total restricted current assets	<u>6,642,413</u>	<u>-</u>	<u>104,180</u>	<u>6,746,593</u>	<u>-</u>	<u>-</u>
Total current assets	<u>34,251,689</u>	<u>3,290,748</u>	<u>3,346,825</u>	<u>40,889,262</u>	<u>19,034,168</u>	<u>-</u>
Noncurrent assets:						
Restricted assets:						
Temporarily restricted						
Cash and cash equivalents	9,850,155	509,208	-	10,359,363	-	-
Total restricted assets	<u>9,850,155</u>	<u>509,208</u>	<u>-</u>	<u>10,359,363</u>	<u>-</u>	<u>-</u>
Lease receivable	86,794	-	-	86,794	118,523	-
Capital assets:						
Land	6,842,055	3,285,312	1,945,680	12,073,047	274,972	-
Construction in progress	9,324,304	54,280	6,211,681	15,590,265	361,235	-
Water rights	12,526,700	-	-	12,526,700	-	-
Buildings and infrastructure	41,380,122	727,319	42,144,225	84,251,666	2,246,833	-
Improvements other than buildings	373,886,198	605,496	81,657,912	456,149,606	2,524,359	-
Machinery and equipment	8,177,930	9,396,068	2,380,868	19,954,866	59,094,397	-
Subscription asset	-	-	-	-	1,421,205	-
Right-to-use lease asset	-	-	-	-	1,009,016	-
Less accumulated depreciation	(178,342,707)	(6,958,121)	(36,475,521)	(221,776,349)	(41,356,480)	-
Total capital assets net of accumulated depreciation	<u>273,794,602</u>	<u>7,110,354</u>	<u>97,864,845</u>	<u>378,769,801</u>	<u>25,575,537</u>	<u>-</u>
Total noncurrent assets	<u>283,731,551</u>	<u>7,619,562</u>	<u>97,864,845</u>	<u>389,215,958</u>	<u>25,694,060</u>	<u>-</u>
Total assets	<u>317,983,240</u>	<u>10,910,310</u>	<u>101,211,670</u>	<u>430,105,220</u>	<u>44,728,228</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	8,012,916	3,199,980	459,667	11,672,563	2,130,272	-
Deferred outflows related to OPEB	1,358,396	542,384	77,984	1,978,764	360,826	-
Total deferred outflows of resources	<u>9,371,312</u>	<u>3,742,364</u>	<u>537,651</u>	<u>13,651,327</u>	<u>2,491,098</u>	<u>-</u>
LIABILITIES						
Current liabilities:						
Unrestricted current liabilities:						
Accounts and contracts payable	8,787,012	658,536	364,211	9,809,759	863,130	-
Due to other funds	-	-	1,887,355	1,887,355	814,089	-
Insurance claims payable	-	-	-	-	1,297,275	-
Current portion of lease liability	-	-	-	-	193,458	-
Current portion of compensated absences payable	26,375	10,971	1,340	38,686	12,096	-
Current portion of SBITA payable	-	-	-	-	547,817	-
Total unrestricted current liabilities	<u>8,813,387</u>	<u>669,507</u>	<u>2,252,906</u>	<u>11,735,800</u>	<u>3,727,865</u>	<u>-</u>
Current liabilities payable from restricted assets:						
Revenue bonds payable	6,030,000	-	85,000	6,115,000	-	-
Customer deposits	98,803	-	-	98,803	-	-
Accrued interest	385,099	-	-	385,099	30,135	-
Total current liabilities payable from restricted assets	<u>6,513,902</u>	<u>-</u>	<u>85,000</u>	<u>6,598,902</u>	<u>30,135</u>	<u>-</u>
Total current liabilities	<u>15,327,289</u>	<u>669,507</u>	<u>2,337,906</u>	<u>18,334,702</u>	<u>3,758,000</u>	<u>-</u>
Noncurrent liabilities:						
Revenue bonds payable (net)	128,460,575	-	380,000	128,840,575	-	-
Lease liability	-	-	-	-	362,815	-
SBITA payable	-	-	-	-	84,510	-
Net pension obligation	13,313,747	5,316,881	763,753	19,394,381	3,539,526	-
Net OPEB obligation	2,247,622	897,436	129,034	3,274,092	597,031	-
Compensated absences	633,010	263,309	32,164	928,483	290,317	-
Total noncurrent liabilities	<u>144,654,954</u>	<u>6,477,626</u>	<u>1,304,951</u>	<u>152,437,531</u>	<u>4,874,199</u>	<u>-</u>
Total liabilities	<u>159,982,243</u>	<u>7,147,133</u>	<u>3,642,857</u>	<u>170,772,233</u>	<u>8,632,199</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to OPEB	198,383	593,749	85,370	877,502	394,997	-
Deferred inflows related to pensions	3,680,227	955,080	137,194	4,772,501	635,811	-
Deferred inflows related to leases	100,348	-	-	100,348	122,189	-
Total deferred inflows of resources	<u>3,978,958</u>	<u>1,548,829</u>	<u>222,564</u>	<u>5,750,351</u>	<u>1,152,997</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	139,304,027	7,110,354	97,399,845	243,814,226	24,386,937	-
Restricted for:						
Debt service	6,257,314	-	104,180	6,361,494	-	-
Storm water management	2,082,767	-	-	2,082,767	-	-
Capital projects	7,767,388	509,208	-	8,276,596	-	-
Unrestricted	7,981,855	(1,662,850)	379,875	6,698,880	13,047,193	-
Total net position	<u>\$ 163,393,351</u>	<u>\$ 5,956,712</u>	<u>\$ 97,883,900</u>	<u>\$ 267,233,963</u>	<u>\$ 37,434,130</u>	<u>\$ -</u>
Reconciliation to government-wide statements of net assets:						
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						
			Prior years	(3,793,031)		
			Current year	2,185,680		
Net position of business-type activities				<u>\$ 265,626,612</u>		

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

CITY OF TYLER, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	BUSINESS-TYPE ACTIVITIES			TOTAL ENTERPRISE FUNDS	GOVERNMENTAL
	ENTERPRISE FUNDS				ACTIVITIES
	UTILITIES	SANITATION	AIRPORT		INTERNAL SERVICE FUNDS
OPERATING REVENUES					
Water and sewer operations	\$ 53,308,796	\$ -	\$ -	\$ 53,308,796	\$ -
Trash and garbage	-	17,136,236	-	17,136,236	-
Airport services	-	-	239,654	239,654	-
Charges for services	-	-	-	-	25,780,707
Contributions	-	-	-	-	13,101,363
Miscellaneous	6,115,124	83,287	20,401	6,218,812	9,462,908
Total operating revenues	<u>59,423,920</u>	<u>17,219,523</u>	<u>260,055</u>	<u>76,903,498</u>	<u>48,344,978</u>
OPERATING EXPENSES					
Water and sewer operations	40,766,092	-	-	40,766,092	-
Sanitation operations	-	17,308,371	-	17,308,371	-
Municipal Airport operations	-	-	1,625,979	1,625,979	-
Garage operations	-	-	-	-	8,580,511
Depreciation	10,088,026	591,465	3,334,206	14,013,697	5,254,108
Insurance claims	-	-	-	-	18,554,279
Administrative	-	-	-	-	8,856,531
Special services	-	-	-	-	2,286,196
Maintenance	-	-	-	-	483,213
Total operating expenses	<u>50,854,118</u>	<u>17,899,836</u>	<u>4,960,185</u>	<u>73,714,139</u>	<u>44,014,838</u>
Operating income (loss)	<u>8,569,802</u>	<u>(680,313)</u>	<u>(4,700,130)</u>	<u>3,189,359</u>	<u>4,330,140</u>
NON-OPERATING REVENUES (EXPENSES)					
Revenues from use of money and property	1,188,421	49,244	1,155,195	2,392,860	556,525
Gain (loss) on sale of assets	-	-	-	-	(207,276)
Interest expense	(3,994,071)	-	(20,680)	(4,014,751)	(44,145)
Total non-operating revenues (expenses)	<u>(2,805,650)</u>	<u>49,244</u>	<u>1,134,515</u>	<u>(1,621,891)</u>	<u>305,104</u>
Income (loss) before capital contributions and transfers	<u>5,764,152</u>	<u>(631,069)</u>	<u>(3,565,615)</u>	<u>1,567,468</u>	<u>4,635,244</u>
Capital contributions	-	-	5,132,433	5,132,433	-
Transfers in	-	-	306,388	306,388	227,611
Transfers out	(225,653)	(75,653)	-	(301,306)	-
Net transfers and capital contributions	<u>(225,653)</u>	<u>(75,653)</u>	<u>5,438,821</u>	<u>5,137,515</u>	<u>227,611</u>
Change in net position	5,538,499	(706,722)	1,873,206	6,704,983	4,862,855
Net position - beginning of year	<u>157,854,852</u>	<u>6,663,434</u>	<u>96,010,694</u>		<u>32,571,275</u>
Net position - end of year	<u>\$ 163,393,351</u>	<u>\$ 5,956,712</u>	<u>\$ 97,883,900</u>		<u>\$ 37,434,130</u>
Reconciliation to government-wide statements of net assets					
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				<u>2,185,680</u>	
Change in net position of business-type activities				<u>\$ 8,890,663</u>	

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

CITY OF TYLER, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL
	ENTERPRISE FUNDS				ACTIVITIES
	UTILITIES	SANITATION	AIRPORT	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 58,046,207	\$ 17,169,267	\$ 260,055	\$ 75,475,529	\$ 47,491,567
Cash paid to suppliers for goods and services	(26,038,240)	(11,334,207)	(780,971)	(38,153,418)	(18,994,779)
Cash paid to employees for services	(13,071,804)	(5,611,226)	(952,068)	(19,635,098)	(3,649,795)
Insurance claims paid	-	-	-	-	(18,365,212)
Net cash provided by (used in) operating activities	<u>18,936,163</u>	<u>223,834</u>	<u>(1,472,984)</u>	<u>17,687,013</u>	<u>6,481,781</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Advances from/ (to) other funds	-	-	211,160	211,160	814,089
Transfers in from other funds	-	-	306,388	306,388	227,611
Transfers out to other funds	(225,653)	(75,653)	-	(301,306)	-
Net cash (used in) provided by non-capital financing activities	<u>(225,653)</u>	<u>(75,653)</u>	<u>517,548</u>	<u>216,242</u>	<u>1,041,700</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(43,232,504)	(434,812)	(4,977,050)	(48,644,366)	(8,714,402)
Proceeds from grants for capital purposes	-	-	5,176,646	5,176,646	-
Payments on subscription (SBITA) liabilities	-	-	-	-	(791,765)
Proceeds from sale of assets	-	-	-	-	560,163
Payments on debt and lease liabilities	(5,830,000)	-	(85,000)	(5,915,000)	(190,220)
Interest paid	(2,339,332)	-	(20,680)	(2,360,012)	(37,738)
Net cash provided by (used in) capital and related financing activities	<u>(51,401,836)</u>	<u>(434,812)</u>	<u>93,916</u>	<u>(51,742,732)</u>	<u>(9,173,962)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends on investments	1,188,421	49,244	1,155,195	2,392,860	556,525
Net cash (used in) provided by investing activities	<u>1,188,421</u>	<u>49,244</u>	<u>1,155,195</u>	<u>2,392,860</u>	<u>556,525</u>
Net increase (decrease) in cash and cash equivalents	(31,502,905)	(237,387)	293,675	(31,446,617)	(1,093,956)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>65,751,073</u>	<u>1,504,325</u>	<u>767,141</u>	<u>68,022,539</u>	<u>17,601,909</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 34,248,168</u>	<u>\$ 1,266,938</u>	<u>\$ 1,060,816</u>	<u>\$ 36,575,922</u>	<u>\$ 16,507,953</u>
Reconciliation to Exhibit 8:					
Unrestricted cash and cash equivalents	\$ 17,755,600	\$ 757,730	\$ 956,636	\$ 19,469,966	\$ 16,507,953
Restricted cash - current asset	6,642,413	-	104,180	6,746,593	-
Restricted cash - noncurrent asset	9,850,155	509,208	-	10,359,363	-
Total Cash and Cash Equivalents at End of Year	<u>\$ 34,248,168</u>	<u>\$ 1,266,938</u>	<u>\$ 1,060,816</u>	<u>\$ 36,575,922</u>	<u>\$ 16,507,953</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 8,569,802	\$ (680,313)	\$ (4,700,130)	\$ 3,189,359	\$ 4,330,140
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	10,088,026	591,465	3,334,206	14,013,697	5,254,108
(Increase) decrease in accounts receivable	(1,384,743)	(50,256)	-	(1,434,999)	(762,333)
(Increase) decrease in prepaid expenses	(8,027)	8,849	-	822	(1,203,317)
(Increase) decrease in inventories	(403,307)	-	-	(403,307)	47,076
(Increase) decrease in net pension asset	-	-	-	-	24,190
(Increase) decrease in deferred outflows related to pensions	(7,810,359)	(2,967,538)	(382,845)	(11,160,742)	(1,888,768)
(Increase) decrease in deferred outflows related to OPEB	(1,164,102)	(473,001)	(67,495)	(1,704,598)	(552,503)
Increase (decrease) in accounts payable	259,782	44,773	(13,273)	291,282	(860,127)
Increase (decrease) in claims payable	-	-	-	-	(390,955)
Increase (decrease) in accrued interest payable	-	-	-	-	-
Increase (decrease) in customer deposits	30,280	-	-	30,280	-
Increase (decrease) in compensated absences payable	(38,412)	(9,495)	(6,948)	(54,855)	(6,641)
Increase (decrease) in post employment benefits liability	361,875	16,755	(18,536)	360,094	60,273
Increase (decrease) in deferred inflows related to pensions	2,114,004	314,830	51,420	2,480,254	301,341
Increase (decrease) in deferred inflows related to OPEB	(1,584,035)	(118,334)	(7,841)	(1,710,210)	98,217
Increase (decrease) in net pension obligation	9,905,379	3,546,099	338,458	13,789,936	2,031,080
Total adjustments	<u>10,366,361</u>	<u>904,147</u>	<u>3,227,146</u>	<u>14,497,654</u>	<u>2,151,641</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 18,936,163</u>	<u>\$ 223,834</u>	<u>\$ (1,472,984)</u>	<u>\$ 17,687,013</u>	<u>\$ 6,481,781</u>

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

**CITY OF TYLER, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023**

	<u>EMPLOYEE BENEFIT TRUST FUNDS</u>	<u>PRIVATE- PURPOSE TRUST FUNDS</u>
ASSETS		
Equity in pooled cash	\$ 2,589,910	\$ 3,091,783
Investments, at fair value		
Equities	47,459,431	84,101
Mutual funds	46,864,084	-
Total investments	<u>94,323,515</u>	<u>84,101</u>
Receivables		
Contributions receivable	194,206	-
Interest receivable	70,088	15,879
Total receivables	<u>264,294</u>	<u>15,879</u>
Total assets	<u>97,177,719</u>	<u>3,191,763</u>
LIABILITIES		
Accounts payable	<u>1,106,369</u>	-
Total liabilities	<u>1,106,369</u>	-
NET POSITION		
Held in trust for OPEB benefits	18,540,195	-
Restricted for pensions	77,234,598	-
Held in trust for other purposes	296,557	3,191,763
Total net position held in trust for pension/OPEB benefits and other purposes	<u>\$ 96,071,350</u>	<u>\$ 3,191,763</u>

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

CITY OF TYLER, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	EMPLOYEE BENEFIT TRUST FUNDS	PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS		
Contributions:		
Employees	\$ 2,130,873	\$ -
Employer	6,409,214	-
Other	-	36,000
Total contributions	<u>8,540,087</u>	<u>36,000</u>
Investment income:		
Interest and dividend income	3,792,706	114,389
Net depreciation in fair value of investments	5,056,825	7,871
Less investment expense	(334,744)	(3,215)
Total investment income	<u>8,514,787</u>	<u>119,045</u>
Other income	<u>1,106,987</u>	-
Total additions	<u>18,161,861</u>	<u>155,045</u>
DEDUCTIONS		
Reimbursement for benefit claims	1,422,061	-
Benefits	<u>6,587,010</u>	-
Total deductions	<u>8,009,071</u>	-
Change in net position	10,152,790	155,045
Net position - beginning of year	<u>85,918,560</u>	<u>3,036,718</u>
Net position - end of year	<u>\$ 96,071,350</u>	<u>\$ 3,191,763</u>

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Tyler, Texas (City) was incorporated on January 29, 1850. The City Charter was adopted February 9, 1937. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health and social services, culture-recreation, public transportation, public improvements, planning and zoning, and general administrative services.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting practices generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governments Units and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the City are described below.

B. Blended Component Unit

The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue in their own name)
- the City holds the corporate powers of the organization.
- the City appoints a voting majority of the organization's board.
- the City is able to impose its will on the organization.
- the organization has the potential to impose a financial benefit/burden on the City.
- there is fiscal dependency by the organization on the City.

Based upon the aforementioned criteria, the City has two component units.

The Tyler One-Half Cent Sales Tax Corporation, Inc.

The Tyler One-Half Cent Sales Tax Corporation, Inc. was formed in 1996, and is governed by a seven-member board of directors. Each member of the City Council and the Mayor may nominate one member. Directors are appointed for a two-year term and are removable by the City Council at any time without cause. For financial reporting purposes, the Tyler One-Half Cent Sales Tax Corporation, Inc. has been presented as a blended component unit of the City. It is reported as a Capital Projects Fund, because its purpose is to account for construction activities funded by the revenues generated by the one-half cent sales tax. The Tyler One-Half Cent Sales Tax Corporation, Inc. does not issue separate financial statements. The City uses the proceeds of the one-half cent sales tax to pay for infrastructure, thereby removing the need for debt financing of such improvements, which has resulted in the elimination of general obligation indebtedness and has enabled the City to reduce its property tax rate.

Tyler Fire Department Relief and Retirement Fund

The City's fire department employees participate in the Tyler Fire Department Relief and Retirement Fund (TFDRRF). TFDRRF functions for the benefit of these employees and is governed by a pension board. The City and TFDRRF participants are obligated to fund all TFDRRF costs based upon actuarial valuations. The City is authorized to approve the actuarial assumptions used in the determination of contribution levels. For financial reporting purposes, TFDRRF is reported if it were a part of the City's operations as a fiduciary fund, and therefore is not included in the government wide financial statements. TFDRRF's fiscal year-end is December 31 but the information reported corresponds with the City's September 30, 2023 reporting period. Financial statements of TFDRRF can be obtained directly from the FIRE Pension Board, 1520 West Front St., Tyler, Texas 75702.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government. 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 function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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 levied. 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues, except grants and similar items, to be available if they are collected within 60 days of the end of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is susceptible to accrual as revenue of the current period. All other revenue items are measurable when earned.

The government reports the following major governmental 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 another fund.

The One-Half Cent Sales Tax Fund accounts for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds and Trust Funds.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - continued

The government reports the following major proprietary funds:

The Utilities Fund is used to account for the sale of water and wastewater treatment by the City to businesses and residential customers and to surrounding communities.

The Sanitation Fund accounts for residential and commercial solid waste collection, disposal services, and recycling operations of the City.

The Airport Fund is used to account for operations of the Tyler Pounds Regional Airport.

Additionally, the government reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

The City of Tyler reports the following Internal Service Funds:

1. Productivity Improvement Fund – to track performance pay of City employees. This fund accounts for City University, Lean Six Sigma, and the Internal Audit functions.
2. Fleet Maintenance and Replacement Fund – performs maintenance and repair work on vehicles of all City departments. The fund also acquires vehicles and equipment for use by all City departments.
3. Property and Liability Insurance Funds – accounts for the City’s property, casualty, liability, disability, and workers’ compensation insurance programs.
4. Employee Benefits Fund – accounts for the City’s self-insurance program for health and dental insurance as well as life insurance for current employees.
5. Retiree Benefits Fund – accounts for the City’s self-insurance program for health and dental insurance as well as life insurance for retired employees.
6. Property and Facility Management Fund – accounts for maintenance on City’s facilities including roof and HVAC repairs and replacement.
7. Technology Fund – accounts for the City’s investment and maintenance of technology and office automation.

The City of Tyler reports the following Fiduciary Funds:

The Employee Benefit Trust (Section 125 Plan) Fund is used to account for the resources accumulated and payments made on behalf of the City employees enrolled in the City’s cafeteria plan administered by Health First.

The Other Post Employment Benefit (OPEB) Trust Fund is used to account for the resources accumulated to meet ARC (annual required contributions) and long-term liability requirements associated with administering post-employment health, dental and life benefits for retired employees in accordance with GASB 43 and 45.

The Tyler Fire Department Relief and Retirement Fund is used to account for the resources accumulated to be used for the retirement benefits payments to the members of the fund.

The Greenwood Landfill Private-Purpose Trust Fund is used to accumulate resources held in trust for Allied Waste Management and is used for closure and post-closure expenses of the Greenwood Landfill.

The Lindsey Trust Fund is used to account for the endowment fund created for the charitable purpose of making awards to police officers and firefighters employed by the City of Tyler for outstanding service and providing aid to those injured in the line of duty.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – continued

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are payments-in-lieu of taxes and other charges between the government's water utilities function and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. The principal operating revenues of the City's enterprise funds and of the internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When more than one classification of fund balance is available for use, it is the government's policy to use the most restricted resources first.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Equity in Pooled Cash and Investments

The City classifies certain of its cash, investments, due to, and due from accounts into "equity in pooled cash and investments." Each fund participates on a daily transaction basis and income for all assets included in "pooled cash and investments" is allocated to individual funds based on their respective balance in "equity in pooled cash and investments."

For the statements of cash flows for the Proprietary and Internal Service Funds, the City considers all assets included in "equity in pooled cash and investments" to be "cash and cash equivalents."

2. Investments

Accounting pronouncement Governmental Accounting Standards Board Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, is applied to investments in external investment pools, investments purchased with maturities greater than one-year, mutual funds, and certain investment agreements. Generally, governmental entities are required to report the "fair value" changes for these investments at year-end and record these gains or losses on their income statement. Investments with maturities less than one year at the time of purchase are stated at cost or amortized cost. The fair value of the City's position in these investment pools is the same as the value of the pool shares.

Methods and Assumptions used to Estimate Fair Value

The City maintains investment accounting records and adjusts those records to "fair value" on an annual basis. This information is provided by the City's investment custodian. The investments held by the City are widely traded in the financial markets and trading values are readily available from numerous published sources. Material unrealized gains and losses are recorded on an annual basis and the carrying value of its investments is considered "fair value".

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity – continued

Consistent with GASB Statement 42, *Fair Value Measurement and Application*, the City categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. A detail of the fair value hierarchy of investments held by the City is disclosed in Note 4 to the financial statements.

Investment Pools

The City holds investments in an external investment pool, TexPool.

Texas Local Government Investment Pool (TexPool) was created by the Texas Treasury Safekeeping Trust Company, which was authorized by the Texas Legislature in 1986. Only local governments having contracted to participate in TexPool have an undivided beneficial interest in its pool of assets. TexPool does not place any restrictions such as notice periods or maximum transaction amounts. TexPool is not registered with the Securities and Exchange Commission as an investment company but is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available by request at www.texpool.com.

The investment pool carries investments at amortized cost as the pool meets the requirements of GASB 79, *Certain External Investment Pools and Pool Participants*. The investment pool is priced daily and compared to carrying value. If the ratio of the fair value of the portfolio of investments to the carrying value of investments is less than .995 or greater than 1.005, the investment pool will sell investment securities, as required, to maintain the ratio at a point between .995 and 1.005.

Other

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. The City is authorized by its governing board to invest in the obligations of the United States government, bonds guaranteed by the United States government, certificates of deposit at financial institutions, local government investment pools, direct obligations of the State of Texas, no load government money market mutual funds, and repurchase agreements. Investments are stated at cost or amortized cost.

3. 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 either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The City provides an allowance for doubtful accounts based upon the anticipated collectability of each specific account, as determined by experience. All receivables are shown net of this allowance. A detailed schedule of receivables can be found at Note 4:B.

Property taxes are levied October 1 on the assessed value of property at January 1 and are due by January 31 of the following year. Unpaid taxes attach as an enforceable lien on property as of January 31. Revenue from taxes assessed is recorded as unavailable revenue on October 1. The unavailable revenue from taxes is then recognized as revenue during the year as the taxes are actually received. All delinquent property tax receivables are assets of the General Fund.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity – continued

The City Charter limits the City's ad valorem tax rate to \$1.75 per \$100 of assessed valuation. The tax rate for the year ended September 30, 2023, was \$.261850 per \$100, which means that the City has a tax margin of \$1.4882 per \$100 and could raise up to \$162,746,083 additional taxes a year from the present valuation of \$10,935,766,883 before the limit is reached.

4. Inventories and Prepaid Items

Inventories of materials and supplies are accounted for using the consumption method. Under the consumption method, inventories are recorded as expenditures when they are used with significant amounts on hand reported on the balance sheet at average cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in both the government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

In Governmental Funds, reported inventories and prepaid items do not represent available spendable resources and are, therefore, equally offset by a non-spendable fund balance account.

5. Due from Other Funds

Current portions of long-term interfund loans receivable (reported in "Due from" asset accounts) are considered "available spendable resources."

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. 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 government as assets with an initial, individual cost of more than \$10,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Donated capital assets are recorded at acquisition value. Infrastructure assets are reported retroactively based on estimated historical cost.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	10 to 20
Improvements other than buildings	10 to 50
Public domain infrastructure	15 to 50
Heavy equipment	7 to 10
Small equipment	3 to 7
Vehicles	3 to 5
Computer and other electronic equipment	3 to 5
Office equipment	3

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity – continued

7. Construction-in-Progress

Expenditures on incomplete capital projects have been capitalized as construction-in-progress. The assets resulting from these projects will be transferred from the construction-in-progress accounts to the appropriate asset account as the projects are completed.

8. Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the City recognizes a lease liability and an intangible right-to-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-to-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The City calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of the future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows in a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Remeasurement of lease receivables occurs when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

For lease contracts that are short-term, the City recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

Leases between the Airport and air carriers, Lake Tyler Marina, and other aeronautical users are subject to external laws and regulations. As permitted by GASB Statement No. 87, paragraph 43, the City recognizes inflows of resources based on the payment provisions of the lease contract, and the accounting policies do not apply to certain regulated leases. Additional disclosures regarding regulated leases are in Note 4F.

9. Subscription-Based Information Technology Arrangements – SBITAs

Subscription-based information technology arrangements (SBITAs) are defined by the City as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in exchange or exchange-like transactions. The City recognizes an intangible subscription asset and subscription liability. The subscription liability is measured as the present value of the total subscription payments expected to be made to the vendor during the subscription term. The total future payments are discounted using the interest rate the vendor charges, or if the implicit interest rate is not readily determinable the City uses an estimated incremental borrowing rate. The subscription asset is measured as the initial value of the subscription liability plus and initial capitalized costs and less any vendor incentives received at the commencement of the subscription term.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity – continued

10. Restricted Assets

Certain proceeds of the City’s enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The Utilities Fund is used to report those proceeds of revenue bond issuances that are restricted for use in water and sewer projects. The Utilities Fund is also used to segregate resources accumulated for debt service payments over the life of the bonds. The City also classifies other cash and cash equivalents as restricted because of the restrictions due to enabling legislation and trust agreements established to govern the spending of funds for the permanent care of the City’s cemeteries.

Non-Civil Service Employees

Full-time, permanent, non-civil service employees earn paid time off (PTO), which may be used as vacation, sick time or personal time. The PTO is accrued in hourly increments at the end of each pay period. The total amounts accrued annually depend on the number of years of service with the City. Maximums are from 18 to 24 days. All existing non-civil service employees on January 1, 1999, with accumulated vacation and sick time, were allowed to carryover accrued vacation into the PTO program at a maximum of 240 hours. The employees with accrued sick time were allowed to carryover up to 720 hours, only to be paid after 10 years of service. The employees eligible to receive accrued sick leave balance upon termination would be paid at the pay rate applicable when the PTO program was implemented.

Any non-civil service employees hired after January 1, 1999, were enrolled into the PTO program and may only carryover 30 days of PTO per year. Any amount accrued above the 30 days carryover is lost as of December 31 of that year. Unused PTO up to 30 days will be paid to the employee upon termination at employee’s current pay rate.

Civil Service Employees

Civil service employees are granted vacation and sick time benefits in varying amounts to specified maximums depending on tenure with the City. Civil service employees are 100% vested in both sick time and vacation time at the start of their employment.

Civil and Non-Civil Service Employees

Vested or accumulated vacation leave is recorded as an expense and a liability, as the benefits accrue to employees, in the government-wide, proprietary, and fiduciary fund financial statements. In accordance with the provisions of Governmental Accounting Standards Board Statement No.16, “*Accounting For Compensated Absences*,” no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of cumulative sick leave benefits that it is estimated will be taken as “terminal leave” prior to retirement.

11. Long-Term Obligations

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 statement 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. Bond issuance costs are expensed as incurred.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity – continued

12. Bond Premiums, Discounts, and Issuance Costs

Bond premiums in enterprise funds are amortized over the term of the bonds using the effective interest amortization method. Gains or losses on enterprise fund refunding are reported as deferred inflows or outflows and are amortized over the term of the lessor of the new bonds or the refunded bonds using the effective interest method. Debt issuance costs are recognized as expenditures/expenses when incurred.

13. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. They City has the following items that qualify for reporting in this category:

- Deferred charges on refunding - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – The pension contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year.
- Difference between estimated and actual experience related to – These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- Changes in assumptions related to pensions and OPEB – These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.

In addition to liabilities, the balance sheet and statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Unavailable revenue – This item arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow is reclassified to revenue on the government-wide financial statements.
- Net difference in projected and actual earnings on pension assets and difference between estimated and actual experience related to pensions – These are amortized as a component of pension expense over a closed period of five years.
- Difference between estimated and actual experience related to pensions and OPEB - These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity – continued

- Changes in assumptions related to pensions and OPEB – These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- Deferred inflows of resources related to leases are reported when the City is the lessor. At the commencement of the lease, both a lease receivable and deferred inflow of resources are reported. The deferred inflow of resources is amortized and recognized as inflow of resources (revenue) over the term of the lease.

14. Fund Equity

In the fund financial statements, governmental funds report fund balance categorized as non-spendable, restricted, committed, assigned or unassigned.

Non-spendable fund balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted fund balance – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation.

Committed fund balance – represents amounts that can only be used for specific purposes imposed by an ordinance of the City’s highest level of decision-making authority, the City Council. Committed resources cannot be used for any other purpose unless the City Council removes or changes the specified use by the same type of action previously used to commit those amounts.

Assigned fund balance – represents amounts the City intends to use for the specific purpose as expressed by the City Council. The City Council may also assign fund balance when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget. The amount reflected in the financial statements has been assigned for the purpose intended by the City Council.

Unassigned fund balance – represents the residual classification for the general fund or deficit balances in other funds.

The City’s minimum fund balance policy requires that fund balance shall be maintained at a level of 15 percent of estimated annual operating expenditures for the General Fund and at 15 percent of estimated annual operating expenses in the Utility Fund and Solid Waste Fund.

When an expenditure is incurred for a purpose for which more than one fund balance classification could be used, the City considers the expenditure to be made from the most restrictive classification first.

15. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net invested in capital assets consists of the City’s capital assets, net of accumulated depreciation, reduced by any outstanding debt used for the acquisition or construction of those assets less unspent cash acquired through debt at year-end. Net position reported as restricted are those amounts which have limitations imposed by creditors, grantors or other laws and regulations. The government-wide statement of net position reports \$75,367,595 of restricted net position.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity – continued

In the City's governmental activities, there is a deficit unrestricted net position of \$24,554,774 as a result of long-term liabilities for items such as bonds, compensated absences, net pension liability, and OPEB. Because of the focus on current assets and liabilities, the City's budget is developed to address the needs of current operations. The City plans to fund long-term liabilities in future budgets as those liabilities consume current assets.

16. Tax Abatements

The City has evaluated the total tax abatements issued for the year and has determined that the amount is not material to the financial statements.

17. Pensions and Other Post-Employment Benefits

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, and pension and OPEB expense, information about the fiduciary net position of the City's retirement and OPEB plan and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the fiscal year ending September 30, 2023, the City recognized total pension expense of \$19,654,183, \$13,365,127 of which was for the TMRS Plan and \$6,289,056 for the TFDRRF Plan. For the fiscal year ending September 30, 2022, the City recognized total net OPEB income of \$766,479, income of \$(874,835) of which was for the Health Plan and expense of \$108,356 for the TMRS Supplemental Death Benefit Plan.

18. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

19. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed in Governmental Funds. However, encumbrances in the Governmental Funds lapse at the end of the each year and are re-budgeted during the next fiscal year.

Encumbrance accounting is also employed by Proprietary Funds for management control purposes. Encumbrances outstanding at year-end are not reported as restrictions of net position nor have they been included as expenses or liabilities of Proprietary Funds.

20. Newly Implemented Standards

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement is effective for reporting periods beginning after December 15, 2021. The City is evaluating the impact of this statement on its financial statements.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity – continued

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, which will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement also provides guidance for account and financial reporting for availability payment arrangements (APAs). This statement is effective for fiscal years beginning after June 15, 2022. The City is evaluating the impact of this statement on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Under this statement, a government generally should recognize a right-to-use subscription asset- an intangible asset- and a corresponding subscription liability. This statement is effective for fiscal years beginning after June 15, 2022. The City is evaluating the impact of this statement on its financial statements.

21. Future Implementation of New Standards

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*, which enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. This statement is effective for fiscal years beginning after June 15, 2023. The City is evaluating the impact of this statement on its financial statements.

In June 2022, GASB issues statement No., 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* which defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this statement are effective for reporting periods beginning after June 15, 2023. The City is evaluating the impact of this statement on its financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement under a unified model and by amending previously required disclosures. This statement is effective for fiscal periods beginning after December 31, 2023. The City is evaluating the impact of this statement on its financial statements.

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(24,946,264) difference are as follows:

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets - continued

Claims and judgement	\$ (100,000)
Lease liabilities	(119,450)
SBITA liabilities	(32,548)
Revenue bond	(10,366,221)
Compensation absences	<u>(14,328,045)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (24,946,264)</u>

Another element of that reconciliation states that “Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.” The details of this \$13,336,260 difference are as follows:

Unavailable property tax revenues	\$ 721,206
Unavailable fines	12,574,941
Unavailable permits	<u>40,113</u>
Net adjustment to increase balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 13,336,260</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures”. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this 12,960,730 difference are as follows:

Capital outlay	\$ 26,775,587
Depreciation expense	<u>(13,814,857)</u>
Net adjustment to increase net changes in fund balances - total Governmental funds to arrive at changes in net position of Governmental activities	<u>\$ 12,960,730</u>

NOTE 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTIBILITY

A. Budgetary Information

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

1. After August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in Council chambers at City Hall to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. Budgetary control is established at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Charter prohibits budgeting total proposed expenditures in excess of total anticipated revenues and any unencumbered funds from prior years; therefore, expenditures may not legally exceed revenues and unencumbered fund balances from prior years for each fund.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

A. Budgetary Information - continued

5. Formal budgetary integration is employed as a management control device during the year for the General Fund, certain Special Revenue Funds (Police Forfeiture Fund, Court Special Fee Fund, Hotel-Motel Occupancy Tax Fund, Passenger Facility Charge Fund, PEG Fee Fund, Homeownership and Housing Fund, CDBG Fund, Home Grant Fund, Housing Assistance Payment Fund, Transit System Fund, TIF/TIRZ #3 Fund), Capital Projects Fund, all Enterprise Funds, all Internal Service Funds and Permanent Funds.

Budgets for the General Fund, certain Special Revenue Funds (Police Forfeiture Fund, Court Special Fee Fund, Hotel-Motel Occupancy Tax Fund, Passenger Facility Charge Fund, PEG Fee Fund, Homeownership and Housing Fund, CDBG Fund, Home Grant Fund, Housing Assistance Payment Fund, Transit System Fund, TIF/TIRZ #3 Fund), Capital Projects Fund and Permanent Funds are adopted by the Council and presented in this report on a basis consistent with generally accepted accounting principles (GAAP). Budgeted expenditures for the General Fund's current fiscal year as adopted in the original budget and amendments thereto were \$86,810,085. Appropriations, which are not expended or encumbered at year-end, must be re-budgeted in the succeeding year.

6. Budgets for Proprietary Funds are adopted on a basis consistent with GAAP (accrual basis) except that for budgetary comparisons capital outlay items are expensed, accrual for compensated absences is excluded, and principal payments on debt are treated as expenses. The budgetary comparisons for Proprietary Funds are on this non-GAAP budgetary basis.

B. Expenditures Over Appropriations

For the year ended September 30, 2023, neither the general fund nor any major special revenue fund had expenditures in excess of appropriations.

NOTE 4: DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal bonds, and managed public funds investment pools. The City's cash and investments for the year ended September 30, 2023, are as follows:

Statement of net position:	
Primary Government	
Cash and cash equivalents	\$ 70,752,442
Temporarily restricted cash and cash equivalents	66,967,287
Permanently restricted cash and cash equivalents	3,306,701
Fiduciary Funds	
Cash and cash equivalents	5,681,693
Investments	<u>94,407,616</u>
Total Cash and Investments	<u>\$ 241,115,739</u>
Cash on hand	\$ 14,262
Savings and checking accounts	43,220,363
Cash and cash equivalents held in investment accounts	1,074,305
Investments	<u>196,806,809</u>
Total Cash and Investments	<u>\$ 241,115,739</u>

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

A. Deposits and Investments – continued

Custodial Credit Risk – Deposits – At September 30, 2023, the City held several bank accounts, including a NOW interest bearing account, at one financial institution. The City’s bank balances totaled \$16,597,212 All bank balances not covered by federal depository insurance, were covered by collateral held in the pledging financial institutions’ trust department in the City’s name. In accordance with the City’s deposit and investment policy, all deposits placed at a financial institution shall be insured or collateralized in compliance with applicable State law. The City requires market value of pledged securities in excess of 102% of all uninsured deposits.

Investments are stated at fair value or amortized costs, which approximates fair value. As of September 30, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Credit Risk</u>
Primary Government			
Certificates of deposit	\$ 100,520,780	0.78	N/A
Texas government investment pool	<u>1,878,413</u>	0.06	AAAm
Total Primary Government	102,399,193		
Fiduciary Funds			
Equities	47,543,532	N/A	N/A
Mutual Funds	22,042,685	N/A	N/A
Fixed income	<u>24,821,399</u>	N/A	N/A
Total Fiduciary Funds	<u>94,407,616</u>		
Total Reporting Entity	<u>\$ 196,806,809</u>		
Portfolio weighted average maturity (years)		0.77	

Interest Risk Rate – This is the risk that changes in market risk rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods of time are more likely to be subject to increased variability in their fair values due to changes in the market interest rates. The City, in compliance with its investment policy adopted by the City Council, invests in shorter-term securities to protect market valuation from unanticipated rate movements. In addition, the City will not directly invest in securities maturing more than two years from the date of purchase.

Credit Risk – This is the risk that an issuer or other counterparty of a debt type investment will not fulfill its obligation to the holder of the investment. The City’s investment policy requires the City to invest in U.S. Treasury and Agency securities along with Texas Local Government Pool (TexPool) investments. In addition, the City’s investment policy requires approved broker/dealer meeting strict qualification.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s attempts to avoid over-investment in local government pools and matches a portion of its investments with anticipated cash flow requirements.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

A. Deposits and Investments – continued

Custodial Credit Risk – This custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. As noted previously, the City requires market value of pledged securities in excess of 102% of all uninsured deposits.

Foreign Currency risk – This is the risk that exchange rates will adversely affect the fair value of an investment. At year-end, the City was not exposed to foreign currency risk.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, level 2 inputs are significant other observable inputs, and level 3 inputs are significant unobservable inputs.

A summary of the City’s investments under the requirements of the fair value hierarchy as of September 30, 2023 are as follows:

	Assets at Fair Value as of September 30, 2023			
	Level 1	Level 2	Level 3	Total
Primary Government:				
Certificates of Deposit	\$ -	\$ 100,520,780	\$ -	\$ 100,520,780
Texas government investment pool	-	1,878,413	-	1,878,413
Total Primary Government	-	102,399,193	-	102,399,193
Fiduciary Funds:				
Equities	47,543,532	-	-	47,543,532
Mutual Funds	22,042,685	-	-	22,042,685
Fixed income	-	24,821,399	-	24,821,399
Total Fiduciary Funds	69,586,217	24,821,399	-	94,407,616
Total Reporting Entity	<u>\$ 69,586,217</u>	<u>\$ 127,220,592</u>	<u>\$ -</u>	<u>\$ 196,806,809</u>

B. Receivables

Receivables as of year-end for the City’s individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Receivables:	General	One-Half Cent	Utilities	Sanitation	Airport	Non-Major	Internal	Total
	Fund	Sales Tax Fund	Fund	Fund	Fund	Governmental Funds	Service Funds	
Accounts	\$ 23,717,196	\$ -	\$ 8,378,905	\$ 2,588,893	\$ 2,286,009	\$ 869,625	\$ 937,359	\$ 38,777,987
Grants	141,288	-	-	-	-	999,501	-	1,140,789
Taxes	9,879,497	3,460,130	-	-	-	-	-	13,339,627
Lease	-	-	105,693	-	-	-	123,214	228,907
Miscellaneous	205,956	146,387	-	-	-	-	-	352,343
Gross receivables	33,943,937	3,606,517	8,484,598	2,588,893	2,286,009	1,869,126	1,060,573	53,839,653
Less: Allowance for uncollectibles	(10,776,003)	-	(198,597)	(64,209)	-	-	-	(11,038,809)
Net total receivables	<u>\$ 23,167,934</u>	<u>\$ 3,606,517</u>	<u>\$ 8,286,001</u>	<u>\$ 2,524,684</u>	<u>\$ 2,286,009</u>	<u>\$ 1,869,126</u>	<u>\$ 1,060,573</u>	<u>\$ 42,800,844</u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

C. Lindsey Trust Fund

The S.A. Lindsey Police and Firemen’s Trust was created by Louise Lindsey Merrick on July 20, 1971, for the charitable purpose of making awards to police officers and firefighters employed by the City of Tyler for outstanding service and to aid those and their families injured in the line of duty. The S.A. Lindsey Police and Fireman’s Trust was terminated by court order on September 24, 2007, on the petition of the Trustee, Bank of America, due to new legislation making continuation of the trust economically infeasible.

As a result, the Lindsey Police and Firemen’s Board contracted with the East Texas Communities Foundation to receive and manage the assets distributed from the termination of the S.A. Lindsey Police And Firemen’s Trust, to create an Endowment Fund, to be known as the Lindsey Police and Firemen’s Endowment Fund (Fund), designed to meet the primary purposes outlined in the originating trust document. The Lindsey Trust Fund was created to account for this Fund, as reflected in the Private-Purpose Trust Funds Combining Statement of Net Position and Combining Statement of Changes in Net Position, schedules E-3 and E-4 in the additional supplemental information.

The Fund is defined as a Permanent Endowment. The permanent portion or corpus of the Fund is \$25,000, with the remaining amount of the Fund considered net appreciation. Under the terms of the endowment, and consistent with State statutes, distributions from the Fund are to be made from the net appreciation so that the corpus of the fund will not be exhausted or depleted. Distributions may only be made to the City. Ordinary distributions to the City shall be made from the Fund once per calendar year in the amount requested by the City up to a cumulative limit of five percent (5%) of the value of the Fund determined as of the preceding December 31. Any portion of the net appreciation available for distribution which is not withdrawn by the City in one year may be withdrawn in a subsequent year. No additional distributions shall be made from the Fund. To the extent possible, the Donor intends to preserve the permanent portion or corpus of the Fund by limiting distributions to 5% per year. At September 30, 2023, the net appreciation on investments of the Fund was \$7,871.

Because the Lindsey Police and Firefighters’ Endowment Fund is separately organized and managed by contract with an investment company as directed by the Lindsey Police and Firefighters’ Fund Board, it is excluded from the City of Tyler’s Investment Fund policy.

D. Capital Assets

Governmental and business-type capital asset activity for the year ended September 30, 2023 was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 17,138,642	\$ 170,723	\$ -	\$ 17,309,365
Construction in progress	28,682,708	36,645,996	(10,029,017)	55,299,687
Total capital assets, not being depreciated	45,821,350	36,816,719	(10,029,017)	72,609,052
Capital assets, being depreciated:				
Buildings	77,556,829	1,832,522	(8,686,660)	70,702,691
Improvements other than buildings	123,677,470	414,933	-	124,092,403
Machinery and equipment	84,060,025	10,015,629	(3,367,980)	90,707,674
Infrastructure	385,476,349	4,987,801	-	390,464,150
Right-to-use assets	1,245,515	-	-	1,245,515
SBITAs	-	1,466,753	-	1,466,753
Total capital assets being depreciated	672,016,188	18,717,638	(12,054,640)	678,679,186
Less accumulated depreciation and amortization for:				
Buildings	(28,315,606)	(1,744,689)	-	(30,060,295)
Improvements other than buildings	(85,268,584)	(2,699,686)	-	(87,968,270)
Machinery and equipment	(61,915,045)	(5,993,793)	2,723,117	(65,185,721)
Infrastructure	(244,985,791)	(7,969,194)	-	(252,954,985)
Right-to-use assets	(412,121)	(161,592)	-	(573,713)
SBITAs	-	(559,297)	-	(559,297)
Total accumulated depreciation and amortization	(420,897,147)	(19,128,251)	2,723,117	(437,302,281)
Total capital assets, being depreciated, net	251,119,041	(410,613)	(9,331,523)	241,376,905
Governmental activities capital assets, net	\$ 296,940,391	\$ 36,406,106	\$ (19,360,540)	\$ 313,985,957

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

D. Capital Assets – continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 12,063,799	\$ 9,248	\$ -	\$ 12,073,047
Water Rights	12,526,700	-	-	12,526,700
Construction in progress	12,952,157	11,121,426	(8,483,318)	15,590,265
Total capital assets, not being depreciated	37,542,656	11,130,674	(8,483,318)	40,190,012
Capital assets, being depreciated:				
Buildings	63,500,219	-	-	63,500,219
Improvements other than buildings	412,695,900	43,453,706	-	456,149,606
Machinery and equipment	18,032,663	1,922,203	-	19,954,866
Infrastructure	20,751,447	-	-	20,751,447
Total capital assets being depreciated	514,980,229	45,375,909	-	560,356,138
Less accumulated depreciation and amortization for:				
Buildings	(38,521,128)	(1,259,028)	-	(39,780,156)
Improvements other than buildings	(152,754,125)	(10,883,528)	-	(163,637,653)
Machinery and equipment	(11,689,338)	(1,414,524)	-	(13,103,862)
Infrastructure	(4,798,061)	(456,617)	-	(5,254,678)
Total accumulated depreciation and amortization	(207,762,652)	(14,013,697)	-	(221,776,349)
Total capital assets, being depreciated, net	307,217,577	31,362,212	-	338,579,789
Business-type activities capital assets, net	<u>\$ 344,760,233</u>	<u>\$ 42,492,886</u>	<u>\$ (8,483,318)</u>	<u>\$ 378,769,801</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General Government	\$ 1,287,570
Public Safety	1,607,720
Highways and streets, including depreciation of general infrastructure assets	8,812,284
Public Services	743,284
Culture and recreation	1,363,999
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	5,313,394
Total depreciation expense - governmental activities	<u>\$ 19,128,251</u>
Business-type activities:	
Utilities	\$ 10,088,026
Sanitation	3,334,206
Airport	591,465
Total depreciation expense - business-type activities	<u>\$ 14,013,697</u>

Water Rights

In 1965, the City purchased the right to 40% of the perpetual annual water yield of Lake Palestine from the Upper Neches River Municipal Water Authority for \$12,524,200. At September 30, 2023, total water rights were \$12,526,700. Management believes there is no impairment in the value of the water rights at September 30, 2023.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

D. Capital Assets – continued

Construction Commitments

As of September 30, 2023, the City has active construction projects. At year-end the City's commitments with contractors are as follows:

Project	Spent To-Date	Estimated Remaining Commitment
WT Brookshire Convention Center	\$ 30,544,913	\$ 1,250,000
Group 3 24"-42" CIPP	6,907,431	2,551,221
Cambridge Road Drainage	3,540,788	606,050
Taxiway Alpha Rehab	4,634,700	2,295,592
Group 4 Traditional Mainline	4,114,547	710,178
Group 1 Sewer Sites 2e1 and 10a1	3,444,061	642,062
Southside WWTP Chlorination/Aeration	3,266,364	395,256
2023 Asphalt Enhancement (Overlay)	2,956,145	1,517,916
Group 2 Traditional Pipe Rehabilitation	2,010,782	2,327,322
Group 4 Manhole Specialty	1,759,378	769,471
2023 Seal Coat	1,584,122	65,650
Group 4 Mainline Specailty CIPP	1,423,385	2,217,227
Group 5 Manhole Rehab	1,269,995	222,755
Group 4 Mainline Specialty	1,265,836	1,108,896
Group 5 Remedial Open Cut	1,249,598	5,388,915
Security Fencing Construction	890,296	1,088,501
S Thompson Drainage Imp	820,767	497,623
Traffic Signal Modernization	795,072	28,751
CIPP Drainage Improvements	757,881	288,294
Melinda/Donna Street Reconstruction	722,317	459,747
Misc Drainage Improvements	633,027	114,931
Legacy Trails	278,891	343,595
Group 3: Remedial Measures	271,485	11,739,554
Ferguson Training Room Improvements	239,644	47,673
John Soules Waterline Extension	237,905	3,232,629
Group 4 Manhole Traditional	232,383	237,432
VES Parking Lot - Phases 4-7	229,151	1,740,849
Group 5 Pipeburst	147,336	4,524,050
Fire Station 10 Renovations	139,712	17,764
Gentry MLK Traffic Signal	123,508	537,217
Brick Street Repair	119,060	874,101
Charleston LS Rehab	113,445	507,588
Golden Road WTP Clarifier & Filters 11-14	112,100	4,411,180
WMC-Glenwood Church	89,792	3,670,058
Earl Campbell Gravity Sewer Main	88,950	706,258
Shiloh Rd Elevated Storage Tank Site Improv.	78,244	881,756
Off-System Bridge Maintenance	76,703	930,301
Keaton Ave Drainage Study	75,850	3,677,750
Streets Building Renovations	48,320	15,680
Traffic Signal Grande/Noonday	35,496	361,627
2023 Water Main Improvements	16,578	1,161,367
Sludge Lagoon Cleanout	4,589	2,745,411
Street Reconstruction	2,174	4,782,604

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

D. Capital Assets – continued

The above projects are funded by resources held in the One-Half Cent Sales Tax Fund, airport revenue bonds, water and sewer revenue bonds, and grant funding.

E. Interfund Receivables, Payables, and Transfers

The interfund balance in the General Fund resulted from overdrafts in the City’s pooled cash accounts that were funded by the Utility Fund.

The composition of interfund balances as of September 30, 2023, is as follows:

Receivable Fund	Payable Fund	Amount
Utility Fund	General Fund	\$2,185,680

Interfund transfers are recorded to reflect the allocation of internal service fund activities between governmental and business-type fund types.

The composition of interfund transfers as of September 30, 2023, is as follows:

	Transfer In					Total
	General Fund	One-Half Cent Sales Tax Fund	Nonmajor Governmental Funds	Airport Enterprise Funds	Internal Service Funds	
Transfers Out:						
General Fund	\$ -	\$ -	\$ 4,043,360	\$ -	\$ 101,305	\$ 4,144,665
One-Half Cent Sales Tax Fund	-	-	3,250,000	306,388	-	3,556,388
Nonmajor Governmental Funds	2,500,000	-	-	-	25,000	2,525,000
Utilities Enterprise Funds	-	-	175,000	-	50,653	225,653
Airport Enterprise Funds	-	-	-	-	-	-
Sanitation Enterprise Funds	-	-	25,000	-	50,653	75,653
Totals	\$ 2,500,000	\$ -	\$ 7,493,360	\$ 306,388	\$ 227,611	\$ 10,527,359

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CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

F. Leases

City as Lessee

The City has obtained various equipment and infrastructure through long-term operating leases. The terms and conditions for these leases vary. The leases contain fixed, periodic payments over the lease terms, which range between 1-20 years. The interest rates for the leases vary between 0.5120% and 3.0161%. At September 30, 2023, operating leases consisted of the following:

GOVERNMENTAL ACTIVITIES	Balance as of October 1, 2022	Additions	Reductions	Balance as of September 30, 2023
Lease Assets				
Equipment				
Pitney Bowes Lease-SLA Equipment	\$ 19,294	\$ -	\$ -	\$ 19,294
Pitney Bowes Lease-Send Pro P Series	28,759	-	-	28,759
Xerox Copiers	348,249	-	-	348,249
PD Body Cams	451,480	-	-	451,480
Breathing Apparatus	236,499	-	-	236,499
Total Equipment Lease Assets	1,084,281	-	-	1,084,281
Infrastructure				
702 West Cumberland Rd - Radio Tower	161,241	-	-	161,241
Total Infrastructure Lease Assets	161,241	-	-	161,241
Total Lease Assets	1,245,522	-	-	1,245,522
Lesae Accumulated Amortization				
Equipment				
Pitney Bowes Lease-SLA Equipment	4,027	3,853	-	7,880
Pitney Bowes Lease-Send Pro P Series	6,002	5,730	-	11,732
Xerox Copiers	65,297	87,062	-	152,359
PD Body Cams	178,479	90,993	-	269,472
Breathing Apparatus	59,125	59,125	-	118,250
Total Equipment Lease Accumulated Amortization	312,930	246,763	-	559,693
Infrastructure				
702 West Cumberland Rd - Radio Tower	6,783	7,238	-	14,021
Total Infrastructure Lease Assets	6,783	7,238	-	14,021
Total Lease Accumulated Amortization	319,713	254,001	-	573,714
Total Governmental Lease Assets, Net	\$ 925,809	\$ (254,001)	\$ -	\$ 671,808

Principal and interest requirements to maturity for the lease liability at September 30, 2022 are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 252,357	\$ 12,234	\$ 264,591
2025	257,336	7,254	264,590
2026	35,822	2,255	38,077
2027	6,287	2,113	8,400
2028	6,389	2,011	8,400
2029 - 2033	33,533	8,467	42,000
2034 - 2038	36,344	5,656	42,000
2039 - 2044	47,657	2,744	50,401
Total	\$ 675,725	\$ 42,734	\$ 718,459

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

F. Leases – continued

City as Lessor

On October 1, 2021, the City leased water tower space to a cellular company. The lease is a seventy-seven-month lease with one extension option for an additional sixty months. The lessee is required to make monthly fixed payments of \$1,659 with no additional variable payments. The lease has an interest rate of 0.740%.

On October 1, 2021, the City leased land from its utilities fund to a tower company for the placement of a radio tower. The lease is a 331-month lease with five extension options for an additional sixty months in each option. The lessee is required to make annual fixed payments of \$6,000 with no additional variable payments. The lease has an interest rate of 1.703%.

On October 1, 2021, the City leased space in the airport to a car rental company. The lease is a sixteen-month lease with no extension options. The lessee is required to make monthly fixed payments of \$500 with no additional variable payments. The lease has an interest rate of 0.193%.

Principal and interest to maturity for the lease receivable at September 30, 2023 are as follows:

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 23,184	\$ 704	\$ 23,888
2025	23,357	531	23,888
2026	23,530	358	23,888
2027	23,705	184	23,889
2028	11,919	26	11,945
Total	\$ 105,695	\$ 1,803	\$ 107,498

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 3,902	\$ 2,098	\$ 6,000
2025	3,968	2,032	6,000
2026	4,036	1,964	6,000
2027	4,104	1,895	5,999
2028	4,174	1,825	5,999
2029 - 2033	21,962	8,038	30,000
2034 - 2038	23,897	6,103	30,000
2039 - 2044	26,003	3,997	30,000
2045 - 2048	31,166	1,644	32,810
Total	\$ 123,212	\$ 29,596	\$ 152,808

The balance of the deferred inflows of resources related to lease payments receivable as of September 30, 2023 were as follows:

Deferred Inflows of Resources	Balance as of September 30, 2023
Business-Type Activities	\$ 222,537
Total	\$ 222,537

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

F. Leases – continued

The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

Inflows of Resources	Governmental Activities	Total
Lease Revenue	29,451	\$ 29,451
Interest Revenue	2,588	\$ 2,588

Regulated Leases

The City does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g., the U.S. Department of Transportation and the Federal Aviation Administration (FAA) regulated aviation leases between airports, air carriers, and other aeronautical users.

The City has regulated leases for the following City property:

- Airport hangar space subject to FAA requirements,
- Lake Tyler marina space subject to City code related to lake activity, and
- Certain tower leases subject to Federal Communications Commission requirements related to lighting, marking, and painting of towers.

The future expected minimum rentals to be received related to existing regulated leases as of September 30, 2022 are as follows:

Fiscal Year	Future Minimum Expected Receipts
2024	\$ 197,869
2025	195,222
2026	137,697
2027	115,334
2028	115,334
2028 - 2033	519,215
2034 - 2038	463,044
2039 - 2043	355,841
2044 - 2048	350,985
2049 - 2053	183,759
	\$ 2,634,300

G. Subscription -based information technology arrangements - SBITAs

On 10/01/2022, the City entered into a 16-month subscription for the use of Granicus Software. An initial subscription liability was recorded in the amount of \$24,723. As of 09/30/2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$34,918. The subscription has an interest rate of 3.14%. The value of the right to use asset as of 09/30/2023 of \$79,998 with accumulated amortization of \$63,999.

On 10/01/2022, the City entered into a 47-month subscription for the use of Bibliotheca SaaS. An initial subscription liability was recorded in the amount of \$19,638. As of 09/30/2023, the value of the subscription liability is \$13,293. The City is required to make annual fixed payments of \$6,974. The subscription has an interest rate of 3.27%. The value of the right to use asset as of 09/30/2023 of \$19,638 with accumulated amortization of \$4,934.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

G. Subscription-based information technology arrangements – SBITAs – continued

On 10/01/2022, the City entered into an 18-month subscription for the use of ESRI Enterprise License. An initial subscription liability was recorded in the amount of \$80,993. As of 09/30/2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$82,500. The subscription has an interest rate of 3.21%. The value of the right to use asset as of 09/30/2023 of \$80,992 with accumulated amortization of \$53,995.

On 10/01/2022, the City entered into a 24-month subscription for the use of ProjectDox SaaS Subscription. An initial subscription liability was recorded in the amount of \$69,700. As of 09/30/2023, the value of the subscription liability is \$34,300. The City is required to make annual fixed payments of \$65,100. The subscription has an interest rate of 3.217%. The value of the right to use asset as of 09/30/2023 of \$69,700 with accumulated amortization of \$34,850.

On 07/01/2023, the City entered into a 48-month subscription for the use of Darktrace DETECT Platform. An initial subscription liability was recorded in the amount of \$195,218. As of 09/30/2023, the value of the subscription liability is \$144,384. The City is required to make annual fixed payments of \$50,834. The subscription has an interest rate of 2.79%. The value of the right to use asset as of 09/30/2023 of \$195,218 with accumulated amortization of \$12,201.

On 10/01/2022, the City entered into a 20-month subscription for the use of Standard Enterprise License. An initial subscription liability was recorded in the amount of \$85,179. As of 09/30/2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$87,000. The subscription has an interest rate of 3.21%. The value of the right to use asset as of 09/30/2023 of \$85,179 with accumulated amortization of \$51,107.

On 10/01/2022, the City entered into a 22-month subscription for the use of StormWind Software. An initial subscription liability was recorded in the amount of \$14,432. As of 09/30/2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$14,850. The subscription has an interest rate of 3.21%. The value of the right to use asset as of 09/30/2023 of \$14,432 with accumulated amortization of \$7,585.

On 10/01/2022, the City entered into a 32-month subscription for the use of Microsoft 365 - Azure. An initial subscription liability was recorded in the amount of \$876,048. As of 09/30/2023, the value of the subscription liability is \$440,350. The City is required to make annual fixed payments of \$454,609. The subscription has an interest rate of 3.24%. The value of the right to use asset as of 09/30/2023 of \$876,048 with accumulated amortization of \$328,518.

On 08/11/2023, the City entered into a 36-month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of \$45,548. As of 09/30/2023, the value of the subscription liability is \$32,548. The City is required to make annual fixed payments of \$13,000. The subscription has an interest rate of 2.90%. The value of the right to use asset as of 09/30/2023 of \$45,548 with accumulated amortization of \$2,109.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

G. Subscription-based information technology arrangements – SBITAs - continued

At September 30, 2023, SBITAs consisted of the following:

GOVERNMENTAL ACTIVITIES:	Balance as of			Balance as of
	October 1, 2022	Additions	Reductions	September 30, 2023
Subscription Assets				
Software				
Granicus Software	\$ 79,999	\$ -	\$ -	\$ 79,999
Bibliotheca SaaS	19,637	-	-	19,637
ESRI Enterprise License	80,992	-	-	80,992
ProjectDox SaaS Subscription	69,700	-	-	69,700
Darktrace DETECT Platform	-	195,218	-	195,218
Standard Enterprise License	85,179	-	-	85,179
StormWind Software	14,432	-	-	14,432
Microsoft 365 - Azure	876,048	-	-	876,048
DebtBook	-	45,548	-	45,548
Total Subscription Assets	<u>\$ 1,225,987</u>	<u>\$ 240,766</u>	<u>\$ -</u>	<u>\$ 1,466,753</u>
Subscription Accumulated Amortization				
Software				
Granicus Software	\$ -	\$ 63,999	\$ -	\$ 63,999
Bibliotheca SaaS	-	4,933	-	4,933
ESRI Enterprise License	-	53,995	-	53,995
ProjectDox SaaS Subscription	-	34,850	-	34,850
Darktrace DETECT Platform	-	12,201	-	12,201
Standard Enterprise License	-	51,107	-	51,107
StormWind Software	-	7,585	-	7,585
Microsoft 365 - Azure	-	328,518	-	328,518
DebtBook	-	2,109	-	2,109
Total Software Subscription Accumulated Amortization	<u>\$ -</u>	<u>\$ 559,297</u>	<u>\$ -</u>	<u>\$ 559,297</u>
Total Governmental Subscription Assets, Net	<u>\$ 1,225,987</u>	<u>\$ (318,531)</u>	<u>\$ -</u>	<u>\$ 907,456</u>

Principal and interest requirements to maturity for the lease liability at September 30, 2023 are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 575,797	\$ 21,819	\$ 597,616
2025	72,362	3,446	75,808
2026	49,456	1,378	50,834
	<u>\$ 697,615</u>	<u>\$ 26,643</u>	<u>\$ 724,258</u>

H. Long-term debt

Revenue Bonds

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The revenue bonds issued by the City in prior years were to fund construction projects to improve or expand the water system and to refund prior issuances. Additionally, the City issued a revenue bond in 2021 to fund the construction of the Rose Complex Convention Center. The original amount of the outstanding revenue bonds was \$163,590,000 with maturities ranging from 2027 to 2052.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

H. Long-term debt - continued

Revenue bonds currently outstanding are as follows:

Issue	Purpose	Interest Rates	Amount
Series 2012	Water and sewer refunding	1.50 to 2.625%	\$ 545,000
Series 2013	Customer facility use	3.76%	465,000
Series 2015A	Water refunding and improvements	2.00 to 4.00%	6,340,000
Series 2015B	Water and sewer refunding	2.00 to 5.00%	9,505,000
Series 2017A	Water and sewer refunding	3.00 to 4.00%	2,680,000
Series 2017B	Water and sewer refunding	2.00 to 3.50%	7,950,000
Series 2018A	Water and sewer revenue	3.00 to 4.00%	6,890,000
Series 2018B	Water and sewer refunding	3.00%	4,860,000
Series 2019	Water and sewer revenue	2.00 to 5.00%	18,255,000
Series 2020	Water and sewer revenue	2.00 to 3.00%	3,715,000
Series 2021	Hotel occupancy tax revenue	2.00 to 5.00%	8,840,000
Series 2021	Water and Sewer revenue	2.00 to 5.00%	25,960,000
Series 2022	Water and sewer revenue	2.00 to 5.00%	40,530,000
Total outstanding revenue bonds			<u><u>\$ 136,535,000</u></u>

Annual debt service requirements to maturity for revenue bonds are as follows:

Year ending September 30	Principal	Interest	Total
2024	\$ 6,355,000	\$ 4,498,596	\$ 10,853,596
2025	6,600,000	4,156,601	10,756,601
2026	6,855,000	4,010,636	10,865,636
2027	7,125,000	3,720,188	10,845,188
2028	7,275,000	3,435,966	10,710,966
2029-2033	30,145,000	13,137,808	43,282,808
2034-2038	21,475,000	8,902,960	30,377,960
2039-2043	18,745,000	6,028,303	24,773,303
2044-2048	19,905,000	3,273,170	23,178,170
2049-2052	12,055,000	718,588	12,773,588
	<u><u>\$ 136,535,000</u></u>	<u><u>\$ 51,882,816</u></u>	<u><u>\$ 188,417,816</u></u>

Cash in the amount of \$6,361,494 as restricted at September 30, 2023 in order to fund the City's annual debt service requirements, to meet the debt service reserve fund requirements of bond covenants and for construction costs in connection with the 2013 Customer Facility Charge Bonds. Revenue bonds are subject to the provisions of the Internal Revenue Code of 1986 related to arbitrage and interest tax regulations under these provisions.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

H. Long-term debt - continued

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Beginning Balance 10/1/2022	Additions	Reductions	Ending Balance 9/30/2023	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Revenue bonds payable	\$ 9,070,000	\$ -	\$ 230,000	\$ 8,840,000	\$ 240,000	\$ 8,600,000
ADD: bond premiums/(discounts)	1,658,936	-	132,715	1,526,221	-	1,526,221
Claims and judgements	100,000	-	-	100,000	100,000	-
Lease liability	923,230	-	247,507	675,723	252,357	423,366
Subscription liability	-	677,875	13,000	664,875	563,817	101,058
Net pension liability	49,163,133	43,541,312	-	92,704,445	-	92,704,445
Net OPEB liability	8,021,323	1,287,746	-	9,309,069	-	9,309,069
Compensated absences	14,956,420	254,863	580,825	14,630,458	586,054	14,044,404
Governmental activities						
Long-term liabilities	<u>\$ 83,893,042</u>	<u>\$ 45,761,796</u>	<u>\$ 1,204,047</u>	<u>\$ 128,450,791</u>	<u>\$ 1,742,228</u>	<u>\$ 126,708,563</u>
Business-Type Activities:						
Revenue bonds payable	\$ 133,610,000	\$ -	\$ 5,915,000	\$ 127,695,000	\$ 6,115,000	\$ 121,580,000
ADD: bond premium/(discount)	7,750,681	-	490,106	7,260,575	-	-
Net pension liability	5,604,445	13,789,936	-	19,394,381	-	19,394,381
Net OPEB liability	2,913,998	360,094	-	3,274,092	-	3,274,092
Compensated absences	1,022,024	25,683	80,538	967,169	38,686	928,483
Business-Type Activities						
Long-Term Liabilities	<u>\$ 150,901,148</u>	<u>\$ 14,175,713</u>	<u>\$ 6,485,644</u>	<u>\$ 158,591,217</u>	<u>\$ 6,153,686</u>	<u>\$ 145,176,956</u>

The liabilities listed above for claims and judgments, net pension obligation, compensated absences, and contracts payable will be liquidated by the City's General and Proprietary Funds. The liability for leases will be liquidated by the General and Technology Funds. The net pension and OPEB obligations are liquidated primarily by the General Fund, the remaining obligations are liquidated across other funds on a pro rata basis calculated by historical pension and OPEB expenses in each fund.

The City has defeased certain bonds by placing the proceeds of new bond issues in an irrevocable trust for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. The 2017A Series bonds were issued to refund the remaining portion of the 2008 Series bonds and resulted in a \$80,000 reduction in the City's debt service fund. The 2017B Series bonds were issued to retire the 2009 Series bonds and this issue resulted in an economic gain of \$286,681 to the City and the debt service fund was reduced by \$273,921 as a result of the issuance of these bonds. The 2020A Series bonds were issued to retire the 2011 Series bond, which resulted in the City's debt service fund being reduced by \$395,000. At September 30, 2023, \$21,045,000 of bonds outstanding are considered defeased. The issues and amounts of outstanding defeased bonds are as follows:

Bond Issue	Year Refunded	Outstanding
Series 2017A Water and Sewer System Refunding Bonds	2008	\$ 2,680,000
Series 2017B Water and Sewer System Refunding Bonds	2009	7,950,000
Series 2018B Water and Sewer System Refunding Bonds	2009	4,860,000
Series 2020A Water and Sewer System Refunding Bonds	2011	3,715,000
Total Bonds Defeased		<u>\$ 19,205,000</u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5: OTHER INFORMATION

A. Risk management

Property and Casualty Insurance Plans

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. A comprehensive insurance plan for property and casualty coverage has been established. Third-party administrators handle property and casualty claims review and processing. Deductibles and self-insured retentions for building and contents are \$100,000 deductible; \$100,000 for claims involving flood and earthquake; 5% with \$250,000 minimum per occurrence for claims involving wind/hail damage. Automobile liability, general liability, employment practices liability, law enforcement liability, and management liability; and \$50,000 for airport liability. The amount of settlements has not exceeded insurance coverage for the last three fiscal years.

Worker's Compensation Plan

The City is exposed to risk of loss due to injuries incurred by employees while performing work-related duties. The City has established and maintains a comprehensive self-insurance worker's compensation plan. Third party administrators handle claims review and processing. An insurance company provides excess workers compensation insurance for losses over \$1,000,000 fire and police and %500,000 all other employee classifications self-insured retention with an aggregate retention of \$2,000,000.

Health, Dental, and Life Plans

HEALTH - Employee/Dependents and Non-Medicare Eligible Retirees/Dependents

The City implemented a partially self-insured health plan for employees, their dependents, and retirees/dependents, who are non-Medicare eligible. Non-Medicare Retirees and/or their dependents that have been continuously covered under the City's health plan may elect to continue their coverage at retirement. Active employees pay a portion of current premiums with the City paying the remainder. To reduce long term liabilities, the City elected to eliminate the subsidy for non-Medicare Retiree premiums for those employees hired after January 1, 1997. For those employees hired before January 1, 1997, the same apportionment of premiums continues at retirement. For those employees hired after January 1, 1997, the employee is responsible for the full cost of current premiums.

The city has retained an insurance policy for specific and aggregate stop-loss coverage. There is an individual stop-loss of \$375,000 per illness. A third-party administrator administers health claims and payments.

Medicare Eligible Retirees/Dependents

Retirees and/or their spouses who become eligible for Medicare and have been continuously covered under the City's health insurance plan may elect to participate in a Medicare Supplement Insurance Program. The City provides Retirees hired before January 1, 1997, a monthly subsidy to assist with payment of the Medicare premiums. The Medicare Supplement insurance provider processes and pays all health claims.

DENTAL - Employees/Retirees

The City offers fully self-funded dental and orthodontic benefits to eligible employees/dependents and retirees/dependents. Employees and retirees hired after January 1, 1997, pay a portion of the premiums and the City pays the remainder. Employees and retirees hired after January 1, 1997, pay the full cost of the current premium. A third-party administrator administers dental claims and payments.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

A. Risk management - continued

LIFE INSURANCE - Employees/Retirees

The City provides a \$10,000 basic life and AD&D insurance for all full-time active employees. Additionally, the City provides a \$5,000 basic life and AD&D insurance policy for eligible retirees. For active employees, supplemental Life insurance is available for purchase by the employee without evidence of insurability, if purchased during initial election period in the amounts of 5 times their annual salary up to a maximum of \$300,000 (guarantee issuance). Spousal Life insurance of 50% of the employee's covered amount up to a maximum of \$50,000 (Guarantee Issuance) whichever is less. Dependent child(ren) coverage is also available for purchase by the employee in \$5,000 increments of to a maximum of \$20,000.

For employees actively at work, Employee and/or Spousal Life Insurance Benefit amounts reduce beginning at age 65 thru 69 by 65%, age 70 thru 74 by 50% and age 75 and thereafter by 30%.

Other Self-Insurance Plans

In addition, the City meets the self-insurance requirements as promulgated by the Environmental Protection Agency, through the Texas Water Commission, for potential third-party claims.

Estimated liabilities for claims incurred but not reported at year-end have been recorded in the Self-Insurance Funds and a reconciliation of changes in claims liabilities is included in the note on contingent liabilities.

B. Contingent liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's management and collective legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City. City management and the collective legal counsel have determined the estimated liability for outstanding lawsuit contingencies at September 30, 2023, was \$100,000. See Note 4: G for a reconciliation of changes in claims and judgments.

The City's self-insurance program is described in Note 5: A. The following is a reconciliation of the changes in the estimated liabilities for claims payable within 90 days for the years ended September 30, 2023 and 2022:

	Insurance Claims Payable At Beginning of Year	Current Year Claims and Changes In Estimates	Actual Claim Payments	Insurance Claims Payable At End of Year
Employees Benefits Fund				
FYE 2022	\$ 416,440	\$ 13,114,036	\$ 12,857,196	\$ 673,280
FYE 2023	673,280	14,398,701	14,606,650	465,331
Retiree Benefits Fund				
FYE 2022	\$ 40,101	\$ 1,871,320	\$ 1,768,789	\$ 142,632
FYE 2023	142,632	1,721,207	1,806,008	57,831

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

C. Joint Venture

The Northeast Public Health District (“District”) was established by a cooperative agreement between the City and Smith County, Texas pursuant to authority granted by the Texas Health & Safety Code for the purpose of providing public health services previously provided by the participating entities. The District is considered a joint venture between the City and County with each retaining an equity interest based upon the percentage each contributed to the budget.

For the year ended September 30, 2023, the City budgeted funding of \$200,000 for the District. The City's equity interest in the District at September 30, 2023 is \$4,058,576. The Health District’s total fund balance at September 30, 2023 was approximately \$6.5 million. Financial statements for the Health District may be obtained at the entity's administrative offices.

D. Deferred Compensation

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement death, or an unforeseeable emergency. The plan assets are not part of the City’s financial statements because a third-party administrator holds these plan assets in trust.

The market value and carrying value of deferred compensation plan assets is \$31,631,076 for September 30, 2023.

E. Pension Plans

1. Texas Municipal Retirement System Plan

TMRS Plan Description

The City of Tyler participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code.

All eligible employees of the City are required to participate in TMRS.

Firefighters are covered by a separate pension plan (see Note 5 E: 2); therefore, they are not included in the Texas Municipal Retirement System Plan. TMRS issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS’ website at www.tmr.com.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

E. Pension Plans - continued

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2022</u>	<u>Plan Year 2021</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Year required for vesting	5	5
Service retirement eligibility	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating Transfers	100% Repeating Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2022</u>	<u>12/31/2021</u>
Inactive employees or beneficiaries currently receiving benefits	622	613
Inactive employees entitled to but not yet receiving benefits	356	340
Active employees	<u>708</u>	<u>710</u>
	<u>1,686</u>	<u>1,663</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Tyler were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Tyler were 20.64% and 20.65% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$9,711,604, and exceeded the required contributions by \$271.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

- Inflation at 2.50% per year
- Overall payroll growth between 3.50% to 11.50%
- Investment Rate of Return at 6.75%, net of pension plan investment expense, including inflation

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

E. Pension Plans - continued

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the gender-distinct 2019 Municipal Retirees of Texas mortality tables were used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. For determining the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the annuity purchase rates (APRs) until 2027 are based on a mortality study performed in 2013, with the factors phasing into being based on a unisex blend of the RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment for males and females with both male and female rates multiplied by 107.5% and projected on a fully generational basis with scale BB. The current table of APRs is explicitly valued through 2032 and then it is assumed the APRs and the valuation mortality assumptions will be consistent over time. For members, a unisex blend of 70% of the males table and 30% of the female table is used, while 30% of the male table and 70% of the female table is used for beneficiaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
Total	<u>100.00%</u>	

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 and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

E. Pension Plans – continued

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 12/31/2021	\$ 287,389,756	\$ 255,907,901	\$ 31,481,855
Changes for the year:			
Service cost	7,462,072	-	7,462,072
Interest	19,191,678	-	19,191,678
Change of benefit terms	-	-	-
Difference between expected and actual experience	5,894,474	-	5,894,474
Changes of assumptions	-	-	-
Contributions - employer	-	9,363,589	(9,363,589)
Contributions - employee	-	3,175,209	(3,175,209)
Net investment income	-	(18,674,379)	18,674,379
Benefit payments, including refunds of employee contributions	(13,599,266)	(13,599,266)	-
Administrative expense	-	(161,649)	161,649
Other changes	-	192,895	(192,895)
Net changes	18,948,958	(19,703,601)	38,652,559
Balance at 12/31/2022	\$ 306,338,714	\$ 236,204,300	\$ 70,134,414

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 112,628,379	\$ 70,134,414	\$ 35,287,633

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of \$13,365,127.

At September 30, 2023, the City reported deferred outflows of resource and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 6,396,285	\$ 29,743
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	32,677,134	17,775,876
Contributions subsequent to the measurement date	7,055,776	-
Total	\$ 46,129,195	\$ 17,805,619

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

E. Pension Plans - continued

\$7,055,776 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2023	\$ 3,556,201
2024	6,464,232
2025	5,346,394
2026	7,189,631
2027	-
Thereafter	-
	\$ 22,556,458

2. Tyler Firefighter's Relief and Retirement Fund

Plan Description

The City contributes to the retirement plan for firefighters in the Tyler Fire Department known as the Tyler Firefighters' Relief and Retirement Fund (the Fund). The Fund is a single employer, contributory, defined benefit plan. The benefit provisions of the Fund are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan is administered by the Board of Trustees of the Tyler Firefighters' Relief and Retirement Fund. The City does not have access to nor can it utilize assets within the retirement plan trust. The Fund issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Tyler Firefighters' Relief and Retirement Fund at 1718 West Houston, Tyler, Texas 75702.

The Tyler Firefighter's Relief and Retirement Fund is considered part of the City's financial reporting entity and is included in the City's financial reports as a Pension Trust Fund.

Benefits Provided

Firefighters in the Tyler Fire Department are covered by the Tyler Firefighters' Relief and Retirement Fund which provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service. Firefighters become eligible for normal service retirement at age 50 with 25 years of service or at age 55 with 20 years of service. If a terminated firefighter has a vested benefit but is not eligible for normal retirement, he may elect an actuarially equivalent early retirement benefit or he may wait to retire starting on the date he would have first satisfied both age and service requirements for normal retirement if he had remained a Tyler firefighter. The present plan effective July 1, 2011 provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity (except those who had 20 years of service as of January 1, 2005 have a normal form of a Joint and 100% to Spouse form), equal to 71.5% of Highest 60-Month Average Salary plus \$113 for each year of service in excess of 20. A \$1,000 minimum monthly benefit was added in 2018.

A retiring firefighter eligible for normal service retirement with certain minimum combinations of years of service and age has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and Highest 60-Month Average Salary as if they had terminated employment on their selected RETRO DROP benefit calculation date, which is no earlier than the later of the date they meet the RETRO DROP eligibility requirements and the date preceding the date they actually retire by the maximum lump sum accumulation period (36 or 60 months, depending upon age and service). Upon retirement, the member will receive, in addition to their monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to the fund, after the RETRO DROP benefit calculation date plus (2) the total of the monthly retirement benefits the member would have received between the RETRO DROP benefit calculation date and the date they retired under the plan. There are no account balances. The lump sum is calculated at the time of retirement and distributed as soon as administratively possible.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

E. Pension Plans - continued

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases.

Members Covered by the Fund

In the December 31, 2022 actuarial valuation roll-forward, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	119
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>161</u>
	<u><u>280</u></u>

Funding Policy

The contribution provisions of the Fund are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City.

The funding policy of the Tyler Firefighters' Relief and Retirement Fund requires contributions equal to 13.50% of pay by the firefighters, the rate elected by the firefighters according to TLFFRA. The City currently contributes according to an agreement between the City and the Fund's board of trustees. In 2020, the City agreed to a new contribution policy that will contribute 23% over the remainder of the unfunded liability amortization period. This new policy will gradually phase in from the 21.38% contribution rate to an ultimate rate of 23%. The actual City contribution rate was 21.50% in 2022 and 22.00% in 2023. The costs of administering the plan are paid from the Fund assets.

Ultimately, the funding policy also depends upon the total return of the Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the board of trustees. The board selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year ending December 31, 2022, the money-weighted rate of return on pension plan investments was -14.23%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

While the contribution requirements are not actuarially determined, state law requires that each change in plan benefits adopted by the Fund must first be approved by an eligible actuary, certifying that the contribution commitment by the firefighters and the assumed City contribution rate together provide an adequate contribution arrangement. Using the entry age actuarial cost method, the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the plan's unfunded actuarial accrued liability (UAAL). The number of years needed to amortize the plan's UAAL is actuarially determined using an open, level percentage of payroll method.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

E. Pension Plans – continued

Net Pension Liability

The City’s total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of December 31, 2022.

Total pension liability	\$ 116,730,034
Plan fiduciary net position	<u>74,765,622</u>
City's net pension liability	\$ 41,964,412

Plan fiduciary net position as a percentage of the total pension liability	64.1%
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Actuarial Method and Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%	
Salary increases	2.75%, plus promotion, step and longevity increases that vary by service	
Investment rate of return	7%, net of pension plan investment expense, including inflation	

Mortality rates were based on the PubS-2010 (public safety) total dataset mortality tables for employees and retirees (sex distinct), projected generationally using projection scale MP-2019.

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 4.31%) and by adding expected inflation (2.75%). In addition, the final 7% assumption was selected by “rounding up”. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities		
Large cap domestic	29.00%	5.80%
Mid cap domestic	9.00%	5.89%
Small cap domestic	6.00%	5.97%
International developed	7.00%	6.52%
International developing	5.00%	7.25%
Alternatives		
Real estate	5.00%	4.14%
Commodities	5.50%	1.11%
Fixed income		
Domestic core	19.30%	1.98%
Domestic high yield	4.00%	2.77%
Global	5.00%	1.70%
Domestic bank loan	3.70%	2.15%
Cash	1.50%	0.00%
Total	<u>100.00%</u>	
Weighted Average		4.31%

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

E. Pension Plans – continued

Discount Rate

The discount rate used to measure the total pension liability was 7 %. No projection of cash flows was used to determine the discount rate because the December 31, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 27 years. Because of the 27-year amortization period of the UAAL, the pension plan’s fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City of Tyler, calculated using the discount rate of 7%, as well as what the city’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

	1% Decrease in Discount Rate (6%)	Discount Rate (7%)	1% Increase in Discount Rate (8%)
City's net pension liability	\$ 55,919,341	\$ 41,964,412	\$ 30,252,154

Plan Fiduciary Net Position

The plan fiduciary net position reported above is the same as reported by the Fund. Detailed information about the plan fiduciary net position is available in the Fund’s separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance as of September 30, 2022	\$ 112,583,614	\$ 89,297,890	\$ 23,285,724
Changes for the year:			
Service cost	2,802,208	-	2,802,208
Interest	7,849,328	-	7,849,328
Difference between expected and actual experience	-	-	-
Contributions by the City	-	2,858,276	(2,858,276)
Firefighter contributions	-	1,794,764	(1,794,764)
Net investment income	-	(12,570,100)	12,570,100
Benefit payments	(6,505,116)	(6,505,116)	-
Administrative expenses	-	(110,092)	110,092
Assumption changes	-	-	-
Other changes	-	-	-
Net changes	4,146,420	(14,532,268)	18,678,688
Balance as of September 30, 2023	\$ 116,730,034	\$ 74,765,622	\$ 41,964,412

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

E. Pension Plans – continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City’s GASB 68 pension expense was \$6,289,056. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

Components of Pension Expense for the Fiscal Year Ended September 30, 2023:

Components of Pension Expense	
Service cost	\$ 2,802,208
Interest	7,849,328
Firefighter contributions	(1,794,764)
Projected earnings on pension plan investments	(6,182,176)
Amortization of differences between projected and actual earnings on plan investments	2,463,263
Amortization of changes of assumptions	1,152,428
Amortization of differences between expected and actual experience	(111,323)
Pension plan administrative expenses	110,092
Changes in benefit provisions	-
Total pension expense	<u>\$ 6,289,056</u>

Deferred Outflows of Resources and Deferred Inflows of Resources to Be Recognized in Pension Expense in Future Years

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,335,248	\$ 1,294,343
Changes in actuarial assumptions	5,254,131	-
Difference between projected and actual investment earnings	9,125,269	-
Contributions subsequent to the measurement date	2,428,453	-
Total	<u>\$ 18,143,101</u>	<u>\$ 1,294,343</u>

\$2,428,453 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	
2024	\$ 1,488,476
2025	2,899,171
2026	3,809,965
2027	4,653,098
2028	717,352
Thereafter	852,243
Total	<u>\$ 14,420,305</u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

F. Post-Employment Benefits Other Than Pensions

1. Health Plan

Plan Description

In addition to the pension benefits previously described, the City makes available health care benefits to eligible employees, and their spouses and children, who retire from the City and who are receiving benefits from a City sponsored retirement program (Texas Municipal Retirement System or Tyler Firefighters' Relief and Retirement Fund) through a single-employer defined benefit healthcare plan.

The plan does not issue a stand-alone report.

Benefits Provided

In addition to providing pension benefits, the City may provide group medical, dental, life and other benefits to eligible employees and their dependents. Detailed and summary information concerning eligibility, coverage and costs will be provided annually by the Finance Department and any outside service or insurance providers. The nature and extent of such benefits are subject to change without prior notice.

Employees who are working for City at the time of their retirement are eligible to continue to participate in City group health, dental, and life insurance plan. If such retiree's dependents were enrolled for coverage at the time of the retiree's retirement, then retiree may continue to have retiree's dependents covered.

Retirees who elect to remain in the insurance plan must continue to pay their portion of premiums and abide by the other conditions of the plan to have coverage. A retiree seeking continued coverage must inform the Finance Department no later than the date of retirement that the person elects to continue coverage for the retiree and/or dependents. Employees hired after 01/01/1997 must pay the full cost of premiums to continue coverage upon retirement. The City may substitute Medicare supplement health benefits coverage as the coverage provided for a retiree who receives health benefits coverage under this policy, including a dependent, after the date that the retiree becomes eligible for Federal Medicare benefits. The City may refuse health benefits coverage to a retiree and/or the retiree's dependent covered under this policy if the retiree and/or retiree's dependent is eligible for group health benefits coverage through another employer; or if premiums are not paid; or if they do not provide required certificate of insurance from insurance company. Non-Medicare Retirees, Medicare Retirees, and their dependents, who elect to opt out of the health and/or dental plan(s), may do so by submitting a written notice to the Finance Department. This written notice must include which plan(s) (health, dental and/or both) and the effective date (first day no longer covered). Retirees terminated for non-payment or who opted out and had not served 20 years with the City of Tyler will not be eligible to opt back into the health and/or dental plan(s) at a later date.

Retirees terminated due to alternative coverage may be able to opt back into the City's coverage if the retiree:

1. No longer qualifies for coverage,
2. Served 20 years with the City of Tyler, and
3. Had selected the coverage at the time of retirement.

Only the coverage selected at the time of retirement will be considered for the 20-year opt-in provision.

Additionally, the City provides eligible retirees with \$5,000 in basic life insurance coverage at no cost to the retirees.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

F. Post-Employment Benefits Other Than Pensions – continued

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	521
Inactive employees entitled to but not yet receiving benefits	-
Active employees	860
	1,381

Contributions

City contributions consists of monthly premium contributions to the Public Agency Retirement Services (PARS) Post-Retirement Health Funding Plan Trust, which is a multi-employer irrevocable trust that has a private letter ruling confirming it is in full compliance with the requirements of Section 115 of the Internal Revenue Code.

Medicare eligible retirees are provided with a Medicare insurance supplement program. For retirees hired before January 1, 1997, the City contributions are fixed at the 2013 subsidy level for age-band as of December 31, 2017. For retirees hired on and after January 1, 1997, there is no City contribution. See the table below for the monthly rates for employees:

	Medical Plan	Dental Plan	Vision Plan	
			Gold 100	Gold 150
Employee only	\$ 107.14	\$ 9.82	\$ 5.50	\$ 6.14
Employee + Spouse	357.24	36.10	9.30	10.50
Employee + Child(ren)	277.58	34.96	9.90	11.14
Employee + Family	484.06	54.34	14.80	16.70

Consistent with the requirements of GASB Statement No. 74, the employer contributions include amounts for OPEB as the benefits come due that will not be reimbursed to the employer using OPEB plan assets.

Net OPEB Liability

The City's Net OPEB Liability was measured as of December 31, 2022, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	TMRS: 3.50% to 11.50%, including inflation FIRE: 2.75% to 8.92%, including inflation
Healthcare cost trend rates	Initial rates of 7.00% declining to ultimate rates of 4.15% after 13 years

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

F. Post-Employment Benefits Other Than Pensions – continued

Salary increases were based on a service-related table obtained from either TMRS or FTDRRF. Per TMRS, mortality rates for active members, retirees, and beneficiaries were based on the gender distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females.

In addition, a 3.5% and 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor. Per FTDRRF, mortality rates for active members, retirees, and beneficiaries were based on the RP2000 Combined Healthy Mortality Tables projected to 2024 using Scale AA for males and females.

The actuarial assumptions for TMRS members are based on the assumptions that were developed for the defined benefit plan in which the City participates. The assumptions are based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement Plan (TMRS). The assumptions for firefighters are based on the pension valuation report provided by the City as of December 31, 2021.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 6.25%. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.25%; the municipal bond rate is 4.05% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 6.25%.

The City is expected to consistently fund the actuarially determined employer contribution, which uses a closed amortization period. As a result, the plan's fiduciary net position is expected to be sufficient to pay all future benefits.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

F. Post-Employment Benefits Other Than Pensions – continued

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances as of December 31, 2021	\$ 25,196,568	\$ 18,025,524	\$ 7,171,044
Changes for the year:			
Service cost	532,651	-	532,651
Interest on the total OPEB liability	1,516,111	-	1,516,111
Changes in benefit terms	-	-	-
Differences between expected and actual experience	371,763	-	371,763
Changes in assumptions	-	-	-
Employer contributions	-	3,590,759	(3,590,759)
Net investment income	-	(3,126,981)	3,126,981
Benefit payments	(2,410,244)	(2,410,244)	-
Administrative expenses	-	(43,346)	43,346
Other	-	-	-
Net Changes	10,281	(1,989,812)	2,000,093
Balances as of December 31, 2022	\$ 25,206,849	\$ 16,035,712	\$ 9,171,137

Sensitivity Analysis

The following presents the Net OPEB Liability of the City, calculated using the discount rate of 6.25%, as well as what the City's Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Decrease in Discount Rate (5.25%)	Discount Rate (6.25%)	1% Increase in Discount Rate (7.25%)
Net OPEB Liability	\$ 11,005,253	\$ 9,171,137	\$ 7,519,675

The following presents the Net OPEB Liability of the City, calculated using the assumed trend rates (7.00% declining to the ultimate rate of 4.15% after 13 years), as well as what the City's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower (5.25% declining to the ultimate rate of 3.15% after 13 years) or 1-percentage-point higher (7.25% declining to the ultimate rate of 5.15% after 13 years) than the current rate:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ 7,496,952	\$ 9,171,137	\$ 11,080,247

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

F. Post-Employment Benefits Other Than Pensions – continued

OPEB Income

For the year ended September 30, 2023, the City recognized OPEB income of \$874,835.

Components of OPEB Expense	
Service cost	\$ 532,651
Interest on total OPEB liability	1,516,111
Current-period benefit changes	-
Employee contributions	-
Projected earnings on OPEB plan investments	(1,162,132)
OPEB plan administrative expenses	43,346
Other changes in plan fiduciary net position	-
Recognition of current year outflow/(inflow) due to liabilities	61,971
Recognition of current year outflow/(inflow) due to assets	857,823
Amortization of prior year outflow/(inflow) due to liabilities	(2,397,351)
Amortization of prior year outflow/(inflow) due to assets	<u>(327,254)</u>
Total OPEB expense	<u>\$ (874,835)</u>

Deferred Outflows of Resources and Deferred Inflows of Resources to be Recognized in OPEB expense in Future Years

At September 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
Differences between expected and actual economic experience	\$ 309,792	\$ 4,704,532
Changes in actuarial assumptions	210,893	158,350
Difference between projected and actual investment earnings	3,123,863	754,785
Contributions subsequent to the measurement date	<u>3,253,421</u>	-
Total	<u>\$ 6,897,969</u>	<u>\$ 5,617,667</u>

The City had 3,253,421 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction/(addition) of the total OPEB liability for the year ending September 30, 2024. The employer contributions include trust contributions of \$3,414,159 plus the benefit payments paid by the City of \$2,410,244 minus the trust reimbursements of \$2,233,644. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2023	\$ (2,055,046)
2024	(1,680,876)
2025	83,479
2026	329,467
2027	61,199
Thereafter	-
	<u>\$ (3,261,777)</u>

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

F. Post-Employment Benefits Other Than Pensions - continued

2. Supplemental Death Benefits Plan

Plan Description

The City also participates in a single-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). Like the Defined Benefit Pension Plan, the OPEB Plan is under the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas.

This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

Benefits Provided

Payments from this fund are similar to group term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of \$7,500.

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2022</u>	<u>12/31/2021</u>
Inactive employees currently receiving benefits	499	487
Inactive employees entitled to but not yet receiving benefits	81	75
Active employees	708	710
	1,288	1,272

Contributions

The member cities contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree life insurance during employee's entire careers.

As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

For calendar year 2023, the total SDB contributions rate for the City was 0.44%, while the retiree portion of the SDB contribution was 0.22%. The City's contributions for the year ended September 30, 2023, were \$190,236 for the retiree portion, and \$103,144 for the total SDB rate. Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

F. Post-Employment Benefits Other Than Pensions - continued

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.50% to 11.5% including inflation
Discount rate *	4.05%
Retiree's share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial cost method being used is known as the Entry Age Normal Method. This method develops the annual cost of the Plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member's compensation through their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The normal cost is calculated using an entry age based on benefit service with the City. If a member has additional time-only vesting service through service with other TMRS cities or other public agencies, they retain this for determination of benefit eligibility and decrement rates. The salary-weighted average of these rates is the total normal cost rate. The unfunded actuarial accrued liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated.

These actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

F. Post-Employment Benefits Other Than Pensions - continued

Changes in the Total OPEB Liability

	Increase (Decrease)
	Total OPEB
	Liability
Balance at 12/31/2021	\$ 3,764,277
Changes for the year:	
Service cost	167,840
Interest	69,930
Change of benefit terms	-
Difference between expected and actual experience	(32,526)
Changes of assumptions or other inputs	(1,207,422)
Benefit payments	(95,260)
Net changes	(1,097,438)
Balance at 12/31/2022	\$ 2,666,839

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
Total OPEB Liability	\$ 3,134,809	\$ 2,666,839	\$ 2,295,609

OPEB Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$108,356.

Components of OPEB Expense	
Service cost	\$ 167,840
Interest on total OPEB liability	69,930
Changes in benefit terms	-
Employer administrative costs	-
Recognition of deferred outflows/inflows of resources:	
Differences between expected and actual experience	(57,355)
Changes in assumptions or other inputs	(72,059)
Total OPEB expense	\$ 108,356

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

F. Post-Employment Benefits Other Than Pensions - continued

Deferred Outflows of Resources and Deferred Inflows of Resources to Be Recognized in OPEB Expense in Future Years

At September 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
Differences between expected and actual economic experience	\$ -	\$ 84,503
Changes in actuarial assumptions	181,383	841,248
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	75,173	-
Total	<u>\$ 256,556</u>	<u>\$ 925,751</u>

The City had \$75,173 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2023	\$ (117,218)
2024	(185,305)
2025	(246,068)
2026	(195,776)
2027	-
Thereafter	-
	<u>\$ (744,367)</u>

G. Commitments

The City invested in other projects and contracts with outside parties. The more significant of these at September 30, 2023, are as follows:

Greenwood Landfill TX, L.P. – The City established a trust fund in January 2001 to ensure the eventual closure and post-closure expenditure requirements. The trust fund will be 100% funded by Greenwood Landfill TX, L.P. (Greenwood). The initial agreement was that Greenwood would fund the trust at the annual rate of \$400,000 per year for 5 years. In January 2005 the agreement was amended to reduce the annual funding rate to \$36,000 per year beginning October 1, 2004 to allow Greenwood to actively pursue authorization to expand the Landfill from the appropriate regulatory agencies. The funding will be re-evaluated periodically to determine future needs. The trust is set up as an expendable trust with expenditures restricted to closure and post-closure costs. Liability for closure and post-closure costs are the responsibility of Greenwood and will be calculated annually under requirements established by the Texas Commission on Environmental Quality.

Water Sales Contracts – The City has an agreement with surrounding cities and water supply corporations to provide a supplemental source of water. The parties have established a minimum annual and monthly take or pay volume and a surcharge to water taken above maximum day volume.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

H. Landfill Closure and Post-closure Costs

Greenwood Landfill – The City has contracted with a private enterprise to operate the Greenwood Landfill. The private enterprise bears the full financial responsibility of operating the landfill including all closure and post-closure costs. The operator is funding a landfill trust, which is administered by the City of Tyler and established for the future closure and post-closure costs of the Greenwood Landfill.

J. Subsequent Events

Subsequent to the year ended September 30, 2023, the City issued Water & Sewer System Revenue Bonds – Series 2023, in the amount of \$62,505,000 for future water and sewer system infrastructure and improvements. Subsequent events were evaluated through March 8, 2024, the date on which the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total pension liability									
Service Cost	\$ 4,665,697	\$ 5,126,201	\$ 5,561,888	\$ 5,616,579	\$ 5,645,418	\$ 5,888,461	\$ 6,538,350	\$ 7,005,071	\$ 7,462,072
Interest (on the Total Pension Liability)	14,108,492	14,704,123	14,812,165	15,456,387	16,127,408	16,704,156	17,359,476	18,090,098	19,191,678
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Difference between expected and actual results	(1,004,139)	(331,903)	(473,353)	(196,987)	(1,686,661)	(1,141,178)	(159,058)	4,626,384	5,894,474
Change of assumptions	-	(478,359)	-	-	-	347,014	-	-	-
Benefit payments, including refunds of employee contributions	(9,268,702)	(9,713,879)	(10,000,772)	(10,767,252)	(11,131,440)	(12,195,107)	(12,634,794)	(13,661,415)	(13,599,266)
Net Change in Total Pension Liability	8,501,348	9,306,183	9,899,928	10,108,727	8,954,725	9,603,346	11,103,974	16,060,138	18,948,958
Total Pension Liability - Beginning	203,851,387	212,352,735	221,658,918	231,558,846	241,667,573	250,622,298	260,225,644	271,329,618	287,389,756
Total Pension Liability - Ending (a)	<u>\$ 212,352,735</u>	<u>\$ 221,658,918</u>	<u>\$ 231,558,846</u>	<u>\$ 241,667,573</u>	<u>\$ 250,622,298</u>	<u>\$ 260,225,644</u>	<u>\$ 271,329,618</u>	<u>\$ 287,389,756</u>	<u>\$ 306,338,714</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ 6,710,788	\$ 7,010,794	\$ 7,040,230	\$ 7,170,297	\$ 7,214,614	\$ 7,579,707	\$ 8,375,887	\$ 8,969,352	\$ 9,363,589
Contributions - Employee	2,227,512	2,327,022	2,388,648	2,420,194	2,438,458	2,539,876	2,801,479	2,982,695	3,175,209
Net Investment Income	8,776,879	238,696	10,912,920	23,797,094	(5,816,547)	28,874,055	16,195,750	29,723,296	(18,674,379)
Benefit payments, including refunds of employee contributions	(9,268,702)	(9,713,879)	(10,000,772)	(10,767,252)	(11,131,440)	(12,195,107)	(12,634,794)	(13,661,415)	(13,599,266)
Administrative Expense	(91,634)	(145,395)	(123,252)	(123,321)	(112,418)	(163,154)	(104,816)	(137,546)	(161,649)
Other	(7,534)	(7,181)	(6,641)	(6,250)	(5,873)	(4,901)	(4,089)	942	192,895
Net Change in Plan Fiduciary Net Position	8,347,309	(289,943)	10,211,133	22,490,762	(7,413,206)	26,630,476	14,629,417	27,877,324	(19,703,601)
Plan Fiduciary Net Position - Beginning	153,424,630	161,771,939	161,481,996	171,693,129	194,183,891	186,770,685	213,401,161	228,030,578	255,907,901
Plan Fiduciary Net Position - Ending (b)	<u>\$ 161,771,939</u>	<u>\$ 161,481,996</u>	<u>\$ 171,693,129</u>	<u>\$ 194,183,891</u>	<u>\$ 186,770,685</u>	<u>\$ 213,401,161</u>	<u>\$ 228,030,578</u>	<u>\$ 255,907,901</u>	<u>\$ 236,204,300</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 50,580,796</u>	<u>\$ 60,176,922</u>	<u>\$ 59,865,717</u>	<u>\$ 47,483,682</u>	<u>\$ 63,851,613</u>	<u>\$ 46,824,483</u>	<u>\$ 43,299,040</u>	<u>\$ 31,481,855</u>	<u>\$ 70,134,414</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.18%	72.85%	74.15%	80.35%	74.52%	82.01%	84.04%	89.05%	77.11%
Covered Payroll	\$ 31,816,401	\$ 33,222,301	\$ 34,080,198	\$ 34,542,306	\$ 34,783,842	\$ 36,281,338	\$ 39,817,416	\$ 42,609,922	\$ 45,362,142
Net Pension Liability as a Percentage of Covered Payroll	158.98%	181.13%	175.66%	137.47%	183.57%	129.06%	108.74%	73.88%	154.61%

Notes to Schedule:

This schedule will present 10 years information when it becomes available.

**CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 6,596,251	\$ 6,906,104	\$ 7,323,791	\$ 7,067,763	\$ 7,242,722	\$ 7,480,539	\$ 7,930,591	\$ 8,631,602	\$ 9,404,910	\$ 9,711,882
Contributions in relation to the actuarially determined contributions	<u>6,596,251</u>	<u>6,906,104</u>	<u>7,323,791</u>	<u>7,067,763</u>	<u>7,242,722</u>	<u>7,480,539</u>	<u>7,930,591</u>	<u>8,631,602</u>	<u>9,404,910</u>	<u>9,711,604</u>
Contribution deficiency (Overpayment)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278
Covered payroll	\$31,503,109	\$ 32,746,475	\$ 35,299,165	\$ 34,107,320	\$ 34,968,816	\$ 35,884,086	\$ 37,823,838	\$ 41,049,345	\$ 44,647,369	\$ 47,037,135
Contributions as a percentage of covered payroll	20.94%	21.09%	20.75%	20.72%	20.71%	20.85%	20.97%	21.03%	21.06%	20.65%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 Years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information:	There were no benefit changes during the year.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIIGHTERS' RELIEF AND RETIREMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total pension liability									
Service Cost	\$ 2,135,428	\$ 2,215,179	\$ 2,248,539	\$ 2,327,238	\$ 2,303,706	\$ 2,382,032	\$ 2,548,466	\$ 2,624,920	\$ 2,802,208
Interest (on the Total Pension Liability)	5,987,025	6,277,350	6,474,280	6,684,234	6,849,003	7,121,777	7,296,397	7,506,525	7,849,328
Changes in benefit terms	-	-	-	-	158,198	-	-	-	-
Difference between expected and actual results	-	198,165	-	(1,038,495)	-	(1,839,950)	-	1,726,837	-
Change of assumptions	-	808,186	-	1,214,295	-	4,861,656	-	2,949,576	-
Benefit payments, including refunds of employee contributions	(3,413,612)	(5,498,546)	(6,299,846)	(5,814,190)	(4,940,827)	(6,247,265)	(7,770,776)	(6,275,210)	(6,505,116)
Net Change in Total Pension Liability	4,708,841	4,000,334	2,422,973	3,373,082	4,370,080	6,278,250	2,074,087	8,532,648	4,146,420
Total Pension Liability - Beginning	76,823,319	81,532,160	85,532,494	87,955,467	91,328,549	95,698,629	101,976,879	104,050,966	112,583,614
Total Pension Liability - Ending (a)	<u>\$ 81,532,160</u>	<u>\$ 85,532,494</u>	<u>\$ 87,955,467</u>	<u>\$ 91,328,549</u>	<u>\$ 95,698,629</u>	<u>\$ 101,976,879</u>	<u>\$ 104,050,966</u>	<u>\$ 112,583,614</u>	<u>\$ 116,730,034</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ 2,407,993	\$ 2,452,070	\$ 2,336,615	\$ 2,405,117	\$ 2,430,912	\$ 2,511,677	\$ 2,708,618	\$ 2,739,984	\$ 2,858,276
Contributions - Employee	1,522,493	1,555,182	1,512,916	1,549,098	1,568,701	1,605,481	1,722,252	1,730,935	1,794,764
Net Investment Income	2,403,790	(2,891,814)	5,091,311	9,480,792	(4,565,736)	12,119,485	9,868,054	10,095,696	(12,570,100)
Benefit payments, including refunds of employee contributions	(3,413,612)	(5,498,546)	(6,299,846)	(5,814,190)	(4,940,827)	(6,247,265)	(7,770,776)	(6,275,210)	(6,505,116)
Administrative Expense	(53,740)	(30,035)	(54,206)	(15,132)	(35,836)	(15,903)	(46,062)	(48,171)	(110,092)
Other	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	2,866,924	(4,413,143)	2,586,790	7,605,685	(5,542,786)	9,973,475	6,482,086	8,243,234	(14,532,268)
Plan Fiduciary Net Position - Beginning	61,495,625	64,362,549	59,949,406	62,536,196	70,141,881	64,599,095	74,572,570	81,054,656	89,297,890
Plan Fiduciary Net Position - Ending (b)	<u>\$ 64,362,549</u>	<u>\$ 59,949,406</u>	<u>\$ 62,536,196</u>	<u>\$ 70,141,881</u>	<u>\$ 64,599,095</u>	<u>\$ 74,572,570</u>	<u>\$ 81,054,656</u>	<u>\$ 89,297,890</u>	<u>\$ 74,765,622</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 17,169,611</u>	<u>\$ 25,583,088</u>	<u>\$ 25,419,271</u>	<u>\$ 21,186,668</u>	<u>\$ 31,099,534</u>	<u>\$ 27,404,309</u>	<u>\$ 22,996,310</u>	<u>\$ 23,285,724</u>	<u>\$ 41,964,412</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.94%	70.09%	71.10%	76.80%	67.50%	73.13%	77.90%	79.32%	64.05%
Covered Payroll	\$ 11,272,803	\$ 11,519,867	\$ 11,206,785	\$ 11,474,800	\$ 11,620,007	\$ 11,892,452	\$ 12,757,422	\$ 12,821,741	\$ 13,294,548
Net Pension Liability as a Percentage of Covered Payroll	152.31%	222.08%	226.82%	184.64%	267.64%	230.43%	180.26%	181.61%	315.65%

Notes to Schedule:

This schedule will present 10 years information when it becomes available.

**CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' RELIEF AND RETIREMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 2,402,466	\$ 2,448,625	\$ 2,508,633	\$ 2,244,357	\$ 2,640,922	\$ 2,525,746	\$ 2,578,616	\$ 2,696,067	\$ 2,838,333	\$ 3,228,787
Contributions in relation to the actuarially determined contributions	2,402,466	2,448,625	2,442,540	2,189,346	2,620,919	2,487,004	2,578,616	2,697,932	2,838,333	3,229,058
Contribution deficiency	\$ -	\$ -	\$ 66,093	\$ 55,011	\$ 20,003	\$ 38,742	\$ -	\$ (1,865)	\$ -	\$ (271)
Covered payroll	\$ 11,272,803	\$ 11,506,705	\$ 11,963,428	\$ 10,721,551	\$ 12,616,845	\$ 11,985,380	\$ 12,160,729	\$ 12,634,170	\$ 13,219,703	\$ 14,760,951
Contributions as a percentage of covered payroll	21.31%	21.28%	20.42%	20.42%	20.77%	20.75%	21.20%	21.35%	21.47%	21.88%

NOTES TO SCHEDULE OF CONTRIBUTIONS

- Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
- Methods and Assumptions Used to Determine Contribution Rates:
 - Actuarial Cost Method: Entry Age
 - Amortization Method: Level Percentage of Payroll Method
 - Remaining Amortization Period: 26 years
 - Inflation: 2.75%
 - Salary Increases: 2.75%, plus promotion, step and longevity increases that vary by service
 - Investment Rate of Return: 7%, net of pension plan investment expense, including inflation
 - Retirement Age: Firefighters become eligible for normal service retirement at age 50 with 25 years of service or at age 55 with 20 years of service.
 - Mortality: Based on the PubS-2010 (public safety) total dataset mortality tables for employees and retirees (sex distinct), projected using projection scale MP-2019
 - Other Information: There were no benefit changes during the year.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
HEALTH PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total OPEB liability						
Service Cost	\$ 617,273	\$ 656,975	\$ 660,205	\$ 597,389	\$ 578,751	\$ 532,651
Interest (on the Total OPEB Liability)	2,303,993	2,317,569	2,329,351	1,780,085	1,791,868	1,516,111
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	(736,059)	(9,134,915)	(517,661)	(3,838,670)	371,763
Change of assumptions	-	-	(477,666)	-	316,309	-
Benefit payments	(3,459,056)	(2,005,477)	(2,112,205)	(1,479,405)	(1,859,031)	(2,410,244)
Net Change in Total OPEB Liability	(537,790)	233,008	(8,735,230)	380,408	(3,010,773)	10,281
Total OPEB Liability - Beginning	36,866,945	36,329,155	36,562,163	27,826,933	28,207,341	25,196,568
Total OPEB Liability - Ending (a)	<u>\$ 36,329,155</u>	<u>\$ 36,562,163</u>	<u>\$ 27,826,933</u>	<u>\$ 28,207,341</u>	<u>\$ 25,196,568</u>	<u>\$ 25,206,849</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 6,125,793	\$ 2,880,184	\$ 3,188,005	\$ 2,119,542	\$ 1,862,790	\$ 3,590,759
Contributions - Employee	-	-	-	-	-	-
OPEB plan net investment income	1,042,478	(539,956)	2,019,451	1,709,041	1,869,730	(3,126,981)
Benefit payments	(3,459,056)	(2,005,477)	(2,112,205)	(1,479,405)	(1,859,031)	(2,410,244)
OPEB plan administrative Expense	(23,966)	(29,550)	(37,313)	(35,395)	(44,114)	(43,346)
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,685,249	305,201	3,057,938	2,313,783	1,829,375	(1,989,812)
Plan Fiduciary Net Position - Beginning	6,833,978	10,519,227	10,824,428	13,882,366	16,196,149	18,025,524
Plan Fiduciary Net Position - Ending (b)	<u>\$ 10,519,227</u>	<u>\$ 10,824,428</u>	<u>\$ 13,882,366</u>	<u>\$ 16,196,149</u>	<u>\$ 18,025,524</u>	<u>\$ 16,035,712</u>
Net OPEB Liability (Asset) - Ending (a)-(b)	<u>\$ 25,809,928</u>	<u>\$ 25,737,735</u>	<u>\$ 13,944,567</u>	<u>\$ 12,011,192</u>	<u>\$ 7,171,044</u>	<u>\$ 9,171,137</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	28.96%	29.61%	49.89%	57.42%	71.54%	63.62%
Covered-Employee Payroll	\$ 45,211,468	\$ 45,363,280	\$ 48,419,528	\$ 52,976,140	\$ 55,515,984	\$ 58,782,015
Net OPEB Liability as a Percentage of Covered-Employee Payroll	57.09%	56.74%	28.80%	22.67%	12.92%	15.60%

Notes to Schedule:

This schedule will present 10 years information when it becomes available.

**CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially Determined Contribution	\$ 2,988,214	\$ 2,988,214	\$ 2,748,039	\$ 2,769,150	\$ 1,627,754	\$ 1,627,754
Contributions in relation to the actuarially determined contributions	<u>3,226,151</u>	<u>3,129,268</u>	<u>3,414,231</u>	<u>3,421,369</u>	<u>3,413,596</u>	<u>4,188,625</u>
Contribution excess	\$ (237,937)	\$ (141,054)	\$ (666,192)	\$ (652,219)	\$ (1,785,842)	\$ (2,560,871)
Covered-Employee Payroll	\$ 44,647,862	\$ 48,416,755	\$ 50,375,986	\$ 53,826,836	\$ 57,964,136	\$ 61,269,497
Contributions as a percentage of Covered-Employee Payroll	7.23%	6.46%	6.78%	6.36%	5.89%	6.84%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: The actuarially determined contribution for fiscal year ending September 30, 2023 was developed in the December 31, 2021 roll-forward valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Closed, 20 years as of FYE23
Asset Valuation Method	Market Value
Investment Rate of Return	6.50%, net of investment expenses, including inflation
Inflation	2.50%
Salary Increases	TMRS: 3.50% to 11.50%, including inflation FIRE: 3.50% to 9.71%, including inflation
Demographic Assumptions	TMRS: Based on the experience study covering the four-year period ending December 31, 2018 as conducted by the Texas Municipal Retirement System. FIRE: Based on the pension valuation report for the Tyler Firefighters' Relief and Retirement Fund as of December 31, 2021.
Mortality	TMRS: For healthy retirees, the gender-distinct RP-2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements. FIRE: PubS-2010 (public safety) total dataset mortality tables for employees and retirees (sex distinct), projected using projection scale MP-2019
Participation Rates	It was assumed that 85% of future retirees who were hired before January 1, 1997 and 30% of future retirees who were hired after January 1, 1997 would choose to receive retiree health care benefits through the City.
Healthcare Cost Trend Rates	Initial rates of 7.0% declining to ultimate rates of 4.15% after 15 years.

Notes to Schedule:

- (1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
- (2) There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SUPPLEMENTAL DEATH BENEFITS PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total OPEB liability						
Service Cost	\$ 72,539	\$ 86,960	\$ 79,819	\$ 115,476	\$ 144,874	\$ 167,840
Interest	86,877	86,971	95,473	84,548	71,588	69,930
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	(27,611)	(111,448)	(85,897)	(18,292)	(32,526)
Change of assumptions and other inputs	190,285	(168,451)	451,855	442,998	108,151	(1,207,422)
Benefit payments	(27,634)	(27,827)	(29,025)	(35,837)	(98,003)	(95,260)
Net Change in Total OPEB Liability	322,067	(49,958)	486,674	521,288	208,318	(1,097,438)
Total OPEB Liability - Beginning	2,275,888	2,597,955	2,547,997	3,034,671	3,555,959	3,764,277
Total OPEB Liability - Ending (a)	<u>\$ 2,597,955</u>	<u>\$ 2,547,997</u>	<u>\$ 3,034,671</u>	<u>\$ 3,555,959</u>	<u>\$ 3,764,277</u>	<u>\$ 2,666,839</u>
Covered Payroll	\$34,542,306	\$34,783,842	\$36,281,338	\$39,819,429	\$42,609,992	\$47,037,135
Net OPEB Liability as a Percentage of Covered Payroll	7.52%	7.33%	8.36%	8.93%	8.83%	5.67%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Summary of Actuarial Assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount Rate*	4.05%
Retirees' share of benefit-related costs	\$0.00
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Other Information: The Supplemental Death Benefits Fund is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ADDITIONAL SUPPLEMENTARY INFORMATION

CITY OF TYLER, TEXAS
COMBINING BALANCE SHEET
GENERAL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	GENERAL	DEVELOPMENT SERVICES	TOURISM AND CONVENTION	RAINY DAY	FAIR PARKING GARAGE	ELIMINATIONS	TOTAL GENERAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 11,217,785	\$ 4,507,140	\$ 503,066	\$ 10,211,990	\$ -	\$ -	\$ 26,439,981
Receivables (net of allowance for doubtful accounts) :							
Property taxes	765,979	-	-	-	-	-	765,979
Other	22,281,834	69,228	3,528	47,365	-	-	22,401,955
Due from other funds	3,043,779	-	-	-	-	(724)	3,043,055
Inventories	71,734	-	-	-	-	-	71,734
Prepaid items	117,660	730	738	-	-	-	119,128
Cash and cash equivalents - restricted	17,720,914	-	-	-	-	-	17,720,914
Total assets	\$ 55,219,685	\$ 4,577,098	\$ 507,332	\$ 10,259,355	\$ -	\$ (724)	\$ 70,562,746
LIABILITIES							
Accounts payable	\$ 3,564,003	\$ 106,599	\$ 140,651	\$ -	\$ 1,004	\$ -	\$ 3,812,257
Due to other funds	-	-	-	-	724	(724)	-
Deposits and other refundable balances	38,706	2,013,894	15,686	5,000	-	-	2,073,286
Unearned revenue	17,742,962	-	-	-	-	-	17,742,962
Total liabilities	21,345,671	2,120,493	156,337	5,000	1,728	(724)	23,628,505
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	721,206	-	-	-	-	-	721,206
Unavailable revenue - fines	12,574,941	-	-	-	-	-	12,574,941
Unavailable revenue - permits	-	40,113	-	-	-	-	40,113
Total deferred inflows of resources	13,296,147	40,113	-	-	-	-	13,336,260
FUND BALANCES							
Restricted	17,720,914	-	-	-	-	-	17,720,914
Nonspendable:							
Inventories	71,734	-	-	-	-	-	71,734
Prepaid items	117,660	730	738	-	-	-	119,128
Assigned to:							
Development services	-	2,415,762	-	-	-	-	2,415,762
Capital improvements	-	-	-	-	-	-	-
Tourism and convention	-	-	350,257	-	-	-	350,257
Unassigned	2,667,559	-	-	10,254,355	(1,728)	-	12,920,186
Total fund balances	20,577,867	2,416,492	350,995	10,254,355	(1,728)	-	33,597,981
Total liabilities, deferred inflows of resources, and fund balances	\$ 55,219,685	\$ 4,577,098	\$ 507,332	\$ 10,259,355	\$ -	\$ (724)	\$ 70,562,746

CITY OF TYLER, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	GENERAL	DEVELOPMENT SERVICES	TOURISM AND CONVENTION	RAINY DAY	FAIR PARKING GARAGE	ELIMINATIONS	TOTAL GENERAL GOVERNMENTAL FUNDS
REVENUES							
Taxes:							
Property	\$ 27,025,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,025,622
Franchise	11,261,210	-	-	-	-	-	11,261,210
Sales and use	41,625,717	-	-	-	-	-	41,625,717
Licenses and permits	457,240	2,369,781	-	-	-	-	2,827,021
Fines, forfeitures and penalties	3,995,667	-	-	-	-	-	3,995,667
Revenues from use of money or property	1,670,124	152,262	406,211	309,725	-	-	2,538,322
Charges for current services	2,602,577	71,638	103,882	-	-	-	2,778,097
Revenues from other agencies	847,135	15,638	-	-	-	-	862,773
Miscellaneous	692,059	222,700	19,065	54,712	-	-	988,536
Total revenues	90,177,351	2,832,019	529,158	364,437	-	-	93,902,965
EXPENDITURES							
Current:							
General government	10,189,420	39,328	-	975,144	1,764	-	11,205,656
Public safety	58,492,641	-	-	-	-	-	58,492,641
Public services	1,423,635	2,274,424	-	-	-	-	3,698,059
Highways and streets	6,371,171	-	-	-	-	-	6,371,171
Culture and recreations	6,418,840	-	2,989,526	-	-	-	9,408,366
Capital Outlay	669,081	-	54,237	-	-	-	723,318
Total expenditures	83,564,788	2,313,752	3,043,763	975,144	1,764	-	89,899,211
Excess (deficiency) of revenues over (under) expenditures	6,612,563	518,267	(2,514,605)	(610,707)	(1,764)	-	4,003,754
OTHER FINANCING SOURCES (USES)							
Other financing - SBITA's	45,548	-	-	-	-	-	45,548
Transfers in	-	-	2,500,000	3,000,000	-	(3,000,000)	2,500,000
Transfers out	(6,692,873)	-	-	(451,792)	-	3,000,000	(4,144,665)
Total other financing sources (uses)	(6,647,325)	-	2,500,000	2,548,208	-	-	(1,599,117)
Net change in fund balances	(34,762)	518,267	(14,605)	1,937,501	(1,764)	-	2,404,637
Fund balances - beginning of year	20,612,629	1,898,225	365,600	8,316,854	36	-	31,193,344
Fund balances - end of year	\$ 20,577,867	\$ 2,416,492	\$ 350,995	\$ 10,254,355	\$ (1,728)	\$ -	\$ 33,597,981



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***Police Forfeiture Fund*** was established to account for the receipt and disbursement of funds seized by the Police Department and subsequently awarded to the City through court-ordered judgements, primarily cases involving illegal drugs.

The ***Park Improvement Fund*** was established to account for the receipt and disbursement of funds that are allocated and utilized to improve parks around the City.

The ***Court Special Fee Fund*** was established to track the receipt of court fees restricted for court technology purchases by the State of Texas.

The ***Economic Development Fund*** was established to account for the receipt and disbursement of funds to promote, encourage and enhance the creation and retention of jobs which retain and expand the City tax base.

The ***Hotel-Motel Occupancy Tax Fund*** was established to account for the receipt and disbursement of funds generated by the Hotel-Motel Occupancy Tax.

The ***Donations Fund*** was established to account for the receipt and disbursement of funds for specified miscellaneous projects.

The ***Passenger Facility Charge Fund*** was established to account for the receipt and disbursement of fees collected during the purchase of airline travel tickets and/or fees collected from the rental of vehicles at Tyler Pounds Regional Airport.

The ***Public, Educational and Governmental Access Channel (PEG) Fee Fund*** was established to account for the receipt and disbursement of funds to be spent on governmental access channel facilities and related capital items.

The ***CDBG Fund*** was established to account for the receipt and disbursement of CDBG Grant monies allocated to the City.

The ***Home Grant Fund*** was established to account for the receipt and disbursement of Home Grant monies allocated to the City to provide affordable housing for low-income households.

The ***Homeownership and Housing Fund*** was established to account for the receipt and disbursement of Homeownership and Housing funds allocated to the City.

The ***Housing Assistance Payment Fund*** was established to account for the receipt and disbursement of Department of Housing and Urban Development- Housing Assistance Payments Program Fund.

SPECIAL REVENUE FUNDS, CONTINUED

The *State and Federal Grants Fund* was created to account for the receipt and disbursement of Federal and State Grants for which no separate fund has been established. These are generally fairly small grants which are expended fairly quickly.

The *Transit System Fund* was established to account for the receipt and disbursement of Federal and State Grant Funds received for the operation of the City's Transit System.

The *TIF/TIRZ #3 and #4 Funds* were established to encourage economic development in the Downtown area. These Funds account for additional value and associated taxes received from the property tax and sales tax on improvements and new construction within the zones.

CAPITAL PROJECTS FUND

The *General Capital Projects Fund* is funded periodically by excesses remaining in the General Fund and is used to pay for one time only capital expenditures.

The *Quality Street Improvement Fund* is funded through \$0.02 of the City's property tax rate and is used to pay for street improvements in the City as needed.

DEBT SERVICE FUND

The *Rose Complex Debt Service Fund* was established to account for the debt service requirements related to the revenues bond issued in 2021 to fund the construction of the Rose Complex Convention Center.

PERMANENT FUND

The *Cemeteries Fund* was established to provide perpetual care and maintenance to the City's cemeteries.

CITY OF TYLER, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

SPECIAL REVENUE FUND

	POLICE FORFEITURE	PARK IMPROVEMEN	COURT SPECIAL FEE	ECONOMIC DEVELOPMENT	HOTEL- MOTEL OCCUPANCY	DONATIONS	PASSENGER FACILITY CHARGE	PEG FEE	CDBG	HOME GRANT	HOMEOWNER AND HOUSING	HOUSING ASSISTANCE PAYMENT
ASSETS												
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ 407,323	\$ 804,131	\$ -	\$ 406,387	\$ 1,233,230	\$ 30,457	\$ 356,438	\$ 444	\$ -
Accounts and grants receivable	1,997	-	698	-	764,041	-	96	55,903	335,247	114,575	-	8,077
Inventories	-	-	-	-	-	-	-	-	-	4,450	-	-
Prepaid items	-	-	450	-	-	-	-	-	-	-	-	-
Cash - restricted	401,244	325,349	127,222	-	-	1,116,338	-	-	-	-	-	1,417,715
Total assets	\$ 403,241	\$ 325,349	\$ 128,370	\$ 407,323	\$ 1,568,172	\$ 1,116,338	\$ 406,483	\$ 1,289,133	\$ 365,704	\$ 475,463	\$ 444	\$ 1,425,792
LIABILITIES												
Accounts payable	\$ -	\$ 62,782	\$ 10,346	\$ -	\$ 460,452	\$ 15,334	\$ -	\$ 2,679	\$ 259,126	\$ 114,102	\$ -	\$ 36,295
Deposits and other refundable balances	115,093	-	-	-	-	-	-	-	-	-	-	176,889
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	115,093	62,782	10,346	-	460,452	15,334	-	2,679	259,126	114,102	-	213,184
FUND BALANCES												
Nonspendable:												
Inventories	-	-	-	-	-	-	-	-	-	4,450	-	-
Prepaid items	-	-	450	-	-	-	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for:												
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	288,148	-	117,574	407,323	-	-	-	-	-	-	-	-
Capital improvements	-	262,567	-	-	-	-	-	-	-	-	-	-
Tourism and convention	-	-	-	-	1,107,720	-	-	-	-	-	-	-
Donor restrictions	-	-	-	-	-	1,101,004	-	-	-	-	-	-
Airport improvements	-	-	-	-	-	-	406,483	-	-	-	-	-
Communications	-	-	-	-	-	-	-	1,286,454	-	-	-	-
Housing assistance	-	-	-	-	-	-	-	-	-	-	444	1,212,608
Grant restrictions	-	-	-	-	-	-	-	-	106,578	356,911	-	-
Assign to:												
Capital projects	-	-	-	-	-	-	-	-	-	-	-	-
Cemetery maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	288,148	262,567	118,024	407,323	1,107,720	1,101,004	406,483	1,286,454	106,578	361,361	444	1,212,608
Total liabilities and fund balances	\$ 403,241	\$ 325,349	\$ 128,370	\$ 407,323	\$ 1,568,172	\$ 1,116,338	\$ 406,483	\$ 1,289,133	\$ 365,704	\$ 475,463	\$ 444	\$ 1,425,792

**CITY OF TYLER, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023**

	SPECIAL REVENUE FUND				CAPITAL PROJECTS FUND		DEBT SERVICE FUND	PERMANENT FUNDS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS	
	STATE AND FEDERAL GRANTS	TRANSIT SYSTEM	TIF / TIRZ #3 FUND	TIF / TIRZ #4 FUND	GENERAL CAPITAL PROJECTS	QUALITY STREET IMPROVEMENT FUND	ROSE COMPLEX DEBT SERVICE	CEMETERIES		
ASSETS										
Equity in pooled cash and investments	\$ -	\$ -	\$ 929,056	\$ 200,976	\$ 4,368,442	\$ 2,322,630	\$ 1,572,870	\$ 3,763	\$ 66,837	\$ 8,334,542
Accounts and grants receivable	95,296	454,383	4,779	2,147	1,837,239	7,845	6,817	-	17,225	1,869,126
Inventories	-	-	-	-	4,450	-	-	-	-	4,450
Prepaid items	425	8,027	-	-	8,902	-	-	-	-	8,902
Cash - restricted	-	250	-	-	3,388,118	7,156	-	-	3,306,701	6,701,975
Total assets	\$ 95,721	\$ 462,660	\$ 933,835	\$ 203,123	\$ 9,607,151	\$ 2,337,631	\$ 1,579,687	\$ 3,763	\$ 3,390,763	\$ 16,918,995
LIABILITIES										
Accounts payable	\$ 12,508	\$ 194,893	\$ -	\$ -	\$ 1,168,517	\$ 419,206	\$ 47,274	\$ -	\$ 12,541	\$ 1,647,538
Accrued interest payable	-	-	-	-	-	5,202	-	-	-	5,202
Deposits and other refundable balances	-	-	-	-	291,982	-	-	-	-	291,982
Due to other funds	82,384	259,227	-	-	341,611	-	-	-	-	341,611
Unearned revenue	829	-	-	-	829	-	-	-	-	829
Total Liabilities	95,721	454,120	-	-	1,802,939	424,408	47,274	-	12,541	2,287,162
FUND BALANCES										
Nonspendable:										
Inventories	-	-	-	-	4,450	-	-	-	-	4,450
Prepaid items	-	-	-	-	450	-	-	-	-	450
Permanent fund principal	-	-	-	-	-	-	-	3,323,804	-	3,323,804
Restricted for:										
Debt service	-	-	-	-	-	-	3,763	-	-	3,763
Public safety	-	-	-	-	813,045	-	-	-	-	813,045
Capital improvements	-	-	933,835	203,123	1,399,525	-	-	-	-	1,399,525
Tourism and convention	-	-	-	-	1,107,720	-	-	-	-	1,107,720
Donor restrictions	-	-	-	-	1,101,004	-	-	-	-	1,101,004
Airport improvements	-	-	-	-	406,483	-	-	-	-	406,483
Communications	-	-	-	-	1,286,454	-	-	-	-	1,286,454
Housing assistance	-	-	-	-	1,213,052	-	-	-	-	1,213,052
Grant restrictions	-	8,540	-	-	472,029	-	-	-	-	472,029
Assign to:										
Capital projects	-	-	-	-	-	1,913,223	1,532,413	-	-	3,445,636
Unassigned	-	-	-	-	-	-	-	54,418	-	54,418
Total fund balances	-	8,540	933,835	203,123	7,804,212	1,913,223	1,532,413	3,763	3,378,222	14,631,833
Total liabilities and fund balances	\$ 95,721	\$ 462,660	\$ 933,835	\$ 203,123	\$ 9,607,151	\$ 2,337,631	\$ 1,579,687	\$ 3,763	\$ 3,390,763	\$ 16,918,995

CITY OF TYLER, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SPECIAL REVENUE FUND												
	POLICE FORFEITURE	PARK IMPROVEMENT	COURT SPECIAL FEE	ECONOMIC DEVELOPMENT	HOTEL- MOTEL OCCUPANCY	DONATIONS	PASSENGER FACILITY CHARGE	PEG FEE	CDBG	HOME GRANT	HOUSING	HOUSING ASSISTANCE PAYMENT
REVENUES												
Taxes:												
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise	-	-	-	-	-	-	-	201,325	-	-	-	-
Sales and use	-	-	-	-	4,361,115	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	2,186,198	351,675	-	10,641,578
Fines, forfeitures and penalties	31,663	-	466,112	-	-	-	-	-	-	-	-	-
Revenues from use of money and property	15,450	-	3,256	12,048	34,253	-	10,245	44,363	-	-	14	55,336
Donations	-	-	-	-	-	755,453	-	-	-	-	-	-
Charges for services	-	695,325	-	-	-	-	181,838	-	-	-	-	-
Miscellaneous	-	-	-	-	500,000	-	-	-	10,943	-	-	-
Total revenues	47,113	695,325	469,368	12,048	4,895,368	755,453	192,083	245,688	2,197,141	351,675	14	10,696,914
EXPENDITURES												
Current:												
General government	-	-	-	165,000	-	51,693	-	126,923	-	-	-	1,712
Public safety	-	-	395,815	-	-	55,128	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	151,050	-	-	-	-	-	-
Public services	-	-	-	-	943,626	60,646	-	-	190,804	351,676	-	10,393,924
Capital outlay	89,899	971,782	-	-	9,004,185	78,100	-	19,373	1,995,395	-	-	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	2,012	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	91,911	971,782	395,815	165,000	9,947,811	396,617	-	146,296	2,186,199	351,676	-	10,395,636
Excess (deficiency) of revenues over (under) expenditures	(44,798)	(276,457)	73,553	(152,952)	(5,052,443)	358,836	192,083	99,392	10,942	(1)	14	301,278
OTHER FINANCING SOURCES (USES)												
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	200,000	3,250,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(3,117,800)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	200,000	132,200	-	-	-	-	-	-	-
Change in net assets	(44,798)	(276,457)	73,553	47,048	(4,920,243)	358,836	192,083	99,392	10,942	(1)	14	301,278
Fund balances - beginning of year	332,946	539,024	44,471	360,275	6,027,963	742,168	214,400	1,187,062	95,636	361,362	430	911,330
Fund balances - end of year	\$ 288,148	\$ 262,567	\$ 118,024	\$ 407,323	\$ 1,107,720	\$ 1,101,004	\$ 406,483	\$ 1,286,454	\$ 106,578	\$ 361,361	\$ 444	\$ 1,212,608

**CITY OF TYLER, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	SPECIAL REVENUE FUND				CAPITAL PROJECTS FUND		DEBT SERVICE	PERMANENT FUNDS		
	STATE AND FEDERAL GRANTS	TRANSIT SYSTEM	TIF / TIRZ #3 FUND	TIF / TIRZ #4 FUND	TOTAL SPECIAL REVENUE	GENERAL CAPITAL PROJECTS	QUALITY STREET IMPROVEMENT FUND	ROSE COMPLEX DEBT SERVICE	CEMETERIES	TOTAL NON- MAJOR GOVERNMENTAL FUNDS
REVENUES										
Taxes:										
Property	\$ -	\$ -	\$ 172,979	\$ 134,115	\$ 307,094	\$ -	\$ -	\$ -	\$ -	\$ 307,094
Franchise	-	-	-	-	201,325	-	-	-	-	201,325
Sales and use	-	-	-	-	4,361,115	-	-	-	-	4,361,115
Licenses and permits	-	-	-	-	-	-	-	-	111,929	111,929
Grants	582,190	3,081,339	-	-	16,842,980	-	-	-	-	16,842,980
Fines, forfeitures and penalties	-	-	-	-	497,775	-	-	-	-	497,775
Revenues from use of money and property	-	5,200	32,708	-	212,873	81,513	52,268	-	121,673	468,327
Donations	-	-	-	-	755,453	-	-	-	-	755,453
Charges for services	-	157,249	-	-	1,034,412	-	-	-	64,483	1,098,895
Miscellaneous	-	50,122	-	-	561,065	22,433	-	-	-	583,498
Total revenues	582,190	3,293,910	205,687	134,115	24,774,092	103,946	52,268	-	298,085	25,228,391
EXPENDITURES										
Current:										
General government	-	-	447	-	345,775	1,067,590	-	-	-	1,413,365
Public safety	-	-	-	-	450,943	-	-	-	-	450,943
Culture and recreation	-	-	-	-	151,050	-	-	-	457,218	608,268
Public services	532,197	3,937,803	-	-	16,410,676	-	-	-	-	16,410,676
Capital outlay	49,994	226,832	-	-	12,435,560	1,142,408	1,537,601	-	-	15,115,569
Debt service:										
Principal	-	-	-	-	-	-	-	230,000	-	230,000
Interest and fiscal charges	-	-	-	-	2,012	(2,157)	-	364,200	-	364,055
Total expenditures	582,191	4,164,635	447	-	29,796,016	2,207,841	1,537,601	594,200	457,218	34,592,876
Excess (deficiency) of revenues over (under) expenditures	(1)	(870,725)	205,240	134,115	(5,021,924)	(2,103,895)	(1,485,333)	(594,200)	(159,133)	(9,364,485)
OTHER FINANCING SOURCES (USES)										
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-
Transfers in	-	891,706	-	-	4,341,706	1,021,792	1,829,862	592,800	404,570	8,190,730
Transfers out	-	-	-	-	(3,117,800)	-	-	-	(104,570)	(3,222,370)
Total other financing sources (uses)	-	891,706	-	-	1,223,906	1,021,792	1,829,862	592,800	300,000	4,968,360
Change in net assets	(1)	20,981	205,240	134,115	(3,798,018)	(1,082,103)	344,529	(1,400)	140,867	(4,396,125)
Fund balances - beginning of year	1	(12,441)	728,595	69,008	11,602,230	2,995,326	1,187,884	5,163	3,237,355	19,027,958
Fund balances - end of year	<u>\$ -</u>	<u>\$ 8,540</u>	<u>\$ 933,835</u>	<u>\$ 203,123</u>	<u>\$ 7,804,212</u>	<u>\$ 1,913,223</u>	<u>\$ 1,532,413</u>	<u>\$ 3,763</u>	<u>\$ 3,378,222</u>	<u>\$ 14,631,833</u>

CITY OF TYLER, TEXAS
POLICE FORFEITURE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fines, forfeitures and penalties	\$ 41,000	\$ 31,663	\$ (9,337)
Revenues from use of money and property	22,233	15,450	(6,783)
Total revenues	<u>63,233</u>	<u>47,113</u>	<u>(16,120)</u>
EXPENDITURES			
Public safety:			
Supplies and services	7,000	-	7,000
Capital outlay	170,000	89,899	80,101
Debt service:			
Interest	-	2,012	(2,012)
Total expenditures	<u>177,000</u>	<u>91,911</u>	<u>85,089</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ (113,767)</u>	<u>(44,798)</u>	<u>\$ 68,969</u>
Fund balance - beginning of year		<u>332,946</u>	
Fund balance - end of year		<u>\$ 288,148</u>	

**CITY OF TYLER, TEXAS
PARK IMPROVEMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Charges for services	\$ 674,615	\$ 695,325	\$ 20,710
Total revenues	<u>674,615</u>	<u>695,325</u>	<u>20,710</u>
EXPENDITURES			
Capital outlay	<u>1,047,374</u>	<u>971,782</u>	<u>75,592</u>
Total expenditures	<u>1,047,374</u>	<u>971,782</u>	<u>75,592</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(372,759)</u>	<u>(276,457)</u>	<u>96,302</u>
OTHER FINANCING SOURCES (USES)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (372,759)</u>	<u>(276,457)</u>	<u>\$ 96,302</u>
Fund balance - beginning of year		<u>539,024</u>	
Fund balance - end of year		<u>\$ 262,567</u>	

**CITY OF TYLER, TEXAS
COURT SPECIAL FEE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fines, forfeitures and penalties	\$ 497,000	\$ 466,112	\$ (30,888)
Revenues from use of money and property	4,019	3,256	(763)
Total revenues	<u>501,019</u>	<u>469,368</u>	<u>(31,651)</u>
EXPENDITURES			
Public safety:			
Salaries and benefits	231,855	156,666	75,189
Supplies and services	221,100	208,834	12,266
Maintenance	32,866	30,315	2,551
Total expenditures	<u>485,821</u>	<u>395,815</u>	<u>90,006</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 15,198</u>	73,553	<u>\$ (121,657)</u>
Fund balance - beginning of year		<u>44,471</u>	
Fund balance - end of year		<u>\$ 118,024</u>	

**CITY OF TYLER, TEXAS
ECONOMIC DEVELOPMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 1,500	\$ 12,048	\$ 10,548
Total revenues	<u>1,500</u>	<u>12,048</u>	<u>10,548</u>
EXPENDITURES			
General government:			
Supplies and services	<u>208,750</u>	<u>165,000</u>	<u>43,750</u>
Total expenditures	<u>208,750</u>	<u>165,000</u>	<u>43,750</u>
Excess of revenues over (under) expenditures	<u>(207,250)</u>	<u>(152,952)</u>	<u>43,750</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>275,000</u>	<u>200,000</u>	
Total other financing sources (uses)	<u>275,000</u>	<u>200,000</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 67,750</u>	47,048	<u>\$ 54,298</u>
Fund balance - beginning of year		<u>360,275</u>	
Fund balance - end of year		<u>\$ 407,323</u>	

CITY OF TYLER, TEXAS
HOTEL-MOTEL OCCUPANCY TAX FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 4,273,062	\$ 4,361,115	\$ 88,053
Revenues from use of money and property	30,000	34,253	4,253
Miscellaneous	500,000	500,000	-
Total revenues	<u>4,803,062</u>	<u>4,895,368</u>	<u>92,306</u>
EXPENDITURES			
Hotel-motel administration:			
Texas Rose Festival	10,000	10,000	-
Discovery Place	32,400	32,400	-
East Texas Symphony	50,000	50,000	-
Tyler Museum of Art	35,000	35,000	-
Historical Museum	13,500	13,500	-
Historic Aviation Museum	13,500	13,500	-
Visitors and Convention Bureau	691,500	691,500	-
McClendon House	4,500	4,500	-
Sports Tyler Award	25,000	25,000	-
Supplies and services	115,500	68,226	47,274
Contingency	130,000	-	130,000
Capital outlay	8,960,000	9,004,185	(44,185)
Total expenditures	<u>10,080,900</u>	<u>9,947,811</u>	<u>133,089</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(5,277,838)</u>	<u>(5,052,443)</u>	<u>225,395</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,250,000	3,250,000	-
Transfers out	(3,117,800)	(3,117,800)	-
Total other financing sources (uses)	<u>132,200</u>	<u>132,200</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (5,145,638)</u>	<u>(4,920,243)</u>	<u>\$ 225,395</u>
Fund balance - beginning of year		<u>6,027,963</u>	
Fund balance - end of year		<u>\$ 1,107,720</u>	

CITY OF TYLER, TEXAS
DONATIONS FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Donations	\$ 468,987	\$ 755,453	\$ 286,466
Total revenues	<u>468,987</u>	<u>755,453</u>	<u>286,466</u>
EXPENDITURES			
General Government			
Supplies and services	138,582	51,693	86,889
Public safety			
Supplies and services	236,041	55,128	180,913
Public services			
Supplies and services	224,930	60,646	164,284
Culture and recreation			
Supplies and services	497,098	151,050	346,048
Capital Outlay	<u>184,388</u>	<u>78,100</u>	<u>106,288</u>
Total expenditures	<u>1,281,039</u>	<u>396,617</u>	<u>884,422</u>
Excess of revenues over (under) expenditures	<u>(812,052)</u>	<u>358,836</u>	<u>1,170,888</u>
OTHER FINANCING SOURCES (USES)			
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (812,052)</u>	358,836	<u>\$ 1,170,888</u>
Fund balance - beginning of year		<u>742,168</u>	
Fund balance - end of year		<u>\$ 1,101,004</u>	

CITY OF TYLER, TEXAS
PASSENGER FACILITY CHARGE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 2,000	\$ 10,245	\$ 8,245
Charges for services	<u>150,000</u>	<u>181,838</u>	<u>31,838</u>
Total revenues	<u>152,000</u>	<u>192,083</u>	<u>40,083</u>
EXPENDITURES			
Public services			
Supplies and services	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>152,000</u>	<u>192,083</u>	<u>40,083</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(72,000)</u>	<u>-</u>	<u>72,000</u>
Total other financing sources (uses)	<u>(72,000)</u>	<u>-</u>	<u>72,000</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 80,000</u>	<u>192,083</u>	<u>\$ 112,083</u>
Fund balance - beginning of year		<u>214,400</u>	
Fund balance - end of year		<u>\$ 406,483</u>	

CITY OF TYLER, TEXAS
PEG FEE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Franchise fees	\$ 236,293	\$ 201,325	\$ (34,968)
Revenues from use of money and property	7,875	44,363	36,488
Total revenues	<u>244,168</u>	<u>245,688</u>	<u>1,520</u>
EXPENDITURES			
General government	116,116	126,923	(10,807)
Capital outlay	200,000	19,373	180,627
Total expenditures	<u>316,116</u>	<u>146,296</u>	<u>169,820</u>
Excess of revenues over (under) expenditures	<u>(71,948)</u>	<u>99,392</u>	<u>171,340</u>
OTHER FINANCING SOURCES (USES)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (71,948)</u>	<u>99,392</u>	<u>\$ 171,340</u>
Fund balance - beginning of year		<u>1,187,062</u>	
Fund balance - end of year		<u>\$ 1,286,454</u>	

**CITY OF TYLER, TEXAS
CDBG FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Grants	\$ 2,492,793	\$ 2,186,198	\$ (306,595)
Miscellaneous	10,000	10,943	943
Total revenues	<u>2,502,793</u>	<u>2,197,141</u>	<u>(305,652)</u>
EXPENDITURES			
Public services:			
Salaries and benefits	96,747	117,731	(20,984)
Supplies and services	102,725	72,965	29,760
Premiums	50	50	-
Utilities	75	58	17
Maintenance	1,500	-	1,500
Capital outlay	2,291,696	1,995,395	296,301
Total expenditures	<u>2,492,793</u>	<u>2,186,199</u>	<u>306,594</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ 10,000</u>	10,942	<u>\$ 942</u>
Fund balance - beginning of year		<u>95,636</u>	
Fund balance - end of year		<u>\$ 106,578</u>	

**CITY OF TYLER, TEXAS
HOME GRANT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Grants	\$ 1,483,442	\$ 351,675	\$ (1,131,767)
Miscellaneous	672,000	-	
Total revenues	<u>2,155,442</u>	<u>351,675</u>	<u>(1,131,767)</u>
EXPENDITURES			
Public services:			
Homebuyers services	1,799,324	310,365	1,488,959
Salaries and benefits	10,112	28,904	(18,792)
Supplies and services	30,305	12,407	
Contingencies	266,782	-	266,782
Total expenditures	<u>2,106,523</u>	<u>351,676</u>	<u>1,754,847</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ 48,919</u>	(1)	<u>\$ (48,920)</u>
Fund balance - beginning of year		<u>361,362</u>	
Fund balance - end of year		<u>\$ 361,361</u>	

**CITY OF TYLER, TEXAS
HOMEOWNERSHIP AND HOUSING FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenue from use of money and property	\$ 14	\$ 14	\$ -
Total revenues	<u>14</u>	<u>14</u>	<u>-</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>14</u>	<u>14</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 14</u>	14	<u>\$ -</u>
Fund balance - beginning of year		<u>430</u>	
Fund balance - end of year		<u>\$ 444</u>	

**CITY OF TYLER, TEXAS
HOUSING ASSISTANCE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from other agencies	\$ 9,664,763	\$ 10,641,578	\$ 976,815
Revenue from use of money and property	<u>24,000</u>	<u>55,336</u>	<u>31,336</u>
Total revenues	<u>9,688,763</u>	<u>10,696,914</u>	<u>1,008,151</u>
EXPENDITURES			
Government services:			
General government	431,511	1,712	429,799
Public services:			
Salaries and benefits	881,380	594,902	286,478
Supplies and services	9,245,243	9,768,132	(522,889)
Utilities	18,700	15,541	3,159
Maintenance	<u>27,500</u>	<u>15,349</u>	<u>12,151</u>
Total expenditures	<u>10,604,334</u>	<u>10,395,636</u>	<u>208,698</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ (915,571)</u>	301,278	<u>\$ 1,216,849</u>
Fund balance - beginning of year		<u>911,330</u>	
Fund balance - end of year		<u>\$ 1,212,608</u>	

**CITY OF TYLER, TEXAS
STATE AND FEDERAL GRANTS FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from other agencies	\$ 881,817	\$ 582,190	\$ (299,627)
Total revenues	<u>881,817</u>	<u>582,190</u>	<u>(299,627)</u>
EXPENDITURES			
Public services:			
Salaries and benefits	249,547	172,284	77,263
Supplies and services	581,536	359,906	221,630
Utilities	50	7	43
Capital outlay	<u>49,994</u>	<u>49,994</u>	<u>-</u>
Total expenditures	<u>881,127</u>	<u>582,191</u>	<u>298,936</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ 690</u>	(1)	<u>\$ (691)</u>
Fund balance - beginning of year		<u>1</u>	
Fund balance - end of year		<u>\$ -</u>	

**CITY OF TYLER, TEXAS
TRANSIT SYSTEM FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Grants	\$ 4,203,764	\$ 3,081,339	\$ (1,122,425)
Charges for services	155,000	157,249	2,249
Revenue from use of money and property	25,000	5,200	(19,800)
Miscellaneous	34,000	50,122	16,122
Total revenues	<u>4,417,764</u>	<u>3,293,910</u>	<u>(1,123,854)</u>
EXPENDITURES			
Public services			
Salaries and benefits	2,144,644	1,933,220	211,424
Supplies and services	1,105,261	1,457,741	(352,480)
Utilities	73,661	45,429	28,232
Maintenance	503,549	501,413	2,136
Capital outlay	1,003,066	226,832	776,234
Total expenditures	<u>4,830,181</u>	<u>4,164,635</u>	<u>665,546</u>
Excess of revenues over (under) expenditures	<u>(412,417)</u>	<u>(870,725)</u>	<u>(458,308)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	717,713	891,706	173,993
Total other financing sources (uses)	<u>717,713</u>	<u>891,706</u>	<u>173,993</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 305,296</u>	20,981	<u>\$ (284,315)</u>
Fund balance - beginning of year		<u>(12,441)</u>	
Fund balance - end of year		<u>\$ 8,540</u>	

CITY OF TYLER, TEXAS
TIF / TRIZ #3 FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 125,371	\$ 172,979	\$ 47,608
Revenue from use of money and property	<u>3,000</u>	<u>32,708</u>	<u>29,708</u>
Total revenues	<u>128,371</u>	<u>205,687</u>	<u>77,316</u>
EXPENDITURES			
Special services	<u>5,000</u>	<u>447</u>	<u>4,553</u>
Total expenditures	<u>5,000</u>	<u>447</u>	<u>4,553</u>
Excess of revenues over (under) expenditures	<u>123,371</u>	<u>205,240</u>	<u>81,869</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 123,371</u>	<u>205,240</u>	<u>\$ 81,869</u>
Fund balance - beginning of year		<u>728,595</u>	
Fund balance - end of year		<u>\$ 933,835</u>	

CITY OF TYLER, TEXAS
TIF/TIRZ #4 FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 102,516	\$ 134,115	\$ 31,599
Revenue from use of money and property	150	-	(150)
Total revenues	<u>102,666</u>	<u>134,115</u>	<u>31,449</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>102,666</u>	<u>134,115</u>	<u>31,449</u>
OTHER FINANCING SOURCES (USES)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 102,666</u>	134,115	<u>\$ 31,449</u>
Fund balance - beginning of year		<u>69,008</u>	
Fund balance - end of year		<u>\$ 203,123</u>	

**CITY OF TYLER, TEXAS
GENERAL CAPITAL PROJECTS FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenue from use of money and property	\$ 1,000	\$ 81,513	\$ 80,513
Miscellaneous	8,000	22,433	14,433
Total revenues	<u>9,000</u>	<u>103,946</u>	<u>94,946</u>
EXPENDITURES			
General government	862,214	1,067,590	(205,376)
Capital outlay	2,541,999	1,142,408	1,399,591
Debt service			
Principal			
Interest and fiscal charges			
Total expenditures	<u>2,541,999</u>	<u>2,209,998</u>	<u>1,399,591</u>
Excess of revenues over (under) expenditures	<u>(2,532,999)</u>	<u>(2,106,052)</u>	<u>1,494,537</u>
OTHER FINANCING SOURCES (USES)			
Interest and fiscal charges	2,157	2,157	-
Transfers in	1,045,603	1,021,792	(23,811)
Total other financing sources (uses)	<u>1,047,760</u>	<u>1,023,949</u>	<u>(23,811)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (1,485,239)</u>	<u>(1,082,103)</u>	<u>\$ 1,470,726</u>
Fund balance - beginning of year		<u>2,995,326</u>	
Fund balance - end of year		<u>\$ 1,913,223</u>	

**CITY OF TYLER, TEXAS
STREET PROJECTS FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenue from use of money and property	\$ 1,394	\$ 52,268	\$ 50,874
Total revenues	<u>1,394</u>	<u>52,268</u>	<u>50,874</u>
EXPENDITURES			
Capital outlay	<u>2,959,801</u>	<u>1,537,601</u>	<u>1,422,200</u>
Total expenditures	<u>2,959,801</u>	<u>1,537,601</u>	<u>1,422,200</u>
Excess of revenues over (under) expenditures	<u>(2,958,407)</u>	<u>(1,485,333)</u>	<u>1,473,074</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,829,862</u>	<u>1,829,862</u>	<u>-</u>
Total other financing sources (uses)	<u>1,829,862</u>	<u>1,829,862</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (1,128,545)</u>	344,529	<u>\$ 1,473,074</u>
Fund balance - beginning of year		<u>1,187,884</u>	
Fund balance - end of year		<u>\$ 1,532,413</u>	

CITY OF TYLER, TEXAS
ROSE COMPLEX DEBT SERVICE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Miscellaneous	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service:			
Principal	230,000	230,000	-
Interest and fiscal charges	362,800	364,200	(1,400)
Total expenditures	<u>592,800</u>	<u>594,200</u>	<u>(1,400)</u>
Excess of revenues over (under) expenditures	<u>(592,800)</u>	<u>(594,200)</u>	<u>(1,400)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	592,800	592,800	-
Total other financing sources (uses)	<u>592,800</u>	<u>592,800</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ -</u>	(1,400)	<u>\$ (1,400)</u>
Fund balance - beginning of year		<u>5,163</u>	
Fund balance - end of year		<u>\$ 3,763</u>	

**CITY OF TYLER, TEXAS
CEMETERIES FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Trust fund:			
Revenue from use of money and property	\$ 15,000	\$ 121,673	\$ 106,673
Charges for services	109,600	64,483	(45,117)
Operations:			
Licenses and permits	11,369	3,150	(8,219)
Charges for services	174,500	108,779	(65,721)
Total revenues	310,469	298,085	(12,384)
EXPENDITURES			
Operations:			
Salaries and benefits	183,363	168,685	14,678
Supplies and services	195,815	191,431	4,384
Utilities	49,000	47,647	1,353
Maintenance	42,692	49,455	(6,763)
Total expenditures	470,870	457,218	13,652
Excess of revenues over (under) expenditures	(160,401)	(159,133)	1,268
OTHER FINANCING SOURCES (USES)			
Transfers in	315,000	404,570	89,570
Transfers out	(104,570)	(104,570)	-
Total other financing sources (uses)	210,430	300,000	89,570
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	\$ 50,029	140,867	\$ 90,838
Fund balance - beginning of year		3,237,355	
Fund balance - end of year		\$ 3,378,222	

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

The ***Productivity Improvement Fund*** was established to track performance pay of the City employees. This fund accounts for City University, Lean Six Sigma, and the Internal Audit functions.

The ***Fleet Maintenance and Replacement Fund*** performs maintenance and repair work on vehicles of all City departments. The Fund also acquires vehicles and equipment for use by all City departments.

The ***Property and Liability Insurance Fund*** accounts for the City's property, casualty, liability, disability and worker's compensation insurance programs.

The ***Employee Benefits Fund*** accounts for the City's self-insurance program for health and dental insurance as well as life insurance for current employees.

The ***Retiree Benefits Fund*** accounts for the City's self-insurance program for health and dental insurance as well as life insurance for retired employees.

The ***Property and Facility Management Fund*** was established to facilitate maintenance on City's facilities including roof and HVAC repairs and replacement.

The ***Technology Fund*** was established to account for the City's investment and maintenance of technology and office automation.

**CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	TOTAL
ASSETS								
Current assets:								
Equity in pooled cash and investments	\$ 2,110,331	\$ 4,372,599	\$ 3,004,248	\$ 2,959,776	\$ -	\$ 1,067,783	\$ 2,993,216	\$ 16,507,953
Prepaid expenses	-	1,199,603	-	-	77,030	-	322	1,276,955
Accounts receivable (net)	10,936	6,607	14,544	6,360	881,059	4,615	13,238	937,359
Inventories - at average cost	-	307,210	-	-	-	-	-	307,210
Lease receivable	-	-	-	-	-	-	4,691	4,691
Total current assets	<u>2,121,267</u>	<u>5,886,019</u>	<u>3,018,792</u>	<u>2,966,136</u>	<u>958,089</u>	<u>1,072,398</u>	<u>3,011,467</u>	<u>19,034,168</u>
Noncurrent assets:								
Other post employment benefit assets	-	-	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-	118,523	118,523
Capital assets:								
Land	-	104,249	-	-	-	-	170,723	274,972
Construction in progress	-	229,151	-	-	-	132,084	-	361,235
Buildings	-	587,725	-	-	-	778,619	686,160	2,052,504
Improvements other than buildings	-	1,023,932	-	-	-	1,493,939	6,488	2,524,359
Machinery and equipment	-	46,600,092	-	-	-	546,651	11,947,654	59,094,397
Infrastructure	-	-	-	-	-	194,329	-	194,329
Subscription asset	-	-	-	-	-	-	1,421,205	1,421,205
Right-to-use lease asset	-	-	-	-	-	-	1,009,016	1,009,016
Less: accumulated depreciation and amortization	-	(27,703,827)	-	-	-	(1,417,840)	(12,234,813)	(41,356,480)
Total capital assets, net of accumulated depreciation	<u>-</u>	<u>20,841,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,727,782</u>	<u>3,006,433</u>	<u>25,575,537</u>
Total assets	<u>2,121,267</u>	<u>26,727,341</u>	<u>3,018,792</u>	<u>2,966,136</u>	<u>958,089</u>	<u>2,800,180</u>	<u>6,136,423</u>	<u>44,728,228</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to pensions	58,239	692,986	120,022	104,959	25,326	115,364	1,013,376	2,130,272
Deferred outflows related to OPEB	9,871	117,458	20,343	17,790	4,047	19,554	171,763	360,826
Total deferred outflows of resources	<u>68,110</u>	<u>810,444</u>	<u>140,365</u>	<u>122,749</u>	<u>29,373</u>	<u>134,918</u>	<u>1,185,139</u>	<u>2,491,098</u>
LIABILITIES								
Current liabilities:								
Accounts and contracts payable	42,920	505,575	43,426	29,920	7,251	58,178	175,860	863,130
Insurance claims payable	-	-	774,113	465,331	57,831	-	-	1,297,275
Due to other funds	-	-	-	-	814,089	-	-	814,089
Accrued interest payable	-	4,428	-	-	-	-	25,707	30,135
Current portion of compensated absences payable								
	327	2,938	896	-	-	2,283	5,652	12,096
Current portion of lease liability	-	-	-	-	-	-	193,458	193,458
Current portion of SBITA payable	-	-	-	-	-	-	547,817	547,817
Total current liabilities	<u>43,247</u>	<u>512,941</u>	<u>818,435</u>	<u>495,251</u>	<u>879,171</u>	<u>60,461</u>	<u>948,494</u>	<u>3,758,000</u>
Noncurrent liabilities:								
Compensated absences payable	7,853	70,514	21,503	-	-	54,793	135,654	290,317
Net pension obligation	96,766	1,151,422	199,421	174,394	42,081	191,681	1,683,761	3,539,526
Net OPEB obligation	16,334	194,348	33,660	29,436	6,697	32,354	284,202	597,031
SBITA payable	-	-	-	-	-	-	84,510	84,510
Lease liability	-	-	-	-	-	-	362,815	362,815
Total noncurrent liabilities	<u>120,953</u>	<u>1,416,284</u>	<u>254,584</u>	<u>203,830</u>	<u>48,778</u>	<u>278,828</u>	<u>2,550,942</u>	<u>4,874,199</u>
Total Liabilities	<u>164,200</u>	<u>1,929,225</u>	<u>1,073,019</u>	<u>699,081</u>	<u>927,949</u>	<u>339,289</u>	<u>3,499,436</u>	<u>8,632,199</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to OPEB	10,806	128,582	22,269	19,475	4,431	21,405	188,029	394,997
Deferred inflows related to pensions	17,382	206,832	35,822	31,327	7,559	34,432	302,457	635,811
Deferred Inflows related to leases	-	-	-	-	-	-	122,189	122,189
Total deferred inflows of resources	<u>28,188</u>	<u>335,414</u>	<u>58,091</u>	<u>50,802</u>	<u>11,990</u>	<u>55,837</u>	<u>612,675</u>	<u>1,152,997</u>
NET POSITION								
Net investment in capital assets	-	20,841,322	-	-	-	1,727,782	1,817,833	24,386,937
Unrestricted	1,996,989	4,431,824	2,028,047	2,339,002	47,523	812,190	1,391,618	13,047,193
Total net position	<u>\$ 1,996,989</u>	<u>\$ 25,273,146</u>	<u>\$ 2,028,047</u>	<u>\$ 2,339,002</u>	<u>\$ 47,523</u>	<u>\$ 2,539,972</u>	<u>\$ 3,209,451</u>	<u>\$ 37,434,130</u>

CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	ELIMINATIONS	TOTAL
OPERATING REVENUES									
Charges for services	\$ 550,000	\$ 13,569,287	\$ 3,904,727	\$ 5,949	\$ -	\$ 587,957	\$ 7,162,787	\$ -	\$ 25,780,707
Contributions	-	-	67,535	12,346,505	687,323	-	-	-	13,101,363
Miscellaneous	-	485,200	101,682	6,252,920	2,374,747	-	248,359	-	9,462,908
Total operating revenues	<u>550,000</u>	<u>14,054,487</u>	<u>4,073,944</u>	<u>18,605,374</u>	<u>3,062,070</u>	<u>587,957</u>	<u>7,411,146</u>	<u>-</u>	<u>48,344,978</u>
OPERATING EXPENSES									
Garage operations	-	8,580,511	-	-	-	-	-	-	8,580,511
Depreciation and amortization	-	3,868,300	-	-	-	198,101	1,187,707	-	5,254,108
Insurance claims	-	-	2,141,621	14,606,650	1,806,008	-	-	-	18,554,279
Administrative	102,414	-	161,987	1,624,883	1,275,892	259,686	5,431,669	-	8,856,531
Special services	493,733	-	-	1,767,261	25,202	-	-	-	2,286,196
Maintenance	-	-	-	-	-	483,213	-	-	483,213
Total operating expenses	<u>596,147</u>	<u>12,448,811</u>	<u>2,303,608</u>	<u>17,998,794</u>	<u>3,107,102</u>	<u>941,000</u>	<u>6,619,376</u>	<u>-</u>	<u>44,014,838</u>
Operating income (loss)	(46,147)	1,605,676	1,770,336	606,580	(45,032)	(353,043)	791,770	-	4,330,140
NON-OPERATING REVENUES (EXPENSES)									
Revenues from use of money and property	87,421	124,869	89,028	67,139	-	63,461	124,607	-	556,525
Gain (loss) on sale of assets	-	(207,276)	-	-	-	-	-	-	(207,276)
Interest expense	-	(13,417)	-	-	-	-	(30,728)	-	(44,145)
Total non-operating revenues (expenses)	<u>87,421</u>	<u>(95,824)</u>	<u>89,028</u>	<u>67,139</u>	<u>-</u>	<u>63,461</u>	<u>93,879</u>	<u>-</u>	<u>305,104</u>
Income (loss) before transfers	41,274	1,509,852	1,859,364	673,719	(45,032)	(289,582)	885,649	-	4,635,244
Transfers in	-	-	-	-	-	227,611	-	-	227,611
Transfers out	-	-	-	-	-	-	-	-	-
Change in net position	41,274	1,509,852	1,859,364	673,719	(45,032)	(61,971)	885,649	-	4,862,855
Net position - beginning of year	<u>1,955,715</u>	<u>23,763,294</u>	<u>168,683</u>	<u>1,665,283</u>	<u>92,555</u>	<u>2,601,943</u>	<u>2,323,802</u>	<u>-</u>	<u>32,571,275</u>
Net position - end of year	<u>\$ 1,996,989</u>	<u>\$ 25,273,146</u>	<u>\$ 2,028,047</u>	<u>\$ 2,339,002</u>	<u>\$ 47,523</u>	<u>\$ 2,539,972</u>	<u>\$ 3,209,451</u>	<u>\$ -</u>	<u>\$ 37,434,130</u>

**CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	ELIMINATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash received from customers and users	\$ 541,552	\$ 14,056,655	\$ 4,060,610	\$ 18,508,096	\$ 2,339,673	\$ 583,342	\$ 7,401,639	\$ -	\$ 47,491,567
Cash paid to suppliers for goods and services	(375,326)	(9,447,984)	(5,135)	(3,131,965)	(1,801,421)	(504,876)	(3,728,072)	-	(18,994,779)
Cash paid to employees for services	(397,004)	(1,302,300)	(193,089)	(24,064)	(32,786)	(250,914)	(1,449,638)	-	(3,649,795)
Insurance claims paid	-	-	(2,231,058)	(14,814,599)	(1,319,555)	-	-	-	(18,365,212)
Net cash provided by (used in) operating activities	(230,778)	3,306,371	1,631,328	537,468	(814,089)	(172,448)	2,223,929	-	6,481,781
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES									
Advances from (to) other funds	-	-	-	-	814,089	-	-	-	814,089
Transfers in from other funds	-	-	-	-	-	227,611	-	-	227,611
Transfers out to other funds	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) non-capital financing activities	-	-	-	-	814,089	227,611	-	-	1,041,700
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES									
Acquisition, construction, and retirement of capital assets	-	(7,612,599)	-	-	-	(222,633)	(879,170)	-	(8,714,402)
Interest paid	-	(13,417)	-	-	-	-	(24,321)	-	(37,738)
Payment on subscription (SBITA) liabilities	-	-	-	-	-	-	(791,765)	-	(791,765)
Payment of lease liabilities	-	-	-	-	-	-	(190,220)	-	(190,220)
Proceeds from sale of assets	-	560,163	-	-	-	-	-	-	560,163
Net cash provided by (used in) capital and related financing activities	-	(7,065,853)	-	-	-	(222,633)	(1,885,476)	-	(9,173,962)
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and dividends	87,421	124,869	89,028	67,139	-	63,461	124,607	-	556,525
Net cash provided by investing activities	87,421	124,869	89,028	67,139	-	63,461	124,607	-	556,525
Net increase (decrease) in cash and cash equivalents	(143,357)	(3,634,613)	1,720,356	604,607	-	(104,009)	463,060	-	(1,093,956)
Cash and cash equivalents - beginning of year	2,253,688	8,007,212	1,283,892	2,355,169	-	1,171,792	2,530,156	-	17,601,909
Cash and cash equivalents - end of year	\$ 2,110,331	\$ 4,372,599	\$ 3,004,248	\$ 2,959,776	\$ -	\$ 1,067,783	\$ 2,993,216	\$ -	\$ 16,507,953

**CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

**Reconciliation of Operating Income to Net Cash
Provided by (used in) Operating Activities**

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	TOTAL
Operating income (loss)	\$ (46,147)	\$ 1,605,676	\$ 1,770,336	\$ 606,580	\$ (45,032)	\$ (353,043)	\$ 791,770	\$ 4,330,140
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation expense	-	3,868,300	-	-	-	198,101	1,187,707	5,254,108
(Increase) decrease in accounts receivable	(8,448)	2,168	(13,334)	(6,200)	(722,397)	(4,615)	(9,507)	(762,333)
(Increase) decrease in prepaid expenses	611	(1,199,603)	-	-	(4,528)	-	203	(1,203,317)
(Increase) decrease in inventories	-	47,076	-	-	-	-	-	47,076
(Increase) decrease in net pension asset	-	-	-	24,190	-	-	-	24,190
(Increase) decrease in deferred outflows related to pensions	31,890	(598,944)	(136,220)	(117,884)	(32,550)	(91,424)	(943,636)	(1,888,768)
(Increase) decrease in deferred outflows related to OPEB	(55,220)	(96,413)	(20,343)	(16,606)	(3,552)	(16,441)	(343,928)	(552,503)
Increase (decrease) in accounts payable	14,673	(963,403)	8,768	(2,263)	(2,363)	26,397	58,064	(860,127)
Increase (decrease) in claims payable	-	-	(98,205)	(207,949)	(84,801)	-	-	(390,955)
Increase (decrease) in accrued interest payable	-	-	-	-	-	-	-	-
Increase (decrease) in compensated absences payable	(2,207)	(8,335)	6,817	-	-	1,071	(3,987)	(6,641)
Increase (decrease) in post employment benefits liability	(53,356)	8,432	(4,143)	27,879	15,977	(2,001)	67,485	60,273
Increase (decrease) in deferred inflows related to pensions	(6,003)	79,895	35,822	23,693	4,464	(3,803)	167,273	301,341
Increase (decrease) in deferred inflows related to OPEB	(9,154)	(333)	(19,813)	9,323	(171)	14,204	104,161	98,217
Increase (decrease) in net pension obligation	(97,417)	561,855	101,643	196,705	60,864	59,106	1,148,324	2,031,080
Total adjustments	(184,631)	1,700,695	(139,008)	(69,112)	(769,057)	180,595	1,432,159	2,151,641
Net cash provided by (used in) operating activities	<u>\$ (230,778)</u>	<u>\$ 3,306,371</u>	<u>\$ 1,631,328</u>	<u>\$ 537,468</u>	<u>\$ (814,089)</u>	<u>\$ (172,448)</u>	<u>\$ 2,223,929</u>	<u>\$ 6,481,781</u>

**CITY OF TYLER, TEXAS
PRODUCTIVITY IMPROVEMENT FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 45,428	\$ 87,421	\$ 41,993
Charges for services	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Total revenues	595,428	637,421	41,993
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues - budget and GAAP basis	<u>\$ 595,428</u>	<u>\$ 637,421</u>	<u>\$ 41,993</u>
EXPENSES			
Salaries and benefits	\$ 265,679	\$ 265,101	\$ 578
Supplies and services	29,517	26,573	2,944
Special services	<u>1,094,714</u>	<u>493,733</u>	<u>600,981</u>
Total expenses - budget basis	<u>\$ 1,389,910</u>	<u>\$ 785,407</u>	<u>\$ 604,503</u>
Financial statement adjustments:			
Adjustment for net pension liability		5,037	
Adjustment for OPEB liability		<u>(194,297)</u>	
Total expenses - GAAP basis		<u>\$ 596,147</u>	

CITY OF TYLER, TEXAS
FLEET MAINTENANCE AND REPLACEMENT FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 40,000	\$ 124,869	\$ 84,869
Current service charges	16,424,911	13,569,287	(2,855,624)
Miscellaneous	1,000	485,200	484,200
Sale of assets	308,000	560,163	252,163
	<u>16,773,911</u>	<u>14,739,519</u>	<u>(2,034,392)</u>
Total revenues			
Transfers out - COGS	-	-	-
Transfers in	-	-	-
	<u>\$ 16,773,911</u>	<u>14,739,519</u>	<u>\$ (2,034,392)</u>
Total revenues - budget basis			
Financial statement adjustments:			
Retirement of assets sold		(767,439)	
Total revenues - GAAP basis		<u>\$ 13,972,080</u>	
EXPENSES			
Garage administration and operations:			
Salaries and benefits	\$ 1,416,369	\$ 1,188,418	\$ 227,951
Supplies and services	7,080,911	7,138,015	(57,104)
Utilities	66,382	75,397	(9,015)
Maintenance	420,170	237,606	182,564
Capital outlay	11,957,525	9,443,805	2,513,720
	<u>20,941,357</u>	<u>18,083,241</u>	<u>2,858,116</u>
Total garage administration and operations			
Total expenses - budget basis	<u>\$ 20,941,357</u>	<u>18,083,241</u>	<u>\$ 2,858,116</u>
Financial statement adjustments:			
Adjustment for net pension liability		59,939	
Adjust OPEB assets and liabilities		(105,447)	
Capital outlay items not expensed		(9,443,805)	
Depreciation expense		<u>3,868,300</u>	
Total expenses - GAAP basis		<u>\$ 12,462,228</u>	

CITY OF TYLER, TEXAS
PROPERTY AND LIABILITY INSURANCE FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 20,000	\$ 89,028	\$ 69,028
Collections - subrogation	1,500	101,682	100,182
Charges for services	3,811,838	3,904,727	92,889
Income from other agencies	-	67,535	
	<u>\$ 3,833,338</u>	<u>\$ 4,162,972</u>	<u>\$ 262,099</u>
Total revenues - budget and GAAP basis			
EXPENSES			
Claims and premiums	\$ 2,982,410	\$ 2,141,621	\$ 840,789
Administrative	398,261	205,041	193,220
	<u>3,380,671</u>	<u>2,346,662</u>	<u>1,034,009</u>
Transfers out	-	-	-
Total expenses - budget basis	<u>\$ 3,380,671</u>	<u>\$ 2,346,662</u>	<u>\$ 1,034,009</u>
Financial statement adjustments:			
Adjustment for net pension liability		10,381	
Adjustment for OPEB liability		<u>(53,435)</u>	
Total expenses - GAAP basis		<u>\$ 2,303,608</u>	

**CITY OF TYLER, TEXAS
EMPLOYEE BENEFITS FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 28,794	\$ 67,139	\$ 38,345
Charges for services	24,949	5,949	(19,000)
Contributions from City of Tyler	12,220,546	9,953,790	(2,266,756)
Contributions from employees	2,825,698	2,392,715	(432,983)
Income from other agencies	-	91,078	91,078
Miscellaneous	800,000	6,161,842	5,361,842
Total revenues - budget and GAAP basis	<u>\$ 15,899,987</u>	<u>\$ 18,672,513</u>	<u>\$ 2,772,526</u>
EXPENSES			
Employee insurance fund administration:			
Special services	\$ 1,082,109	\$ 1,767,261	\$ (685,152)
Claims	12,835,159	14,306,802	(1,471,643)
Contributions	75,000	15,000	
Administrative	1,308,595	1,462,583	(153,988)
Life insurance	266,015	299,848	(33,833)
Total expenses - budget and GAAP basis	<u>\$ 15,566,878</u>	<u>17,851,494</u>	<u>\$ (2,344,616)</u>
Financial statement adjustments:			
Adjustment for net pension liability		9,078	
Adjustment for OPEB liability		138,222	
Total expenses - GAAP basis		<u>\$ 17,998,794</u>	

**CITY OF TYLER, TEXAS
RETIREE BENEFITS FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 2,486	\$ -	\$ (2,486)
Contributions from retirees	753,645	687,323	(66,322)
Contributions - OPEB Trust and RDS Reimbursement	2,189,428	2,374,747	185,319
Total revenues - budget and GAAP basis	\$ 2,945,559	\$ 3,062,070	\$ 116,511
EXPENSES			
Employee insurance fund administration:			
Special services	\$ 30,000	\$ 25,202	\$ 4,798
Claims	1,553,302	1,806,008	(252,706)
Administrative fees	1,340,040	1,199,172	140,868
Life insurance	36,571	31,688	4,883
Total expenses - budget and GAAP basis	\$ 2,959,913	3,062,070	\$ (102,157)
Financial statement adjustments:			
Adjustment for net pension liability		32,885	
Adjustment for OPEB liability		12,147	
Total expenses - GAAP basis		\$ 3,107,102	

CITY OF TYLER, TEXAS
PROPERTY AND FACILITY MANAGEMENT FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 24,000	\$ 63,461	\$ 39,461
Charges for services	<u>588,305</u>	<u>587,957</u>	<u>(348)</u>
Total revenues	612,305	651,418	39,113
Transfers in	<u>227,611</u>	<u>227,611</u>	<u>-</u>
Total revenues - budget and GAAP basis	<u>\$ 839,916</u>	<u>\$ 879,029</u>	<u>\$ 39,113</u>
EXPENSES			
Salaries and benefits	\$ 189,068	\$ 201,631	\$ (12,563)
Supplies and services	103,775	98,414	5,361
Maintenance	533,045	483,213	49,832
Capital Outlay	<u>700,555</u>	<u>222,634</u>	<u>477,921</u>
Total property and facility administration	<u>1,526,443</u>	<u>1,005,892</u>	<u>520,551</u>
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses - budget basis	<u>\$ 1,526,443</u>	1,005,892	<u>\$ 520,551</u>
Financial statement adjustments:			
Adjust OPEB assets and liabilities		(21,816)	
Adjustment for net pension liability		(18,543)	
Capital outlay items not expensed		(222,634)	
Depreciation expense		<u>198,101</u>	
Total expenses - GAAP basis		<u>\$ 941,000</u>	

**CITY OF TYLER, TEXAS
TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 36,275	\$ 124,607	\$ 88,332
Charges for services	7,262,787	7,162,787	(100,000)
Miscellaneous	187,768	248,359	60,591
Total revenues - budget and GAAP basis	<u>\$ 7,486,830</u>	<u>\$ 7,535,753</u>	<u>\$ 48,923</u>
EXPENSES			
Office technology fund administration:			
Salaries and benefits	\$ 1,666,728	\$ 1,645,330	\$ 21,398
Supplies and services	942,935	15,434	927,501
Utilities	150	54	96
Maintenance	1,430.00	1,094	336
Total office technology fund administration	<u>2,611,243</u>	<u>1,661,912</u>	<u>949,331</u>
Office technology services:			
Supplies and services	2,225,918	1,508,930	716,988
Utilities	202,616	131,279	71,337
Maintenance	2,992,733	2,743,068	249,665
Capital outlay	-	879,170	(879,170)
Total office technology services	<u>5,421,267</u>	<u>5,262,447</u>	<u>158,820</u>
Transfers out	<u>0</u>	<u>0</u>	<u>-</u>
Total expenses - budget basis	<u>\$ 8,032,510</u>	<u>6,924,359</u>	<u>\$ 1,108,151</u>
Financial statement adjustments:			
Adjustment for net pension liability		309,649	
Adjust OPEB assets and liabilities		(109,970)	
Capital outlay items not expensed		(879,170)	
Principal paid on capital leases		(813,199)	
Amortization of subscription assets		661,603	
Interest expense		30,728	
Depreciation expense		526,104	
Total expenses - GAAP basis		<u>\$ 6,650,104</u>	

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

Employee Benefit Trust Funds

The *Employee Benefit Trust (section 125 Plan) Fund* is used to account for the resources accumulated and payments made on behalf of the City employees enrolled in the City's cafeteria plan administered by Health First.

The *OPEB Trust Fund* is used to account for the resources accumulated to meet ARC (annual required contributions) and long-term liability requirements associated with administering post-employment health, dental, and life benefits for retired employees in accordance with GASB 43 and 45.

The *Tyler Fire Department Relief and Retirement Fund* is used to account for the resources accumulated to be used for the retirement benefit payments to the members of the fund.

Private Purpose Trust Funds

The *Greenwood Landfill Private-Purpose Trust Fund* is used to accumulate resources held in trust for Allied Waste Management and is used for closure and post-closure expenses of the Greenwood Landfill. These closures and post-closure expenses will not begin occurring until many years if not decades in the future.

The *Lindsey Trust Fund* is used to account for the endowment fund created for the charitable purpose of making awards to police officers and firefighters employed by the City for outstanding service and to aid them and their families injured in the line of duty.

**CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
EMPLOYEE BENEFIT TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	EMPLOYEE BENEFIT PLAN (SECTION 125 PLAN)	OPEB TRUST	TYLER FIRE DEPARTMENT RELIEF AND RETIREMENT FUND	TOTAL
ASSETS				
Equity in pooled cash	\$ 1,401,955	\$ 113,650	\$ 1,074,305	\$ 2,589,910
Investments, at fair value				
Equities	-	-	47,459,431	47,459,431
Mutual funds	-	18,426,545	28,437,539	46,864,084
Total investments	-	18,426,545	75,896,970	94,323,515
Receivables				
Contributions receivable	971	-	193,235	194,206
Interest receivable	-	-	70,088	70,088
Total receivables	971	-	263,323	264,294
Total assets	1,402,926	18,540,195	77,234,598	97,177,719
LIABILITIES				
Accounts payable	1,106,369	-	-	1,106,369
Total liabilities	1,106,369	-	-	1,106,369
NET POSITION				
Held in trust for OPEB benefits	-	18,540,195	-	18,540,195
Held in trust for pension benefits	-	-	77,234,598	77,234,598
Held in trust for other purposes	296,557	-	-	296,557
Total net position	\$ 296,557	\$ 18,540,195	\$ 77,234,598	\$ 96,071,350

CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
EMPLOYEE BENEFIT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	EMPLOYEE BENEFIT PLAN (SECTION 125 PLAN)	OPEB TRUST	TYLER FIRE DEPARTMENT RELIEF AND RETIREMENT FUND	TOTAL
ADDITIONS				
Contributions				
Employees	\$ 224,506	\$ -	\$ 1,906,367	\$ 2,130,873
Employer	-	3,244,031	3,165,183	6,409,214
Total contributions	<u>224,506</u>	<u>3,244,031</u>	<u>5,071,550</u>	<u>8,540,087</u>
Investment income				
Interest and dividend income	-	1,528,901	2,263,805	3,792,706
Net depreciation in fair value of investments	-	50,032	5,006,793	5,056,825
Less investment expense	-	(78,320)	(256,424)	(334,744)
Total investment income	<u>-</u>	<u>1,500,613</u>	<u>7,014,174</u>	<u>8,514,787</u>
Other income	-	-	1,106,987	1,106,987
Total additions	<u>224,506</u>	<u>4,744,644</u>	<u>13,192,711</u>	<u>18,161,861</u>
DEDUCTIONS				
Reimbursement for benefit claims	-	2,161,520	-	2,161,520
Benefits	<u>173,525</u>	<u>-</u>	<u>6,413,485</u>	<u>6,587,010</u>
Total deductions	<u>173,525</u>	<u>2,161,520</u>	<u>6,413,485</u>	<u>8,748,530</u>
Change in net position	50,981	2,583,124	6,779,226	9,413,331
Net position- beginning of year	<u>245,576</u>	<u>15,217,612</u>	<u>70,455,372</u>	<u>85,918,560</u>
Net position - end of year	<u>\$ 296,557</u>	<u>\$ 17,800,736</u>	<u>\$ 77,234,598</u>	<u>\$ 95,331,891</u>

**CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	GREENWOOD LANDFILL PRIVATE-PURPOSE TRUST	LINDSEY TRUST PRIVATE-PURPOSE TRUST	TOTAL
ASSETS			
Equity in pooled cash	\$ 3,091,783	\$ -	\$ 3,091,783
Investments, at fair value			
Equities	-	84,101	84,101
Total investments	-	84,101	84,101
Receivables			
Interest receivable	15,879	-	15,879
Total receivables	15,879	-	15,879
Total assets	3,107,662	84,101	3,191,763
NET POSITION			
Held in trust for other purposes	\$ 3,107,662	\$ 84,101	\$ 3,191,763

CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	GREENWOOD LANDFILL PRIVATE-PURPOSE TRUST	LINDSEY TRUST PRIVATE-PURPOSE TRUST	TOTAL
ADDITIONS			
Contributions	\$ 36,000	\$ -	\$ 36,000
Investment income			
Interest and dividend income	112,150	2,239	114,389
Net appreciation in fair value of investments	-	7,871	7,871
Less investment expense	-	(3,215)	(3,215)
Total investment income	<u>112,150</u>	<u>6,895</u>	<u>119,045</u>
Total additions	<u>148,150</u>	<u>6,895</u>	<u>155,045</u>
DEDUCTIONS			
Benefits	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	148,150	6,895	155,045
Net position - beginning of year	<u>2,959,512</u>	<u>77,206</u>	<u>3,036,718</u>
Net position - end of year	<u>\$ 3,107,662</u>	<u>\$ 84,101</u>	<u>\$ 3,191,763</u>

DETAILED BUDGETARY COMPARISONS

The following schedules are additional supplementary information for the General Fund and each Enterprise Fund.

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
PROPERTY TAX COLLECTIONS			
Current taxes	\$ 26,914,322	\$ 26,604,078	\$ (310,244)
Delinquent taxes	138,693	187,175	48,482
Penalty and interest	170,250	234,369	64,119
Total property tax collections	<u>27,223,265</u>	<u>27,025,622</u>	<u>(197,643)</u>
FRANCHISE FEES			
Franchise - light and power	4,505,044	4,589,676	84,632
Franchise - natural gas	1,047,933	1,024,361	(23,572)
Franchise - telephone	599,852	516,481	(83,371)
Franchise - cable television	1,115,349	1,006,625	(108,724)
Franchise - street use fee	1,096,561	1,166,519	69,958
Franchise - water and sewer	2,840,019	2,957,548	117,529
Total franchise fees	<u>11,204,758</u>	<u>11,261,210</u>	<u>56,452</u>
SALES AND USE TAXES			
General sales tax	38,919,609	40,926,266	2,006,657
Mixed drink tax	602,911	664,824	61,913
Bingo tax	46,315	34,627	(11,688)
Total sales and use taxes	<u>39,568,835</u>	<u>41,625,717</u>	<u>2,056,882</u>
LICENSES AND PERMITS			
Parking meter	140,513	125,724	(14,789)
Taxicab and limousine	4,000	3,850	(150)
Burglar alarm	359,000	327,666	(31,334)
Building	1,616,755	1,623,379	6,624
Electrical	185,000	269,203	84,203
Plumbing	135,000	176,717	41,717
Zoning	80,000	68,168	(11,832)
Mechanical	90,000	82,574	(7,426)
Cert. of Occupancy	30,000	24,790	(5,210)
TABC Fee	15,000	24,830	9,830
Billboard Registration	17,595	17,000	(595)
Sign	60,000	35,080	(24,920)
Contractor license	50,000	48,040	(1,960)
Total licenses and permits	<u>2,782,863</u>	<u>2,827,021</u>	<u>44,158</u>
FINES, FORFEITURES AND PENALTIES			
Moving violation fines	2,000,000	2,063,492	63,492
Tax service fees on fines	140,000	135,436	(4,564)
Arrest fee fines	100,000	105,753	5,753
Municipal court administrative fees	102,000	78,633	(23,367)
Warrant fees	200,000	241,061	41,061
Child safety fees	100,000	128,361	28,361
Miscellaneous municipal court fines	40,000	56,777	16,777
Special court fees	900,000	851,504	(48,496)
Collection firm fee	280,000	261,734	(18,266)
Parking fees	55,000	34,184	(20,816)
Scofflaw	12,000	6,082	(5,918)
Animal fines	9,000	9,625	625
Omnibase program	23,000	23,025	25
Total fines, forfeitures and penalties	<u>3,961,000</u>	<u>3,995,667</u>	<u>34,667</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES FROM USE OF MONEY OR PROPERTY			
Rent - miscellaneous	\$ 938,400	\$ 448,209	\$ (490,191)
Distributed interest	223,980	2,090,113	1,866,133
Total revenues from use of money or property	<u>1,162,380</u>	<u>2,538,322</u>	<u>1,375,942</u>
CHARGES FOR CURRENT SERVICES			
Swimming pool admissions	9,500	21,746	12,246
Fire inspection fees	104,000	25,104	(78,896)
Lot mowing	61,138	47,582	(13,556)
Glass membership fees	50,000	69,503	19,503
Copying fees	20,000	17,377	(2,623)
Utility cut fees	132,000	132,000	-
Open records	33,000	24,201	(8,799)
Participant fees	20,160	9,826	(10,334)
Sports field maintenance	75,000	78,481	3,481
Recreation classes and events	50,000	58,813	8,813
Reimbursement of overhead from tourism and convention fund	47,566	47,566	-
One-Half cent administration costs	183,750	183,750	-
Reimbursement of overhead from water and sewer operating fund	1,399,273	1,399,273	-
Reimbursement of overhead from sanitation fund	259,084	129,542	(129,542)
Animal adoption fees	35,000	16,535	(18,465)
Animal shelter fees	15,000	13,678	(1,322)
Liberty hall tickets sales	69,000	103,882	34,882
Fire cost recovery	266,300	282,443	16,143
Library	56,822	45,204	(11,618)
Total charges for current services	<u>2,966,593</u>	<u>2,778,097</u>	<u>(188,496)</u>
REVENUES FROM OTHER AGENCIES			
State government	20,000	7,512	(12,488)
County hazardous material service	6,000	6,250	250
Prior year restitution income	-	305	305
Auto theft task force grant	124,681	125,818	1,137
Safe and Sober grant	64,000	58,777	(5,223)
School crossing guards	258,342	277,803	19,461
COPS grant	90,342	81,440	(8,902)
CLG grant	-	15,638	15,638
Police safety OOG	94,725	94,725	-
AFG Grant	82,864	82,864	-
SAFER grant	483,928	50,376	(433,552)
Fire TCLEOSE allocation	1,000	-	(1,000)
Federal JAG	25,000	33,765	8,765
Justice assistance	18,000	27,500	9,500
Total revenues from other agencies	<u>1,268,882</u>	<u>862,773</u>	<u>(406,109)</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
MISCELLANEOUS			
Oil and lease royalties	\$ 560,000	\$ 461,866	\$ (98,134)
Miscellaneous charges	163,276	301,546	138,270
Unclaimed property revenue	15,000	17,168	2,168
Returned check fees	-	425	425
Funeral escorts	14,000	11,300	(2,700)
Contractor testing fees	250,000	191,700	(58,300)
Merchandise sales	32,000	19,065	(12,935)
Subdivision plan review	60,000	31,000	(29,000)
Sale of equipment	1,000	14	(986)
Total miscellaneous	<u>1,095,276</u>	<u>1,034,084</u>	<u>(59,577)</u>
Total revenues before other financing sources	<u>91,233,852</u>	<u>93,948,513</u>	<u>2,714,661</u>
OTHER FINANCING SOURCES			
Transfers in from other funds	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Total other financing sources	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Total revenue	<u><u>\$ 93,733,852</u></u>	<u><u>\$ 96,448,513</u></u>	<u><u>\$ 2,714,661</u></u>

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
GENERAL GOVERNMENT			
GENERAL GOVERNMENT SERVICES			
Salaries and benefits	\$ 3,025,556	\$ 2,681,295	\$ 344,261
Supplies and services	4,776,821	4,207,312	569,509
Utilities	88,550	89,967	(1,417)
Maintenance	32,852	30,828	2,024
Total general government services	<u>7,923,779</u>	<u>7,009,402</u>	<u>914,377</u>
COMMUNICATIONS			
Salaries and benefits	484,187	485,688	(1,501)
Supplies and services	123,915	105,521	18,394
Utilities	15	-	15
Maintenance	250	874	(624)
Total communications	<u>608,367</u>	<u>592,083</u>	<u>16,284</u>
FINANCE			
Salaries and benefits	1,002,093	993,078	9,015
Supplies and services	668,761	683,894	(15,133)
Utilities	200	38	162
Maintenance	5,450	6,224	(774)
Total finance	<u>1,676,504</u>	<u>1,683,234</u>	<u>(6,730)</u>
HUMAN RESOURCES			
Salaries and benefits	557,942	515,846	42,096
Supplies and services	90,262	78,227	12,035
Utilities	125	150	(25)
Total human resources	<u>648,329</u>	<u>594,223</u>	<u>54,106</u>
LEGAL			
Salaries and benefits	1,252,256	1,157,829	94,427
Supplies and services	219,317	180,163	39,154
Utilities	260	19	241
Maintenance	839	645	194
Total legal	<u>1,472,672</u>	<u>1,338,656</u>	<u>134,016</u>
INNOVATION PIPELINE			
Salaries and benefits	-	-	-
Supplies and services	3,717	3,717	-
Utilities	1,584	1,861	(277)
Maintenance	3,180	3,180	-
Total innovation pipeline	<u>8,481</u>	<u>8,758</u>	<u>(277)</u>
Total general government	<u>12,338,132</u>	<u>11,226,356</u>	<u>1,111,776</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
PUBLIC SAFETY			
POLICE			
Salaries and benefits	\$ 28,511,422	\$ 28,302,711	\$ 208,711
Supplies and services	3,160,978	2,958,438	202,540
Utilities	128,260	139,434	(11,174)
Maintenance	1,805,679	1,790,597	15,082
Total police	<u>33,606,339</u>	<u>33,191,180</u>	<u>415,159</u>
FIRE			
Salaries and benefits	20,445,784	20,739,965	(294,181)
Supplies and services	1,600,075	1,340,200	259,875
Utilities	154,625	188,602	(33,977)
Maintenance	924,519	663,536	260,983
Total fire	<u>23,125,003</u>	<u>22,932,303</u>	<u>192,700</u>
MUNICIPAL COURT			
Salaries and benefits	1,369,366	1,167,091	202,275
Supplies and services	958,764	950,122	8,642
Utilities	8,700	9,282	(582)
Maintenance	46,271	38,430	7,841
Total municipal court	<u>2,383,101</u>	<u>2,164,925</u>	<u>218,176</u>
COPS			
Salaries and benefits	191,521	211,470	(19,949)
Total cops	<u>191,521</u>	<u>211,470</u>	<u>(19,949)</u>
Total public safety	<u>59,305,964</u>	<u>58,499,878</u>	<u>806,086</u>
PUBLIC SERVICES			
ANIMAL SERVICES			
Salaries and benefits	1,028,359	1,016,492	11,867
Supplies and services	309,862	271,396	38,466
Utilities	28,850	25,751	3,099
Maintenance	111,135	109,996	1,139
Total animal services	<u>1,478,206</u>	<u>1,423,635</u>	<u>54,571</u>
PLANNING AND ZONING SERVICES			
Salaries and benefits	918,755	707,661	211,094
Supplies and services	116,148	139,148	(23,000)
Utilities	750	34	716
Total planning and zoning services	<u>1,035,653</u>	<u>846,843</u>	<u>188,810</u>
BUILDING SERVICES			
Salaries and benefits	1,132,962	1,057,896	75,066
Supplies and services	377,863	339,938	37,925
Utilities	400	27	373
Maintenance	35,864	33,969	1,895
Total building services	<u>1,547,089</u>	<u>1,431,830</u>	<u>115,259</u>
Total public services	<u>4,060,948</u>	<u>3,702,308</u>	<u>358,640</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
HIGHWAYS AND STREETS			
ENGINEERING			
Salaries and benefits	\$ 807,149	\$ 692,385	\$ 114,764
Supplies and services	70,271	71,994	(1,723)
Utilities	50	34	16
Maintenance	5,253	5,152	101
Total engineering	<u>882,723</u>	<u>769,565</u>	<u>113,158</u>
STREET ADMINISTRATION			
Salaries and benefits	2,121,014	1,681,099	439,915
Supplies and services	375,750	384,032	(8,282)
Utilities	2,750	2,646	104
Maintenance	1,034,757	1,090,779	(56,022)
Total street administration	<u>3,534,271</u>	<u>3,158,556</u>	<u>375,715</u>
TRAFFIC OPERATIONS			
Salaries and benefits	895,129	807,593	87,536
Supplies and services	178,189	125,566	52,623
Utilities	1,263,952	1,262,307	1,645
Maintenance	399,594	247,584	152,010
Total traffic operations	<u>2,736,864</u>	<u>2,443,050</u>	<u>293,814</u>
Total highways and streets	<u>7,153,858</u>	<u>6,371,171</u>	<u>782,687</u>
CULTURE AND RECREATION			
LIBRARY			
Salaries and benefits	1,492,962	1,448,547	44,415
Supplies and services	410,928	404,753	6,175
Utilities	50,785	53,346	(2,561)
Maintenance	59,966	57,495	2,471
Total library	<u>2,014,641</u>	<u>1,964,141</u>	<u>50,500</u>
PARKS ADMINISTRATION			
Salaries and benefits	1,242,874	1,191,769	51,105
Supplies and services	773,162	703,070	70,092
Utilities	602,850	620,858	(18,008)
Maintenance	511,024	555,916	(44,892)
Total parks administration	<u>3,129,910</u>	<u>3,071,613</u>	<u>58,297</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CULTURE AND RECREATION (cont'd)			
INDOOR RECREATION			
Salaries and benefits	\$ 482,615	\$ 486,094	\$ (3,479)
Supplies and services	104,099	129,989	(25,890)
Utilities	100	21	79
Maintenance	55,216	54,836	380
Total indoor recreation	<u>642,030</u>	<u>670,940</u>	<u>(28,910)</u>
OUTDOOR RECREATION			
Salaries and benefits	193,670	189,048	4,622
Supplies and services	87,751	100,594	(12,843)
Maintenance	500	-	500
Total outdoor recreation	<u>281,921</u>	<u>289,642</u>	<u>(7,721)</u>
MEDIAN MAINTENANCE AND ARBORIST			
Salaries and benefits	309,670	213,892	95,778
Supplies and services	119,578	163,267	(43,689)
Maintenance	45,725	45,345	380
Total median maintenance and arborist	<u>474,973</u>	<u>422,504</u>	<u>52,469</u>
ROSE GARDEN CENTER			
Salaries and benefits	234,900	220,627	14,273
Supplies and services	34,503	35,943	(1,440)
Utilities	50,000	38,018	11,982
Maintenance	71,988	71,753	235
Total rose garden center	<u>391,391</u>	<u>366,341</u>	<u>25,050</u>
ROSE GARDEN MAINTENANCE			
Salaries and benefits	337,611	281,664	55,947
Supplies and services	136,307	199,790	(63,483)
Utilities	45,650	23,899	21,751
Maintenance	90,523	113,073	(22,550)
Total rose garden maintenance	<u>610,091</u>	<u>618,426</u>	<u>(8,335)</u>
VISITOR FACILITIES			
Salaries and benefits	834,674	839,383	(4,709)
Supplies and services	192,281	289,453	(97,172)
Utilities	114,075	140,174	(26,099)
Maintenance	24,544	24,502	42
Total visitor facilities	<u>1,165,574</u>	<u>1,293,512</u>	<u>(127,938)</u>
MAIN STREET			
Salaries and benefits	281,271	273,376	7,895
Supplies and services	211,503	181,244	30,259
Utilities	3,355	1,758	1,597
Maintenance	-	-	-
Total main street	<u>496,129</u>	<u>456,378</u>	<u>39,751</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
CULTURE AND RECREATION (cont'd)			
LIBERTY HALL			
Salaries and benefits	\$ 76,134	\$ 80,193	\$ (4,059)
Supplies and services	201,073	110,620	90,453
Utilities	17,681	11,775	5,906
Maintenance	25,695	20,095	5,600
	<u>320,583</u>	<u>222,683</u>	<u>97,900</u>
Total liberty hall			
	<u>320,583</u>	<u>222,683</u>	<u>97,900</u>
Total culture and recreation	<u>9,527,243</u>	<u>9,376,180</u>	<u>151,063</u>
OTHER FINANCING USES			
Transfer to transit system	717,713	891,706	(173,993)
Transfer to capital projects	1,021,792	1,021,792	-
Transfer to property and facility	101,305	101,305	-
Transfer to street projects	1,829,862	1,829,862	-
Transfer to cemeteries	300,000	300,000	-
	<u>3,970,672</u>	<u>4,144,665</u>	<u>(173,993)</u>
Total other financing uses			
	<u>3,970,672</u>	<u>4,144,665</u>	<u>(173,993)</u>
Capital outlay	677,567	723,318	(45,751)
	<u>677,567</u>	<u>723,318</u>	<u>(45,751)</u>
Total expenditures	<u>\$ 97,034,384</u>	<u>\$ 94,043,876</u>	<u>\$ 2,990,508</u>

**CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money or property	\$ 248,704	\$ 1,188,421	\$ 939,717
Charges for current services	53,293,704	53,308,796	15,092
Miscellaneous income	<u>11,704,981</u>	<u>6,115,124</u>	<u>(5,589,857)</u>
Total revenue - budget and GAAP basis	<u>\$ 65,247,389</u>	<u>\$ 60,612,341</u>	<u>\$ (4,635,048)</u>

**CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
WATER ADMINISTRATION AND SUNDRY			
Salaries and benefits	\$ 1,689,469	\$ 1,578,107	\$ 111,362
Supplies and services	3,854,095	3,127,151	726,944
Utilities	14,350	12,297	2,053
Maintenance	55,308	42,967	12,341
Total water administration and sundry	<u>5,613,222</u>	<u>4,760,522</u>	<u>852,700</u>
WATER OFFICE			
Salaries and benefits	1,535,385	1,216,949	318,436
Supplies and services	1,784,942	1,389,256	395,686
Utilities	250	100	150
Maintenance	55,539	68,117	(12,578)
Total water office	<u>3,376,116</u>	<u>2,674,422</u>	<u>701,694</u>
WATER DISTRIBUTION			
Salaries and benefits	2,779,545	2,913,487	(133,942)
Supplies and services	435,945	424,704	11,241
Utilities	67,764	33,545	34,219
Maintenance	965,353	1,063,727	(98,374)
Total water distribution	<u>4,248,607</u>	<u>4,435,463</u>	<u>(186,856)</u>
WATER PLANT			
Salaries and benefits	2,342,729	2,104,631	238,098
Supplies and services	4,802,699	4,021,642	781,057
Utilities	1,655,061	1,754,822	(99,761)
Maintenance	556,406	263,272	293,134
Total water plant	<u>9,356,895</u>	<u>8,144,367</u>	<u>1,212,528</u>
WASTE COLLECTION			
Salaries and benefits	1,815,416	1,971,572	(156,156)
Supplies and services	359,251	395,269	(36,018)
Utilities	275	-	275
Maintenance	996,176	939,971	56,205
Total waste collection	<u>3,171,118</u>	<u>3,306,812</u>	<u>(135,694)</u>
CD/CMOM (REGULATORY)			
Salaries and benefits	65,329	69,076	(3,747)
Supplies and services	4,634,134	4,333,662	300,472
Total cd/cmom (regulatory)	<u>4,699,463</u>	<u>4,402,738</u>	<u>296,725</u>
WASTE TREATMENT PLANT			
Salaries and benefits	2,300,813	2,136,182	164,631
Supplies and services	1,702,241	1,716,483	(14,242)
Utilities	737,140	744,456	(7,316)
Maintenance	846,122	701,093	145,029
Total waste treatment plant	<u>5,586,316</u>	<u>5,298,214</u>	<u>288,102</u>

(Continued)

**CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
LAKE TYLER			
Salaries and benefits	\$ 730,064	\$ 526,734	\$ 203,330
Supplies and services	362,784	234,669	128,115
Utilities	10,800	8,697	2,103
Maintenance	<u>513,265</u>	<u>174,687</u>	<u>338,578</u>
Total Lake Tyler	<u>1,616,913</u>	<u>944,787</u>	<u>672,126</u>
STORM WATER MANAGEMENT			
Salaries and benefits	974,362	1,096,756	(122,394)
Supplies and services	223,715	202,784	20,931
Utilities	6,050	4,688	1,362
Maintenance	<u>680,625</u>	<u>619,822</u>	<u>60,803</u>
Total storm water management	<u>1,884,752</u>	<u>1,924,050</u>	<u>(39,298)</u>
GEOGRAPHICAL INFORMATION SYSTEMS			
Salaries and benefits	808,373	687,027	121,346
Supplies and services	<u>423,913</u>	<u>476,111</u>	<u>(52,198)</u>
Total geographical information systems	<u>1,232,286</u>	<u>1,163,138</u>	<u>69,148</u>
SLUDGE HAULING			
Salaries and benefits	318,669	340,306	(21,637)
Supplies and services	758,508	752,976	5,532
Utilities	16,200	11,144	5,056
Maintenance	<u>242,980</u>	<u>301,627</u>	<u>(58,647)</u>
Total sludge hauling	<u>1,336,357</u>	<u>1,406,053</u>	<u>(69,696)</u>
PURCHASING			
Salaries and benefits	282,921	256,577	26,344
Supplies and services	841,396	831,677	9,719
Utilities	150	11	139
Maintenance	<u>8,683</u>	<u>23,724</u>	<u>(15,041)</u>
Total purchasing	<u>1,133,150</u>	<u>1,111,989</u>	<u>21,161</u>
Capital outlay	<u>19,558,276</u>	<u>42,443,580</u>	<u>(22,885,304)</u>
Principal payments on bonds	<u>5,830,000</u>	<u>5,830,000</u>	<u>-</u>
Interest expense	<u>4,339,362</u>	<u>4,484,180</u>	<u>(144,818)</u>
Transfers (in)/out	<u>225,653</u>	<u>225,653</u>	<u>-</u>
Total expenditures - budget basis	<u>\$ 73,208,486</u>	<u>92,555,968</u>	<u>\$ (19,347,482)</u>
Financial statement adjustments:			
Adjustment for net pension liability		424,491	
Adjustment OPEB assets and liabilities		769,046	
Capital outlay items not expensed		(42,443,580)	
Principal payments of bonds		(5,830,000)	
Amortization expense		(490,109)	
Depreciation expense		<u>10,088,026</u>	
Total expenditures - GAAP basis		<u>\$ 55,073,842</u>	

**CITY OF TYLER, TEXAS
SANITATION FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Franchise fees	\$ 793,761	\$ 873,253	\$ 79,492
Revenue from use of money or property	13,365	49,244	35,879
Current service charges	16,323,264	16,262,983	(60,281)
Miscellaneous	151,188	83,287	(67,901)
Total revenues - budget basis	\$ 17,281,578	17,268,767	\$ (12,811)
Financial statement adjustments:			
Retirement of assets sold		-	
Total revenues - GAAP basis		\$ 17,268,767	
EXPENSES			
Solid waste administration			
Salaries and benefits	\$ 926,339	\$ 943,999	\$ (17,660)
Supplies and services	1,374,261	1,349,630	24,631
Utilities	4,937	3,531	1,406
Total solid waste administration	2,305,537	2,297,160	8,377
Residential collections			
Salaries and benefits	2,396,586	2,369,518	27,068
Supplies and services	2,780,803	2,918,799	(137,996)
Utilities	2,020	2,190	(170)
Maintenance	2,845,746	3,057,999	(212,253)
Total residential collections	8,025,155	8,348,506	(323,351)
Commercial collections			
Salaries and benefits	1,366,544	1,616,931	(250,387)
Supplies and services	2,404,690	2,531,949	(127,259)
Utilities	4,175	8,624	(4,449)
Maintenance	851,810	880,985	(29,175)
Total commercial collections	4,627,219	5,038,489	(411,270)
Litter control			
Salaries and benefits	79,895	80,440	(545)
Supplies and services	114,495	104,850	9,645
Utilities	800	1,016	(216)
Total litter control	195,190	186,306	8,884

(Continued)

**CITY OF TYLER, TEXAS
SANITATION FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENSES (cont'd)			
Code enforcement			
Salaries and benefits	\$ 976,813	\$ 909,654	\$ 67,159
Supplies and services	128,895	117,217	11,678
Utilities	100	15	85
Maintenance	80,162	92,213	(12,051)
Total code enforcement	1,185,970	1,119,099	66,871
Capital outlay	760,000	434,812	325,188
Transfers out	150,653	75,653	75,000
Total expenses - budget basis	<u>\$ 17,249,724</u>	17,500,025	<u>\$ (250,301)</u>
Financial statement adjustments:			
Adjustment for net pension liability		883,062	
Adjust OPEB assets and liabilities		(564,251)	
Capital outlay items not expensed		(434,812)	
Depreciation expense		591,465	
Total expenses - GAAP basis		<u>\$ 17,975,489</u>	

CITY OF TYLER, TEXAS
AIRPORT FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Airport services	\$ 204,600	\$ 239,654	\$ 35,054
Revenues from use of money and property	986,817	1,155,195	168,378
Income from other agencies	8,390,577	5,132,433	(3,258,144)
Miscellaneous revenues	14,176	20,401	6,225
Total revenues	9,596,170	6,547,683	(3,048,487)
Transfers in	72,000	306,388	234,388
Total revenues - budget and GAAP basis	<u>\$ 9,668,170</u>	<u>\$ 6,854,071</u>	<u>\$ (2,814,099)</u>
EXPENSES			
Municipal airport operations			
Salaries and benefits	871,786	858,281	13,505
Supplies and services	578,887	454,587	124,300
Utilities	167,510	186,593	(19,083)
Maintenance	227,750	214,674	13,076
Total municipal airport operations	1,845,933	1,714,135	131,798
Interest expense	20,680	20,680	-
Principal payments on bonds	85,000	85,000	-
Capital outlay	2,582,863	6,221,151	(3,638,288)
Total expenses- budget basis	<u>\$ 4,534,476</u>	8,040,966	<u>\$ (3,506,490)</u>
Financial statement adjustments:			
Adjustment for net pension liability		5,542	
Adjust OPEB assets and liabilities		(93,698)	
Principal payments on bonds		(85,000)	
Capital outlay items not expensed		(6,221,151)	
Depreciation expense		3,334,206	
Total expenses - GAAP basis		<u>\$ 4,980,865</u>	



STATISTICAL SECTION (UNAUDITED)

**CITY OF TYLER, TEXAS
STATISTICAL SECTION**

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	152 - 157
Revenue Capacity These schedules contain trend information to help the reader assess the City's most significant local revenue sources.	158 - 162
Debt Capacity Theses schedules contain trend information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	163 - 168
Economic and Demographic Indicators These schedules contain economic and demographic information to help the reader understand the environment within which the City's financial activities take place.	169 - 170
Operating Information These schedules contain operating data to help the reader understand how the information in the City's financial reports relates to the services and the activities it performs.	171 - 173



TABLE 1

**CITY OF TYLER, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets	\$ 243,391,685	\$ 248,481,237	\$ 255,335,707	\$ 254,071,947	\$ 250,403,768	\$ 257,564,279	\$ 265,255,743	\$ 262,616,982	\$ 286,947,161	\$ 302,253,762
Restricted	22,022,830	21,857,483	19,998,703	24,687,498	34,538,182	36,220,286	34,968,630	47,018,449	57,958,272	58,646,738
Unrestricted	21,104,444	(23,090,282)	(29,206,408)	(29,239,172)	(44,703,390)	(42,727,945)	(40,259,967)	(29,568,057)	(31,639,493)	(24,526,398)
Total governmental activities net position	\$ 286,518,959	\$ 247,248,438	\$ 246,128,002	\$ 249,520,273	\$ 240,238,560	\$ 251,056,620	\$ 259,964,406	\$ 280,067,374	\$ 313,265,940	\$ 336,374,102
Business-type activities										
Invested in capital assets	\$ 161,933,656	\$ 171,337,799	\$ 185,888,696	\$ 199,364,645	\$ 207,347,257	\$ 220,412,254	\$ 219,486,636	\$ 209,627,651	\$ 203,399,552	\$ 243,814,226
Restricted	19,104,927	14,620,332	13,984,060	11,622,220	17,540,832	16,738,113	28,681,236	41,650,116	51,496,593	16,720,857
Unrestricted	6,150,703	676,523	803,659	1,418,179	(989,693)	(207,880)	324,881	3,599,915	1,839,804	5,091,529
Total business-type activities net position	\$ 187,189,286	\$ 186,634,654	\$ 200,676,415	\$ 212,405,044	\$ 223,898,396	\$ 236,942,487	\$ 248,492,753	\$ 254,877,682	\$ 256,735,949	\$ 265,626,612
Primary government										
Invested in capital assets	\$ 405,325,341	\$ 419,819,036	\$ 441,224,403	\$ 453,436,592	\$ 457,751,025	\$ 477,976,533	\$ 484,742,379	\$ 472,244,633	\$ 490,346,713	\$ 546,067,988
Restricted	41,127,757	36,477,815	33,982,763	36,309,718	52,079,014	52,958,399	63,649,866	88,668,565	109,454,865	75,367,595
Unrestricted	27,255,147	(22,413,759)	(28,402,749)	(27,820,993)	(45,693,083)	(42,935,825)	(39,935,086)	(25,968,142)	(29,799,689)	(19,434,869)
Total primary government net position	\$ 473,708,245	\$ 433,883,092	\$ 446,804,417	\$ 461,925,317	\$ 464,136,956	\$ 487,999,107	\$ 508,457,159	\$ 534,945,056	\$ 570,001,889	\$ 602,000,714

Source: Government-wide Statement of Net Position

CITY OF TYLER, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 10,788,232	\$ 7,411,863	\$ 10,454,415	\$ 8,541,513	\$ 7,135,438	\$ 6,929,613	\$ 8,546,671	\$ 12,525,483	\$ 27,066,638	\$ 13,865,317
Public safety	43,241,597	42,751,866	50,776,656	50,698,376	49,127,207	54,290,654	52,163,878	47,833,820	47,800,696	59,232,613
Highways and streets	13,828,933	12,190,307	12,564,341	12,901,307	12,904,261	12,863,503	14,331,423	14,403,381	12,417,649	15,093,538
Public services	14,207,356	15,086,795	15,609,073	15,935,764	16,243,252	16,293,667	18,825,525	16,021,187	18,045,764	20,597,159
Cultures and recreation	7,737,071	9,344,668	7,933,036	7,629,494	8,284,920	8,573,123	11,208,328	8,130,411	9,554,147	11,081,250
Interest on long term debt	67,788	69,680	60,341	29,600	31,629	68,488	43,768	500,109	3,850,936	275,485
Total governmental activities expenses	<u>89,870,977</u>	<u>86,855,179</u>	<u>97,397,862</u>	<u>95,736,054</u>	<u>93,726,707</u>	<u>99,019,048</u>	<u>105,119,593</u>	<u>99,414,391</u>	<u>118,735,830</u>	<u>120,145,362</u>
Business-type activities:										
Water and sewer	31,080,132	31,574,214	32,754,688	34,766,700	37,299,452	38,465,495	39,991,263	40,830,853	50,266,374	54,848,189
Sanitation	11,474,007	11,586,745	11,997,643	12,102,806	13,182,876	13,836,676	14,135,998	13,347,311	15,083,456	17,899,836
Airport	2,839,883	3,074,982	3,421,977	3,235,501	3,057,006	3,390,497	3,735,130	4,184,540	5,192,442	4,980,865
Total business-type activities expenses	<u>45,394,022</u>	<u>46,235,941</u>	<u>48,174,308</u>	<u>50,105,007</u>	<u>53,539,334</u>	<u>55,692,668</u>	<u>57,862,391</u>	<u>58,362,704</u>	<u>70,542,272</u>	<u>77,728,890</u>
Total primary government expenses	<u>\$ 135,264,999</u>	<u>\$ 133,091,120</u>	<u>\$ 145,572,170</u>	<u>\$ 145,841,061</u>	<u>\$ 147,266,041</u>	<u>\$ 154,711,716</u>	<u>\$ 162,981,984</u>	<u>\$ 157,777,095</u>	<u>\$ 189,278,102</u>	<u>\$ 197,874,252</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,451,394	\$ 2,413,406	\$ 3,144,517	\$ 3,666,701	\$ 3,674,604	\$ 2,919,670	\$ 2,602,642	\$ 5,228,000	\$ 4,719,311	\$ 5,625,573
Public safety	7,910,583	7,709,536	7,278,868	5,820,726	8,113,402	7,411,401	3,401,998	4,907,296	7,250,359	5,628,794
Highways and streets	92,034	175,622	142,380	38,880	-	-	-	-	-	-
Public services	2,449,877	2,125,553	2,317,480	2,070,577	2,015,878	2,328,149	2,832,501	2,725,747	3,484,014	3,088,347
Cultures and recreation	1,206,025	1,201,230	1,141,469	1,300,735	1,566,802	1,578,234	123,850	5,204	179,286	2,224,549
Operating grants and contributions	11,870,746	11,016,862	11,447,285	13,517,732	12,456,026	11,744,468	19,981,326	12,606,998	34,247,902	17,161,327
Capital grants and contributions	393,979	319,933	1,010,989	476,557	454,666	411,605	308,143	463,061	354,955	582,190
Total governmental activities program revenues	<u>26,374,638</u>	<u>24,962,142</u>	<u>26,482,988</u>	<u>26,891,908</u>	<u>28,281,378</u>	<u>26,393,527</u>	<u>29,250,460</u>	<u>25,936,306</u>	<u>50,235,827</u>	<u>34,310,780</u>
Business-type activities:										
Charges for services:										
Water and sewer	33,520,628	34,651,646	36,512,873	38,567,044	44,496,473	43,571,235	47,113,899	48,402,804	51,996,254	60,605,479
Sanitation	11,508,277	11,485,864	11,378,673	11,842,892	14,037,513	14,793,110	14,164,974	14,409,981	15,629,328	18,188,567
Airport	1,559,769	1,625,731	1,345,440	1,185,962	1,299,196	1,274,805	217,900	228,115	217,867	295,132
Capital grants and contributions	2,310,974	6,479,939	11,482,387	9,500,432	10,402,222	8,459,328	5,804,364	1,797,054	2,839,431	5,132,433
Total business-type activities program revenues	<u>48,899,648</u>	<u>54,243,180</u>	<u>60,719,373</u>	<u>61,096,330</u>	<u>70,235,404</u>	<u>68,098,478</u>	<u>67,301,137</u>	<u>64,837,954</u>	<u>70,682,880</u>	<u>84,221,611</u>
Total primary government program revenues	<u>\$ 75,274,286</u>	<u>\$ 79,205,322</u>	<u>\$ 87,202,361</u>	<u>\$ 87,988,238</u>	<u>\$ 98,516,782</u>	<u>\$ 94,492,005</u>	<u>\$ 96,551,597</u>	<u>\$ 90,774,260</u>	<u>\$ 120,918,707</u>	<u>\$ 118,532,391</u>
Net (expense)/revenue										
Governmental activities	\$ (63,496,339)	\$ (61,893,037)	\$ (70,914,874)	\$ (68,844,146)	\$ (65,445,329)	\$ (72,625,521)	\$ (75,869,133)	\$ (73,478,085)	\$ (68,500,003)	\$ (85,834,582)
Business-type activities	3,505,626	8,007,239	12,545,065	10,991,323	16,696,070	12,405,810	9,438,746	6,475,250	140,608	6,492,721
Total primary government net expense	<u>\$ (59,990,713)</u>	<u>\$ (53,885,798)</u>	<u>\$ (58,369,809)</u>	<u>\$ (57,852,823)</u>	<u>\$ (48,749,259)</u>	<u>\$ (60,219,711)</u>	<u>\$ (66,430,387)</u>	<u>\$ (67,002,835)</u>	<u>\$ (68,359,395)</u>	<u>\$ (79,341,861)</u>

CITY OF TYLER, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	\$ 15,458,985	\$ 15,859,234	\$ 16,464,898	\$ 17,722,103	\$ 19,125,723	\$ 20,736,120	\$ 22,858,131	\$ 23,485,458	\$ 25,387,943	\$ 27,403,562
Franchise taxes	10,434,684	10,476,018	10,592,842	10,847,085	11,187,605	11,019,217	11,124,504	10,896,182	11,243,225	11,462,535
Sales and use taxes	43,577,045	45,043,290	43,321,470	44,434,519	47,178,374	50,168,540	49,273,911	57,065,720	62,847,166	66,519,588
Unrestricted investment earnings and use of money and property	205,478	255,243	181,013	349,543	434,301	1,264,860	1,531,778	855,460	829,440	3,372,781
Gain (loss) on sale of assets	385,327	(443,252)	294,107	(825,967)	191,946	170,908	(336,086)	(886,629)	646,760	189,360
Miscellaneous	294,476	334,677	-	-	-	-	-	-	-	-
Donations	2,745,000	-	-	-	-	-	-	-	-	-
Equity in earnings of joint venture	-	-	-	-	-	-	-	-	-	-
Transfers	325,400	(250,581)	(1,059,892)	(290,866)	(1,168,328)	83,936	324,681	2,164,862	744,035	(5,082)
Total governmental activities	73,426,395	71,274,629	69,794,438	72,236,417	76,949,621	83,443,581	84,776,919	93,581,053	101,698,569	108,942,744
Business-type activities:										
Unrestricted investment earnings and use of money and property	242,517	177,701	251,601	342,277	469,638	661,536	2,406,201	1,919,575	2,461,694	2,392,860
Gain (loss) on sale of assets	324,964	92,824	185,203	104,163	342,894	60,681	30,000	154,966	-	-
Transfers	(325,400)	250,581	1,059,892	290,866	1,168,328	(83,936)	(324,681)	(2,164,862)	(744,035)	5,082
Total business-type activities	242,081	521,106	1,496,696	737,306	1,980,860	638,281	2,111,520	(90,321)	1,717,659	2,397,942
Total primary government	\$ 73,668,476	\$ 71,795,735	\$ 71,291,134	\$ 72,973,723	\$ 78,930,481	\$ 84,081,862	\$ 86,888,439	\$ 93,490,732	\$ 103,416,228	\$ 111,340,686
Change in Net Position										
Governmental activities	\$ 9,930,056	\$ 9,381,592	\$ (1,120,436)	\$ 3,392,271	\$ 11,504,292	\$ 10,818,060	\$ 8,907,786	\$ 20,102,968	\$ 33,198,566	\$ 23,108,162
Business-type activities	3,747,707	8,528,345	14,041,761	11,728,629	18,676,930	13,044,091	11,550,266	6,384,929	1,858,267	8,890,663
Total primary government	\$ 13,677,763	\$ 17,909,937	\$ 12,921,325	\$ 15,120,900	\$ 30,181,222	\$ 23,862,151	\$ 20,458,052	\$ 26,487,897	\$ 35,056,833	\$ 31,998,825

Source: Government-wide Statement of Net Position

TABLE 3

**CITY OF TYLER, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

Fiscal Year	Property Tax	Franchise Tax	Sales and Use Tax ¹	Total
2014	15,458,985	10,434,684	43,577,045	69,470,714
2015	15,859,234	10,476,018	45,043,290	71,378,542
2016	16,464,898	10,592,842	43,321,470	70,379,210
2017	17,722,103	10,847,085	44,434,519	73,003,707
2018	19,125,723	11,187,605	47,178,374	77,491,702
2019	20,736,120	11,019,217	50,168,540	81,923,877
2020	22,858,131	11,124,504	49,273,911	83,256,546
2021	23,485,458	10,896,182	57,065,720	91,447,360
2022	25,387,943	11,243,225	62,847,166	99,478,334
2023	27,406,562	11,462,535	66,519,588	105,388,685

Source: Government-wide Statement of Activities

¹ Texas law prohibits the disclosure of Sales and Use Tax revenues by source.

TABLE 4

CITY OF TYLER, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved For:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	48,318	41,624	98,179	95,719	136,805	128,379	168,872	172,995	171,677	190,862
Restricted	-	-	-	-	-	-	-	10,105,793	18,117,432	17,720,914
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,208,611	1,549,828	2,092,909	1,742,596	2,093,261	1,389,151	921,304	1,099,496	2,262,547	2,766,019
Unassigned	10,823,011	12,766,508	12,717,634	14,324,791	16,246,434	18,559,488	25,785,219	17,889,357	10,641,688	12,920,186
Total General Fund	<u>\$ 12,079,940</u>	<u>\$ 14,357,960</u>	<u>\$ 14,908,722</u>	<u>\$ 16,163,106</u>	<u>\$ 18,476,500</u>	<u>\$ 20,077,018</u>	<u>\$ 26,875,395</u>	<u>\$ 29,267,641</u>	<u>\$ 31,193,344</u>	<u>\$ 33,597,981</u>
One-Half Cent Sales Tax fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	13,183,589	13,391,689	10,491,754	14,750,799	22,942,254	23,136,162	21,942,766	24,298,737	24,771,087	29,798,945
Total One-Half Cent Sales Tax fund	<u>\$ 13,183,589</u>	<u>\$ 13,391,689</u>	<u>\$ 10,491,754</u>	<u>\$ 14,750,799</u>	<u>\$ 22,942,254</u>	<u>\$ 23,136,162</u>	<u>\$ 21,942,766</u>	<u>\$ 24,298,737</u>	<u>\$ 24,771,087</u>	<u>\$ 29,798,945</u>
All Other Governmental Funds										
Reserved For:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	2,751,496	2,841,929	2,930,388	2,965,480	3,024,870	3,213,067	3,099,119	3,176,356	3,246,668	3,328,704
Restricted	6,092,195	5,645,636	7,576,542	6,976,269	8,577,798	9,875,815	9,931,297	19,547,806	11,651,408	7,803,075
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,807,246	784,195	586,738	313,516	497,286	490,429	671,931	1,670,510	4,134,745	3,445,636
Unassigned	34,151	-	-	-	-	-	142,420	15,843	(4,863)	54,418
Total All Other Governmental Funds	<u>\$ 10,685,088</u>	<u>\$ 9,271,760</u>	<u>\$ 11,093,668</u>	<u>\$ 10,255,265</u>	<u>\$ 12,099,954</u>	<u>\$ 13,579,311</u>	<u>\$ 13,844,767</u>	<u>\$ 24,410,515</u>	<u>\$ 19,027,958</u>	<u>\$ 14,631,833</u>

Note: Beginning in 2011, Fund Balance information is presented in accordance with GASB 54

CITY OF TYLER, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 69,452,558	\$ 71,348,666	\$ 70,367,919	\$ 72,992,685	\$ 77,480,218	\$ 81,904,923	\$ 83,224,890	\$ 91,452,903	\$ 99,430,169	\$ 105,314,839
Licenses and permits	1,675,295	1,526,595	1,818,538	1,687,299	2,446,051	1,769,360	1,734,830	2,197,199	3,218,225	2,938,950
Revenues from other agencies	11,816,379	11,276,795	12,458,274	13,994,289	12,910,692	12,156,073	20,289,469	13,070,059	16,846,154	17,743,517
Fines, forfeitures, and penalties	7,684,828	7,510,714	6,771,908	5,325,902	5,125,706	4,997,271	4,009,595	4,353,777	4,690,005	4,493,442
Revenues from use of money or property	802,335	841,955	750,320	845,170	915,646	1,696,680	1,160,080	667,202	841,284	4,082,668
Donations	352,948	339,795	374,071	586,470	365,044	682,566	168,415	406,590	388,457	755,453
Charges for current services	2,849,107	2,792,386	2,807,579	2,780,962	2,985,838	3,123,455	2,954,723	2,819,181	3,656,191	3,876,992
Miscellaneous	836,490	2,239,017	1,338,192	1,915,362	1,219,342	733,920	1,038,050	2,291,918	3,921,011	1,689,426
Total revenues	<u>95,469,940</u>	<u>97,875,923</u>	<u>96,686,801</u>	<u>100,128,139</u>	<u>103,448,537</u>	<u>107,064,248</u>	<u>114,580,052</u>	<u>117,258,829</u>	<u>132,991,496</u>	<u>140,895,287</u>
Expenditures										
General government	8,323,657	7,758,004	7,185,846	7,585,488	7,751,217	7,726,127	7,343,378	8,392,015	8,536,953	12,823,471
Public safety	42,316,320	44,644,245	45,249,043	45,075,237	45,801,648	48,017,964	49,788,910	51,164,922	53,656,640	58,950,821
Public services	12,926,496	14,324,967	15,072,374	15,234,239	15,548,886	15,729,247	15,767,993	16,240,888	18,127,995	20,176,824
Highways and streets	5,090,951	5,228,922	5,596,575	5,375,760	4,805,677	3,893,759	4,839,899	5,612,393	6,209,923	6,371,171
Culture and recreation	7,105,539	7,707,090	7,461,931	7,005,094	7,652,792	7,912,551	8,416,058	8,239,821	9,013,992	9,984,448
Capital outlay	22,200,604	16,213,454	16,659,253	12,717,841	8,292,421	18,494,375	20,806,944	22,407,603	35,606,264	28,770,982
Debt service										
Principal	313,756	376,998	54,094	188,157	167,214	270,211	136,114	871,732	3,500,261	230,000
Interest	13,936	7,133	5,867	9,894	5,777	23,003	17,715	14,538	469,886	364,055
Total expenditures	<u>98,291,259</u>	<u>96,260,813</u>	<u>97,284,983</u>	<u>93,191,710</u>	<u>90,025,632</u>	<u>102,067,237</u>	<u>107,117,011</u>	<u>112,943,912</u>	<u>135,121,914</u>	<u>137,671,772</u>
Excess of revenues over (under) expenditures	(2,821,319)	1,615,110	(598,182)	6,936,429	13,422,905	4,997,011	7,463,041	4,314,917	(2,130,418)	3,223,515
Other financing sources (uses)										
Proceeds of long-term capital-related debt	71,610	126,480	405,126	-	817,083	-	-	10,752,436	236,499	45,548
Transfers in	5,028,638	3,364,434	50,000	638,000	3,388,915	4,231,066	4,214,521	8,127,557	13,493,751	9,993,360
Transfers out	(4,962,965)	(4,033,232)	(1,369,619)	(1,913,993)	(5,231,692)	(5,954,294)	(5,807,127)	(8,042,299)	(14,584,327)	(10,226,053)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>137,283</u>	<u>(542,318)</u>	<u>(914,493)</u>	<u>(1,275,993)</u>	<u>(1,025,694)</u>	<u>(1,723,228)</u>	<u>(1,592,606)</u>	<u>10,837,694</u>	<u>(854,077)</u>	<u>(187,145)</u>
Net Change in fund balances	<u>\$ (2,684,036)</u>	<u>\$ 1,072,792</u>	<u>\$ (1,512,675)</u>	<u>\$ 5,660,436</u>	<u>\$ 12,397,211</u>	<u>\$ 3,273,783</u>	<u>\$ 5,870,435</u>	<u>\$ 15,152,611</u>	<u>\$ (2,984,495)</u>	<u>\$ 3,036,370</u>
Debt service as a percentage of noncapital expenditures	0.4307%	0.4799%	0.0744%	0.2461%	0.2117%	0.3508%	0.1782%	0.9789%	3.9895%	0.5455%

Source: Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances

Note: To properly calculate the debt service as a percentage of noncapital expenditures, only those expenditures for Capital Assets are deducted from total expenditures. This amount may or may not be equal to total Capital Outlay as stated in the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds.

TABLE 6

**CITY OF TYLER, TEXAS
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS 1
(modified accrual basis of accounting)**

Fiscal Year	Property Tax	Franchise Tax	Sales and Use Tax ¹	Total
2014	15,440,829	10,434,684	43,577,045	69,452,558
2015	15,829,358	10,476,018	45,043,290	71,348,666
2016	16,453,607	10,592,842	43,321,470	70,367,919
2017	17,711,081	10,847,085	44,434,519	72,992,685
2018	19,114,239	11,187,605	47,178,374	77,480,218
2019	20,717,166	11,019,217	50,168,540	81,904,923
2020	22,826,475	11,124,504	49,273,911	83,224,890
2021	23,491,001	10,896,182	57,065,720	91,452,903
2022	25,339,778	11,243,225	62,847,166	99,430,169
2023	27,332,716	11,462,535	66,519,588	105,314,839

Source: Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances

¹ Texas law prohibits the disclosure of Sales and Use Tax revenues by source.

Note: Current year revenues comes from Exh 5

**CITY OF TYLER, TEXAS
RETAIL SALES AND SALES TAX REVENUE ALLOCATION
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30	Retail Sales Tax Revenue (Fiscal Year) ¹		
	General Fund	Capital Projects	Total
	Revenue - 1.0%	Special Revenue - 0.5%	Revenue ²
2014	26,539,723	13,269,861	39,809,584
2015	26,917,614	13,458,807	40,376,421
2016	26,338,713	13,169,356	39,508,069
2017	26,775,850	13,387,905	40,163,755
2018	28,494,304	14,247,152	42,741,456
2019	30,257,590	15,128,795	45,386,385
2020	30,442,521	15,221,261	45,663,782
2021	34,258,124	17,129,062	51,387,186
2022	37,874,791	18,937,935	56,812,726
2023	40,995,889	20,497,945	61,493,834

¹ Source: Texas Comptroller of Public Accounts

² Does not include Hotel / Motel Taxes, Mixed Beverage Taxes or Bingo Taxes.

Note: In accordance with Title 3, Subtitle C, Chapter 321 of the Texas Tax Code, the City impose a sales and Use Tax of 1.5 %.

Note: The Retail Sales Tax Rate in the City is 8.25 %. Of this 6.25% is State Tax, 0.5 % is Smith County Tax, 1.0% is City Tax available for General Government Services and 0.5 % is City Tax available only for Capital Projects.

TABLE 8

**CITY OF TYLER, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30	Real Property		Personal Property	Mineral Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property					
2014	6,005,291,458	N/A	995,470,019	N/A	N/A	7,000,761,477	0.220000
2015	6,186,217,088	N/A	1,004,310,191	N/A	N/A	7,190,527,279	0.220000
2016	6,529,329,564	N/A	990,187,897	N/A	N/A	7,519,517,461	0.220000
2017	6,803,228,476	N/A	1,003,167,122	N/A	N/A	7,806,395,598	0.230000
2018	7,076,840,787	N/A	1,041,040,039	N/A	N/A	8,117,880,826	0.240000
2019	7,351,032,270	N/A	1,170,198,591	N/A	N/A	8,521,230,861	0.244452
2020	7,842,251,272	N/A	1,221,764,551	N/A	N/A	9,064,015,823	0.259900
2021	8,190,719,246	N/A	1,208,670,533	N/A	N/A	9,399,389,779	0.259000
2022	8,573,322,571	N/A	1,197,485,343	N/A	N/A	9,770,807,914	0.269900
2023	9,671,805,519	N/A	1,277,023,312	N/A	N/A	10,948,828,831	0.261850

Source: Smith County Appraisal District

Note: Property is assessed at 100% of actual value for all types of real and personal property. Tax rates are per \$100 of assessed value. At this time no distinction is made between residential and commercial property.

N/A - Not available

TABLE 9

**CITY OF TYLER, TEXAS
PROPERTY TAX RATES*
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	City of Tyler			Overlapping Rates					Total Direct and Overlapping Rates
	Operating	Debt Service	Total**	Smith County Total	Tyler ISD Total	Tyler Junior College Total	Chapel Hill ISD Total	Whitehouse ISD Total	
2014	0.220000	-	0.220000	0.323564	1.37500	0.199926	1.253000	1.193000	4.56449
2015	0.220000	-	0.220000	0.323560	1.37500	0.199926	1.245000	1.193000	4.55649
2016	0.220000	-	0.220000	0.330000	1.37500	0.199926	1.240000	1.193000	4.55793
2017	0.230000	-	0.230000	0.330000	1.37500	0.199926	1.240000	1.193000	4.56793
2018	0.240000	-	0.240000	0.330000	1.40500	0.199926	1.230000	1.413000	4.81793
2019	0.244452	-	0.244452	0.337311	1.40500	0.199926	1.230000	1.413000	4.82969
2020	0.259900	-	0.259900	0.345000	1.33500	0.199926	1.145900	1.325000	4.61073
2021	0.259000	-	0.259000	0.345000	1.30410	0.199926	1.099000	1.274600	4.48163
2022	0.269900	-	0.269900	0.335000	1.28910	0.199926	1.099000	1.222600	4.41553
2023	0.261850	-	0.261850	0.330000	1.17930	0.188001	1.020500	1.152600	4.13225

Sources: Smith County Appraisal District

Note:

* Rates are per \$100 valuation.

** The City Charter limits the City's property tax rate to \$1.75 per \$100 of assessed valuation.

TABLE 10

**CITY OF TYLER, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2023			2014		
	Taxable Assessed	Rank	Percentage of Total City Taxable Assessed Value *	Taxable Assessed	Rank	Percentage of Total City Taxable Assessed Value ^b
	Value			Value		
Tyler Regional Hospital LLC	\$ 245,459,547	1	2.24%	-		0.00%
Delek Refining LTD	216,840,566	2	1.98%	302,021,202	1	
Brookshire Grocery	127,865,688	3	1.17%	128,078,997	2	1.78%
Trane Co / American Standard Inc	120,453,848	4	1.10%	90,742,318	3	1.26%
Oncore Electric Delivery	107,941,260	5	0.99%	61,368,512	6	
Wal-Mart Stores / Wal-Mart Rel Estate	84,113,056	6	0.77%	69,459,475	5	0.97%
Tyler Broadway / Centennial LP	69,074,768	7	0.63%	-		
Genecov Investments LTD	63,256,979	8	0.58%	83,033,150	4	1.15%
Simon Property Group	41,415,703	9	0.38%	42,815,000	7	0.60%
CWS SAF XII Cascades I Ownder LLC	37,689,687	10	0.34%	24,256,185	10	0.34%
Texas SJH Holdings LTD	-		0.00%	36,455,925	8	0.51%
Cebridge Acquisitions LP	-		0.00%	34,991,295	9	0.49%
Total	\$ 1,104,829,015		10.09%	\$ 714,519,153		9.94%

Source: Smith County Appraisal District

Note:

* Total taxable value including real and personal property for tax year 2022 (fiscal year 2023) is--

\$ 10,948,828,831

^b Total taxable value including real and personal property for tax year 2013 (fiscal year 2014) is --

7,190,527,279

TABLE 11

**CITY OF TYLER, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	15,308,284	15,114,733	98.7%	173,479	15,288,212	99.9%
2015	15,668,435	15,498,266	98.9%	150,097	15,648,363	99.9%
2016	16,342,661	16,109,924	98.6%	210,629	16,320,553	99.9%
2017	17,589,933	17,391,772	98.9%	170,029	17,561,800	99.8%
2018	18,942,816	18,728,538	98.9%	178,082	18,906,620	99.8%
2019	20,582,774	20,493,070	99.6%	44,875	20,537,945	99.8%
2020	22,545,337	22,384,533	99.3%	82,431	22,466,964	99.7%
2021	23,372,081	23,110,215	98.9%	175,708	23,285,923	99.6%
2022	25,279,302	25,057,149	99.1%	96,652	25,153,801	99.5%
2023	27,164,224	26,880,577	99.0%	-	26,880,577	99.0%

Source: Smith County Tax Assessor/Collector

TABLE 12

**CITY OF TYLER, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Other Obligations***	Water and Sewer Revenue Bonds**	Other Obligations***			
2014	-	5,265,104	62,983,762	-	68,248,866	2.35%	656
2015	-	4,240,385	66,705,618	-	70,946,003	2.37%	700
2016	-	1,621,501	63,482,669	249,044	65,353,214	2.12%	630
2017	-	2,614,333	60,172,765	201,083	62,988,181	1.99%	546
2018	-	2,525,885	65,450,122	152,215	68,128,222	2.09%	649
2019	-	1,753,490	61,706,243	102,423	63,562,156	1.89%	601
2020	-	1,621,501	78,375,653	51,691	80,048,845	2.38%	745
2021	-	10,053,218	102,268,236	-	112,321,454	3.69%	1,072
2022	-	9,993,230	141,360,681	-	151,353,911	4.97%	1,432
2023	-	11,041,944	134,955,575	-	145,997,519	4.62%	1,381

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

* See Table 17 for personal income and population data

** Revenue bonds issued for the construction of a new water treatment plant resulted in a 75% increase in production capacity in 2003 (see table 20). This also includes Customer Facility Charge Revenue Bonds

*** In 2013, we started including lease obligations in Other Obligations

TABLE 13

**CITY OF TYLER, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Debt Service Fund Balance	Total		
2014	-	-	-	n/a	-
2015	-	-	-	n/a	-
2016	-	-	-	n/a	-
2017	-	-	-	n/a	-
2018	-	-	-	n/a	-
2019	-	-	-	n/a	-
2020	-	-	-	n/a	-
2021	-	-	-	n/a	-
2022	-	-	-	n/a	-
2023	-	-	-	n/a	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^aSee Table 8 for property value data.

^bSee Table 17 for population data.

TABLE 14

**CITY OF TYLER, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2023**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Smith County	\$ 54,735,338	50.08%	\$ 27,411,457
Tyler Independent School District	440,695,000	71.04%	313,069,728
Tyler Junior College	89,579,181	65.00%	58,226,468
Chapel Hill Independent School District	13,263,565	19.15%	2,539,973
Whitehouse Independent School District	101,740,000	27.37%	27,846,238
Subtotal, overlapping debt			<u>429,093,864</u>
City (direct debt)**	11,041,944	100%	11,041,944
Total direct and overlapping debt			<u><u>\$ 440,135,808</u></u>

Source: Debt outstanding data provided by each governmental unit.

Note:

* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government's boundaries and dividing it by the City's total taxable assessed value.

** The City does not have any general obligation debt. Direct debt includes leases and revenue bonds for governmental activities. See Note 4.G

**CITY OF TYLER, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 700,076,148	\$ 719,052,728	\$ 751,851,746	\$ 780,639,560	\$ 811,788,083	\$ 852,123,086	\$ 906,410,582	\$ 939,938,978	\$ 977,080,791	\$ 10,948,828,831
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 700,076,148</u>	<u>\$ 719,052,728</u>	<u>\$ 751,851,746</u>	<u>\$ 780,639,560</u>	<u>\$ 811,788,083</u>	<u>\$ 852,123,086</u>	<u>\$ 906,410,582</u>	<u>\$ 939,938,978</u>	<u>\$ 977,080,791</u>	<u>\$ 10,948,828,831</u>
Total net debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$ 10,948,828,831
Add back: exempt real property	-
Total assessed value	<u>10,948,828,831</u>
Debt limit (10% of total assessed value)	<u>1,094,882,883</u>
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation bond	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 1,094,882,883</u>

Note: The City Charter limits the bonded debt to ten percent of assessed value. By law the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

TABLE 16

**CITY OF TYLER, TEXAS
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

Fiscal Year	Water and Sewer Revenue Bonds				
	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue	Annual Debt Service Requirement	Times Coverage
2014	35,376,457	23,875,525	11,500,932	5,416,208	2.123
2015	36,163,014	24,803,360	11,359,654	5,416,505	2.097
2016	38,535,182	26,166,490	12,368,692	5,542,223	2.232
2017	40,076,947	28,637,471	11,439,476	6,137,685	1.864
2018	44,516,891	30,341,446	14,175,445	5,336,960	2.656
2019	43,746,419	31,211,611	12,534,808	5,795,915	2.163
2020	47,331,799	37,185,066	10,146,733	6,674,173	1.520
2021	48,630,919	29,595,705	19,035,214	5,727,149	3.324
2022	52,214,121	33,561,700	18,652,421	8,786,087	2.123
2023	60,900,611	42,311,336	18,589,275	8,275,012	2.246

Note: ^aIncludes operating and non-operating revenues.

In 2010 new bond covenants were amended to include only operating revenues in determining Net Available Revenue.

^bIncludes operating expenses (excluding capital activity) minus depreciation plus net transfers out.

Source: Annual Comprehensive Financial Report

TABLE 17

**CITY OF TYLER, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Estimated Population¹</u>	<u>Estimated Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income²</u>	<u>Median Age²</u>	<u>Education Level in Years of Formal Schooling²</u>	<u>School Enrollment³</u>	<u>Unemployment Rate²</u>
2014	104,083	2,902,762	27,889	33.5	13.6	18,029	5.8%
2015	101,421	2,774,980	27,361	33.5	13.6	18,198	5.8%
2016	103,700	2,796,996	26,972	33.9	13.6	18,172	4.2%
2017	115,453	2,979,034	25,803	32.9	13.6	18,139	4.3%
2018	104,991	2,790,355	26,577	33.4	13.6	18,130	3.3%
2019	105,729	2,894,268	27,374	33.1	13.6	18,260	3.2%
2020	107,479	3,030,439	28,196	33.7	13.6	17,721	5.9%
2021	104,798	3,043,492	29,042	35.2	13.6	18,147	3.3%
2022	105,719	3,162,346	29,913	34.3	13.6	17,705	4.2%
2023	105,995	3,265,720	30,810	33.4	13.6	18,328	3.3%

Data sources:

¹City Planning Department

²Tyler Economic Development Council

³Tyler Independent School District

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year.

Personal income information is from the 2000 year census using a 3.0% growth rate and adjusting for the 2004 population study results.

Unemployment rate information is an adjusted yearly average.

School enrollment is based on the census at the start of the school year.

TABLE 18

**CITY OF TYLER, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment (1)	Employees	Rank	Percentage of Total City Employment (2)
CHRISTUS Trinity Mother Frances *	5,000	1	9.9%	4,030	1	8.4%
UT Health East Texas *	3,550	2	7.0%	3,092	2	6.4%
Tyler Independent School District	2,550	3	5.0%	2,359	3	4.9%
Sanderson Farms	1,750	4	3.5%	**		
Walmart	1,500	5	3.0%	1,296	8	2.7%
Trane Technologies	1,450	6	2.9%	1,500	7	3.1%
Brookshire Grocery Company	1,450	7	2.9%	1,762	4	3.7%
UT Health Science Center at Tyler	1,450	8	2.9%	1,050	9	2.2%
The University of Texas at Tyler	1,200	9	2.4%	1,557	6	3.2%
Optimum Communications	1,150	10	2.3%	1,600	5	3.3%
John Soules Foods	1,000	11	2.0%	**		
Tyler Junior College	1,000	12	2.0%	935	10	1.9%
Target Distribution Center	1,000	13	2.0%	670	13	1.4%
City of Tyler	850	14	1.7%	803	11	0.0%
Smith County	850	15	1.7%	784	12	1.6%
Total	25,750		51.2%	21,438		42.8%

Source: Tyler Economic Development Council

* Headquarters located in Tyler

(1) total city employment of 50,674

(2) total city employment of 47,975

** Not part of top 10 in 2014

TABLE 19

CITY OF TYLER, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	60	64	84	77	98	96	97	99	102	101
Public safety	436	440	428	422	425	439	432	429	426	430
Highways and streets	53	51	53	47	53	51	55	58	58	58
Public Services	37	47	28	36	16	16	16	17	15	18
Culture and Recreation	66	68	76	64	68	75	73	75	67	76
Water & sewer	101	111	120	123	114	122	123	129	127	122
Sanitation	39	44	44	48	45	49	45	46	49	48
Airport	10	11	10	10	9	10	9	10	10	9
All Others	29	48	43	39	37	40	47	57	66	70
Total	831	884	886	866	865	898	897	920	920	932

Source: City Finance Department

TABLE 20

CITY OF TYLER, TEXAS
 OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Accounting										
Dollar value of accounts payable	\$ 88,038,170	\$ 92,771,122	\$ 93,396,592	\$ 88,948,885	\$ 90,615,261	\$ 95,296,379	\$ 107,598,733	\$ 103,307,589	\$ 141,819,950	\$ 145,191,927
Legal										
Number of ordinances prepared and adopted	112	93	113	107	88	110	129	106	109	121
Number of resolutions prepared and adopted	30	26	45	51	41	69	105	60	42	50
Public Safety										
Police										
Number of sworn officers authorized	194	194	194	188	191	198	200	200	202	202
Fire										
Number of structure fires	107	84	98	103	124	107	121	136	124	104
Highways and Streets										
Streets										
Streets PCI (Pavement Condition Index)	81.0%	**	**	77.0%	**	**	**	74.0%	**	**
Traffic										
Number of traffic signals maintained	152	156	148	158	158	150	149	151	151	151
Public Services										
Planning										
Number of historic building designations awarded	102	113	117	124	130	132	134	134	134	134
Culture and Recreation										
Parks										
Amount of park acreage	1216	1216	1216	1216	1207	1207	1207	1207	1207	1207
Number of rose bushes planted	600	2785	1337	205	300	362	308	700	400	1100
Library *										
Total number of volumes owned	183,154	180,136	179,668	208,838	215,431	228,019	216,411	235,184	382,665	212,894
Water & sewer										
Average volume of wastewater treated daily (gallons)	15.67 million	17.26 million	17.89 million	15.36 million	15.37 million	18.87 million	17.1 million	19.56 million	14.5 million	15 million
Average monthly volume of water production (gallons)	719.54 million	748.92 million	733.87 million	691.83 million	807.63 million	716.36 million	717.77 million	662.38 million	803.26 million	695 million
Water production capability (gallons per day)	74.7 million	74.7 million	74.7 million	74.7 million	74.7 million	74.7 million	74.7 million	74.7 million	74.7 million	58 million
Average monthly revenue billed	\$ 2,819,163	\$ 2,883,216	\$ 3,098,527	\$ 2,924,870	\$ 3,414,080	\$ 3,299,543	\$ 3,613,527	\$ 3,663,945	\$ 2,105,955	\$ 2,300,970.45
Sanitation										
Number of residential customers	27,778	28,745	35,681	35,916	36,209	36,479	36,952	37,504	31,333	31,478
Number of curbside garbage carts in use	30,516	34,959	29,261	29,488	29,928	30,123	30,463	30,793	31,117	31,277
Airport										
Annual gallons of fuel flowage	1,480,379	1,327,585	1,249,362	1,108,054	1,244,805	1,396,406	995,136	1,237,943	1,425,881	1,440,487
Number of annual enplanements	85,069	66,951	55,693	49,226	48,505	60,038	26,430	40,179	40,707	43,170

Source: City Departments
 n/a - Data not available.

* E-books are included.
 **Streets are rated by PCI every 4 years- as of 2007

TABLE 21

**CITY OF TYLER, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police Stations	2	2	3	3	3	2	2	2	2	2
Police Patrol Units	56	68	70	68	78	81	92	92	82	81
Police Motorcycle Units	16	16	15	10	9	7	6	5	5	5
Fire Stations	10	10	10	10	10	10	10	10	10	10
Highways and Streets										
City Maintained Paved Streets- (miles)***	1120	1120	1120	1169	1169	1169	1169	1169	1313	1373
Annual Street Overlays- (miles)**	28	32	32	39	11	35	44	56	67.5	84
Public Services										
Transit Buses	13	15	16	17	16	16	16	16	18	18
Culture and Recreation										
Parks (acres)	1,216.40	1,216.40	1,216.40	1,216.80	1,207.40	1,207.40	1,207.40	1,207.40	1,207.40	1207.40
Playgrounds	23	22	22	22	22	19	19	21	19	22
Splash Pads	*	*	*	*	*	*	*	4	4	5
Swimming Pools	2	2	2	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Public Library	1	1	1	1	1	1	1	1	1	1
Water & Sewer										
Water mains (miles)	727	734	745	734	734	734.24	734.24	734.24	734.5	745
Fire Hydrants	4118	4279	4310	4351	4379	4428	4434	4467	4493	4530
Water Plants	2	2	2	2	2	2	2	2	2	2
Sanitary Sewers (miles)	658	688	718	694	699	709.44	711.21	716.1	692	710
Sanitation										
Garbage Trucks	29	34	47	45	45	45	45	45	45	48
Airport										
Airport Terminal	1**	1**	1**	1**	1**	1**	1**	1**	1**	1**
Airport Runways	3	3	3	3	3	3	3	3	3	3

Source: City Departments

n/a - Data not available.

* Started tracking Splash Pads FY 21

** As of FY 2012, the old airport terminal is now used by the Historic Aviation Memorial Museum and Skyline Café.

*** As of FY 2013 Streets converted over to PCI, streets maintained and overlays are now calculated by lane miles.

GOVERNMENTAL COMPLIANCE SECTION

**INDEPENDENT AUDITORS' 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**

The Honorable City Council and Audit Committee
City of Tyler, Texas

We have audited, in accordance with 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, the financial statements of City of Tyler, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Tyler's basic financial statements, and have issued our report thereon dated March 8, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Tyler (2023)'s internal control over financial reporting (internal control) to determine the 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 City of Tyler (2023)'s internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Tyler'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Tyler (2023)'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 determination of financial statement amounts. 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 8, 2024

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
UNIFORM GUIDANCE**

To Honorable City Council and Audit Committee
City of Tyler, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Tyler'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 City of Tyler's major federal programs for the year ended September 30, 2023. The City of Tyler's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Tyler, Texas 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 September 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 of Tyler, Texas 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 of Tyler'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 of Tyler's federal programs.

Auditors' Responsibility 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 of Tyler'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 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 of Tyler's compliance with the requirements of each major federal program as a whole.

Auditors' Responsibility for the Audit of Compliance – (continued)

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 of Tyler'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 of Tyler'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 of Tyler'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.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 8, 2024

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CITY OF TYLER, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

FEDERAL GRANTOR/PASS-THROUGH	FEDERAL CFDA	PASS-THROUGH GRANTORS NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
GRANTOR/PROGRAM TITLE	NUMBER			
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<u>CDBG - Entitlement Grants Cluster</u>				
Community Development Block Grant Entitlement Grants	14.218	B04MC480028		\$ 2,186,198
HOME Investment Partnership Grant	14.239	-		351,675
<u>Housing Voucher Cluster</u>				
Section 8 Housing Choice Voucher Program	14.871	TX456VO		10,504,614
Family Self Sufficiency Coordinator Grant	14.871	FSS8-TX456-5106		67,201
Total Housing Voucher Program				<u>10,571,815</u>
Total U.S. Department of Housing and Urban Development				<u>13,109,688</u>
U.S. DEPARTMENT OF JUSTICE				
Passed through Smith County:				
<u>JAG Program Cluster</u>				
Edward Byrne Memorial Justice Assistance Grant	16.738	2022-15PBIA-22-GG-02538-JAGX		33,765
Passed through East Texas Council of Governments:				
<u>JAG Program Cluster</u>				
Edward Byrne Memorial Justice Assistance Grant	16.738	DJ 4201001		27,500
COPS Hiring Program	16.710	2020UMWX0213		<u>81,440</u>
Total U.S. Department of Justice				<u>142,705</u>
U.S. DEPARTMENT OF TREASURY				
Passed Through Texas Division of Emergency Management				
Coronavirus State and Local Fiscal Recovery Fund Grant	21.027	1505-0271		<u>396,518 +</u>
Total U.S. Department of Treasury				<u>396,518</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Federal Aviation Administration:				
Airport Improvement Program	20.106	3-48-0215-042-2019		6,110 +
Airport Improvement Program	20.106	3-48-0215-045-2020		176,395 +
Airport Improvement Program	20.106	3-48-0215-047-2021		322,484 +
Airport Improvement Program	20.106	3-48-0215-049-2021		176,397 +
Airport Improvement Program	20.106	3-48-0215-052-2022		4,171,230 +
Airport Improvement Program	20.106	3-48-0215-053-2023		222,436 +
Airport Improvement Program	20.106	3-48-0215-054-2023		4,465 +
Airport Improvement Program	20.106	3-48-0215-055-2022		9,416 +
Total Airport Improvement Program				<u>5,088,933</u>
Passed through Texas Department of Transportation:				
Section 104F Grant MPO	20.505	50-XXXXF0016		511,396
Comprehensive Traffic Enforcement Grant programs	20.600	0910-16-183		58,777
Comprehensive Traffic Enforcement Grant programs	20.600	51510F7140		37,764
Total Texas Department of Transportation				<u>607,937</u>

+ Denotes Major Program

CITY OF TYLER, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2023

FEDERAL GRANTOR/PASS-THROUGH

GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTORS NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF TRANSPORTATION (cont'd)				
Passed through Federal Transit Administration:				
<u>Federal Transit Cluster</u>				
Federal Transit Capital and Operating Assistance Formula - COVID-19	20.507	TX-2020-074-01		\$ 84,393
Federal Transit Capital and Operating Assistance Formula	20.507	TX-2020-039-00		2,587,820
Total Federal Transit Formula Grants				<u>2,672,213</u>
Total U.S. Department of Transportation				<u>8,369,083</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Texas Division of Emergency Management				
Law Enforcement Officer Reimbursement Agreement	97.090	HSTS02-13-H-SLR721		20,800
Passed through Texas Office of the Governor:				
Homeland Security Grant Program	97.067	EMW-2022-SS-00021		49,994
Passed through Texas Office of the Governor:				
Homeland Security Grant Program	97.083	EMW-2021-FF-01332		50,376
Passed through Texas Office of the Governor:				
Homeland Security Grant Program	97.044	EMW-2021-FG-09781		82,864
Total U.S. Department of Homeland Security				<u>204,034</u>
Total Federal Assistance			<u>\$ -</u>	<u>\$ 22,222,028</u>

+ Denotes Major Program

CITY OF TYLER, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE A – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the City of Tyler, Texas under programs of the federal government for the year ended September 30, 2023 and is presented on the modified accrual basis of accounting. This information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operation the City of Tyler, Texas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Tyler, Texas

NOTE B – NON-CASH ASSISTANCE, INSURANCE, AND LOANS

The City of Tyler did not receive any non-cash assistance through federal awards during the year ended September 30, 2023. There were no federal loans or loan guarantees outstanding at year end.

Certain federal awards require the City of Tyler to maintain adequate insurance coverage. Following is a summary of the City of Tyler’s insurance policies and the liability limits:

Type of Coverage	Liability Limit
Property	\$ 352,924,912
Contractors’ Equipment	8,629,188
General Liability	3,000,000
Employee Benefits Liability	3,000,000
Abuse and Molestation Liability	2,000,000
Law Enforcement Liability	3,000,000
Management Liability (Claims Made)	3,000,000
Employment Practices Liability (Claims Made)	4,000,000
Automobile Liability	1,000,000
Garagekeepers Legal Liability	1,000,000
Crime	500,000
Airport Liability	5,000,000
Unmanned Aircraft (Drones)	1,000,000
Pollution Liability	2,000,000
Animal Mortality	Self-insured
Marine Hull	98,677
Cyber Liability	2,000,000
Umbrella Liability	3,000,000
Tenant Users General Liability	1,000,000

NOTE C- INDIRECT COST RATES

The City of Tyler, Texas has elected not to use the 10% de minimis cost rate as permitted in the UG, section 200.414.

**CITY OF TYLER, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	<i>Unmodified</i>
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statement noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	No
Type of auditors’ report issued on compliance for major programs:	<i>Unmodified</i>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No

Identification of major programs:

FEDERAL

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.106	Federal Aviation Administration Airport Improvement Program
21.027	Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
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City of Tyler was classified as a low-risk auditee	
Auditee qualified as a low-risk auditee	Yes

**CITY OF TYLER, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

**CITY OF TYLER, TEXAS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2023**

None.