

FISCAL YEAR 2020-2021

Annual Comprehensive Financial Report for Fiscal Year
Ending September 30, 2021 - City of Tyler, Texas



City of Tyler
Annual Comprehensive Financial Report
For the Fiscal Year Ending September 30, 2021

Report Issued by the
Finance Department

Keidric Trimble - Chief Financial Officer

**CITY OF TYLER, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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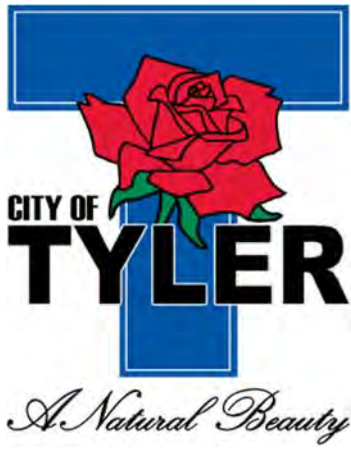
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INTRODUCTORY SECTION





March 16, 2022

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 at the end of each fiscal year by an independent certified public accountant. Upon completion of the audit the results shall be reported in writing to Council as soon as reasonably possible. This report is published to fulfill that requirement for the fiscal year ended September 30, 2021.

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.

Prothro, Wilhelmi & Co, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Tyler's financial statements for the year ended September 30, 2021. In addition to meeting City Charter requirements, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1996 and related Uniform Guidance. 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 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 104,798. 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 Manager is appointed by the City Council and is responsible for the daily management and implementation of policy of the City including appointing the various key leaders and department heads. The Mayor and Council members serve two-year terms, with general Council elections occurring each year 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 Basic Financial Statements of the City 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, any revisions that alter the total revenues or expenditures of any fund must be approved by the City Council. Although the budget is adopted at a fund level, continued line item review and forecasting is done on a monthly and quarterly basis 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 2.60% 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. Primary and secondary education is provided by several public school districts, three charter schools as well as ten private / parochial schools in the Tyler area.

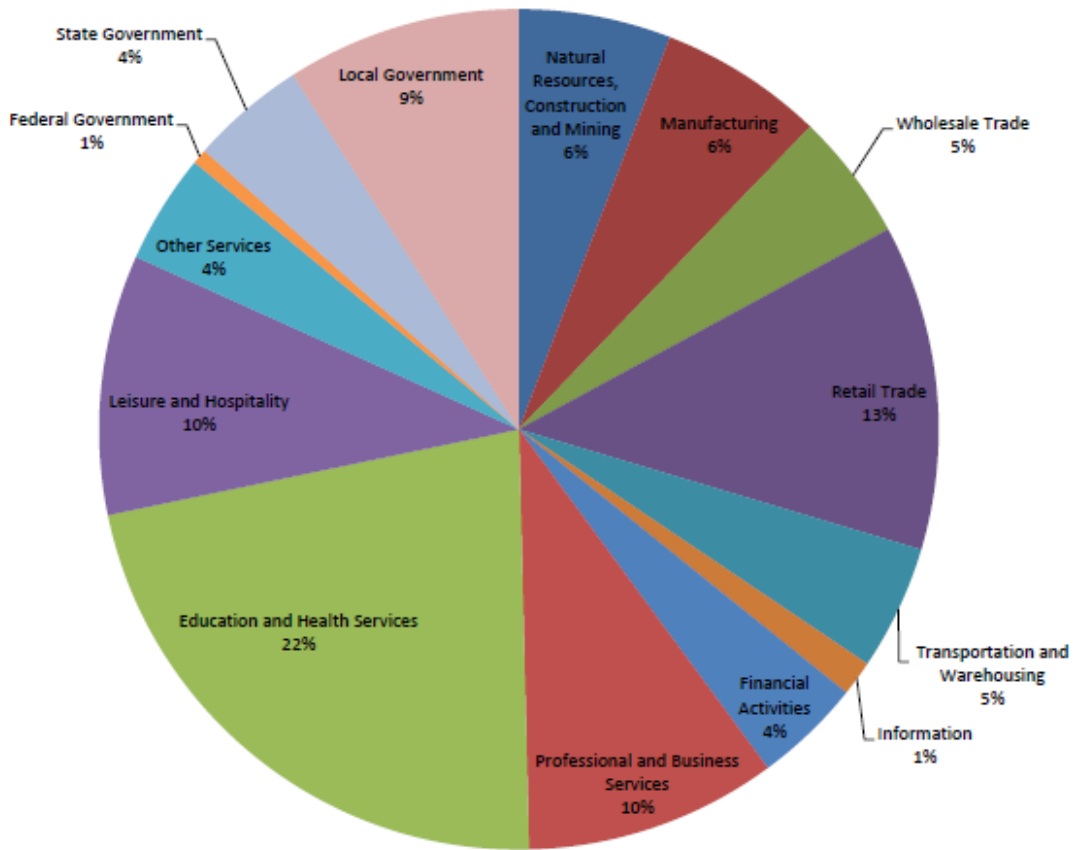
Tyler is also the medical center of East Texas with three hospitals and numerous other supporting clinics, practices and specialty hospitals. Additionally, Tyler has many tourist attractions. The Texas Rose Festival includes the crowning of the Rose Queen attracting a large number of visitors each year. The Azalea Trails in the spring attracts additional tourism. 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 the downtown area and another in north Tyler in coordination with revitalization efforts. In fiscal year 2016, the downtown TIF/TIRZ was dissolved due to 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 for 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 while 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 7.8 percent (2012), only to end at the current rate of 3.3 percent. This figure indicates a decrease of 2.6 % under 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 2019

Workforce Breakdown

Smith County/Tyler MSA

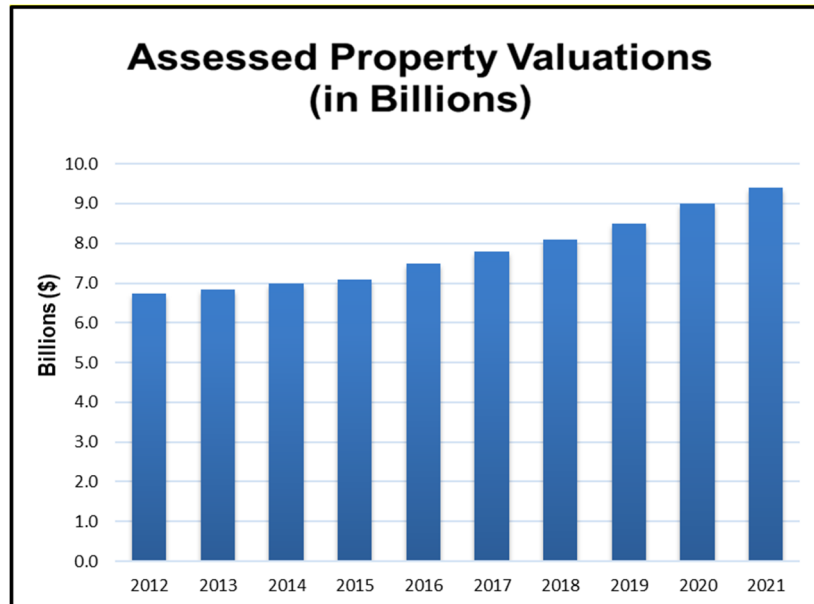
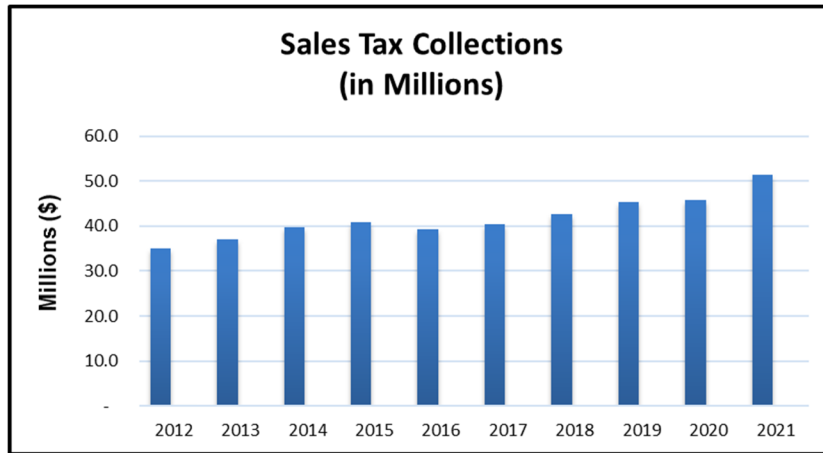


Population growth in the last five years has outpaced previous periods. The population grew 10 percent from 1990 to the year 2000. From the year 2000 to 2010 the population grew 16 percent. From 2010 to the current year, the growth has been an astounding 6 percent. Market and economic analysts estimate that as many as 270,000 people come to Tyler each day 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 which includes the Tyler area. Including various other means of interstate access, 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 72,509 in 2011 to a current level of 26,430 in 2020. 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 12.25%. 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 4.44% in 2021. 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 large role in allowing the City to obtain this objective with a ten year average increase of 4.22 percent. However, such a large dependence has caused budgeting constraints and all other sources of revenues will need to be reviewed in order to stabilize the cities revenue stream in the future. By maintaining an adequate reserve and

monitoring future economic conditions, the City plans to continue to provide for future citizen needs in a streamlined and cost effective manner.

Relevant Financial Policies

Multiyear forecasting is used as a part of the revenue and expenditure budgeting process in order 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 in order 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 the long-term physical development of Tyler. 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 simply 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 for general obligation indebtedness by Standard and Poor during 2009. This rating increase was due in part 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 as well as continued multiyear planning which includes replacement funding for fleet acquisitions, HVAC replacement and roof replacements. This rating was reaffirmed in 2014.

Industry Growth Initiative

In May 2010 an unprecedented joint meeting was held between the Tyler City Council and several community boards, the Tyler Industry Growth Initiative (IGI) was formally adopted as a shared vision for Tyler's strategic economic growth in the next 20 years.

Boards represented include the Tyler City Council, Smith County Commissioner's Court, Tyler Independent School District Board of Trustees, Tyler Junior College Board of Trustees, the Tyler Metro Chamber of Commerce and the Tyler Area Chamber of Commerce. Also represented at the meeting were members of the Leadership Roundtable, including the University of Texas – Tyler, UT Health Science Center, Texas College, East Texas Medical Center Regional Healthcare System, the Tyler Economic Development Council, Trinity Mother Frances Hospitals and Clinics, and others.

In early 2009, Mayor Barbara Bass and Senator Kevin Eltife brought together a group of community leaders to discuss shared issues facing the city and region. The first item addressed by the Leadership Roundtable was the need to market Tyler and to determine the industries that made the most sense for Tyler to pursue given our unique characteristics.

Consequently, the Leadership Roundtable began the development of the Industry Growth Initiative in mid-2009. The report recommends 10 primary building blocks that Tyler should develop to foster an Innovation Economy and take the Tyler region into the next 20 years of economic prosperity and growth. The 84 page report, which was commissioned and funded by members of the Leadership Roundtable, contains strategic tactics focused on achieving an Innovation Economy which brings higher paying jobs, economic growth, job creation and a higher standard of living.

The plan calls for the launch of a public private partnership that evolves from the Leadership Roundtable that will oversee the implementation of the strategies. Building blocks toward the Innovation Economy include strategies focused on Higher Education, Healthcare and Bio-Med, Tourism, Arts and Entertainment, 21st Century Energy, Retiree, Infrastructure, Graduate Education and 21st Century Transportation.

The draft plan was completed in December 2009 and vetted with community stakeholders. The plan was amended based upon that feedback adopted in May 2010 by boards representing the entire community.

Veteran and Military Growth Initiative

Tyler has a long history of strong support for our nation’s veterans. In 2011, to continue to grow this tradition and to serve as a model to other communities, the City appointed a Mayor’s Veterans’ Roundtable. The intent of the Roundtable was to develop and implement a Community Blueprint for supporting and enhancing veterans’ services in our community as well as positively impacting the local economy. The Roundtable focuses on employment, education, housing, medical care and mental health.

There is universal support for our warriors and families, and nonprofit services have grown and improved in Tyler and in communities across America. Still, there remain significant gaps that can only be filled by more focused planning and coordination. The Blueprint created by the Veterans’ Roundtable works to address these gaps in a way that is specific to the Tyler community. The goal is to provide a forum to learn and share best practices and to bring key stakeholders together to collaborate in assisting those who have served our country.

One of the outcomes of the Veterans’ Roundtable is the Veteran and Military Growth Initiative (VMGI). The VMGI outlines more than 40 strategies and tactics for veteran-focused community growth, making a strong case for how implementation will bring fresh dollars into Tyler/Smith County and cement Tyler’s reputation as the “capital of East Texas,” but, most importantly, to demonstrate our never-ending support of our veterans and our respect for the sacrifices they have made to serve this country.

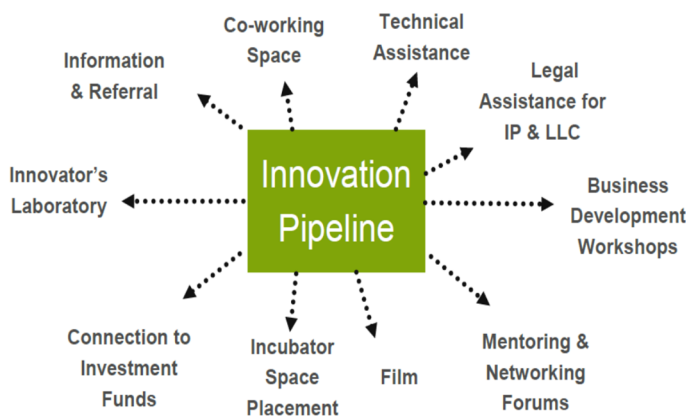
We are proclaiming Tyler a Purple Heart City and honoring those who have been so brave in defending our freedoms.

Mayor’s Innovation Pipeline

The Innovation Pipeline is both a place and a network that brings together those doing tremendous work in Tyler to foster innovation and entrepreneurship. Numerous organizations have already established a solid foundation for business recruitment and development in the Tyler region. The Pipeline will leverage the synergies of this network to create a place where innovation happens intentionally.

The Network:

The Innovation Pipeline Network will provide direct services that supercharge entrepreneurship and small business development, including:



The Place: Innovator's Laboratory

The Innovator's Lab will provide the place where innovation happens.

The Innovator's Lab is a 3,000+ square foot laboratory (Makerspace) that provides the electronics and equipment to foster innovation and ingenuity. The space is where invention intersects with robotics, hackers and computers, engineering, electronics and art.

Joint Financial Task Force

Smith County Judge Nathaniel Moran and Former Tyler Mayor Martin Heines proposed a task force that would meet quarterly to discuss ways that the county and city can work together to save money. That would mean looking critically at places where both governments are providing services to the same people. The county and city would each appoint three people to the task force. The members include the Mayor, the City Manager, and the Chief Financial Officer for the city. The Smith County Judge, the County Auditor, and the County Administrator will represent the county.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2020. This is the thirty-fifth consecutive year that the government has received this prestigious award. In order 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 annually adopted investment policy of the City for six consecutive periods. The award is valid for a two year period. In order to qualify for the award, the City must demonstrate compliance with the State investment act and fiscal responsibility of their investments.

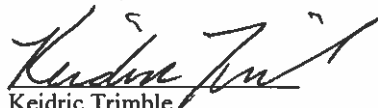
For fifteen years in a row, the City of Tyler has been presented with the Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada. This award assures that state and local governments prepare budget documents of the very highest quality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

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of all City Departments. Appreciation is expressed to all members of the City's staff 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 financial operations of the City 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

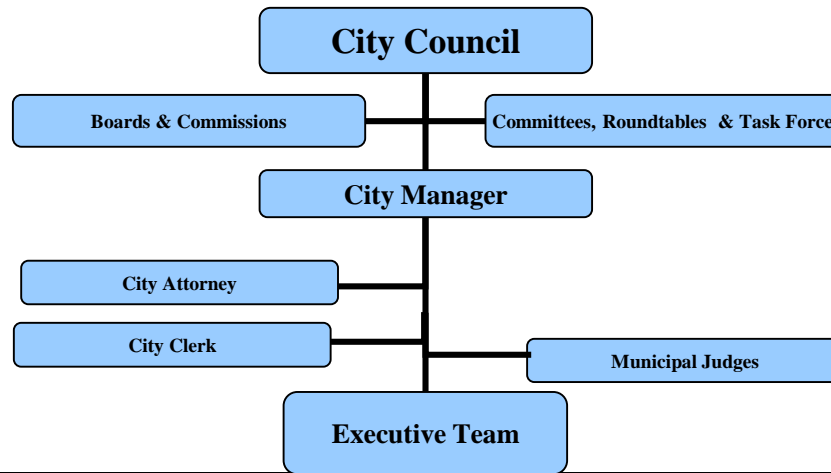
**City of Tyler
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



David Coble
Fire Chief

Strategic Planning
Priorities: Public Safety and Emergency Management
Areas of Responsibility:

- Fire
- Emergency Management
- EMS Liaison
- Catalyst 100 Exec Committee
- **Mentorship to Solid Waste, Vehicle and Equipment Services and Transit**

Heather Nick,
Assistant City Manager

Strategic Planning
Priorities: Development and Growth
Areas of Responsibility:

- Planning & Development Services
- Metropolitan Planning Organization (MPO)
- Geographic Information Systems (GIS)
- Historic Preservation
- Tyler 1st Comprehensive Plan
- Permit Center
- Economic Development (TIRZ Liaison, Prospects)
- Engineering
- **Mentorship to Parks and Recreation Department**

Stephanie Franklin
Deputy City Manager

Strategic Planning
Priorities: Quality of Life and Place
Areas of Responsibility

- Organizational Strategic Planning
- Visitor & Convention Facilities
- Library
- Main Street
- Liberty Hall
- Cultural Affairs Board
- Building Inspections
- Facility Services
- Visit Tyler
- Innovation Pipeline Liaison
- **Mentorship to Communications and Organizational Development Departments**

Jimmy Toler
Police Chief

Strategic Planning Priorities: Public Safety and Emergency Management
Areas of Responsibility:

- Police
- Centralized Dispatch
- 911 Liaison
- Code Enforcement
- Animal Care Services
- Homeless Roundtable Liaison
- Human Needs Network Liaison
- **Mentorship to Tyler Water Utilities Department**

Keidric Trimble
Chief Financial Officer (CFO)

Strategic Planning
Priorities: Leverage Fiscal, Technological and Human Resources
Areas of Responsibility:

- Finance
- Budget
- Purchasing
- Municipal Court
- Internal Audit Services
- Utility Billing
- Lean Six Sigma

Leroy Sparrow
Director of Solid Waste, Transit and VES

- Solid Waste
- Tyler Transit
- Vehicle Services

Leanne Robinette
Director of Parks & Recreation

- Parks and Recreation
- Tourism Facilities
- Cemeteries
- Keep Tyler Beautiful

Regina Moss
Director of Organizational Development

- Human Resources
- Volunteer Services
- City University

Julie Goodgame,
Director of Marketing & Communications

- Marketing & Communications
- Legislative Affairs
- Liberty Hall Theater
- PEG Channel
- Tyler Film Friendly Program

ReNissa Wade,
Managing Director

- Neighborhood Services
- Streets & Drainage
- Airport
- Traffic Operations
- Business Education Council Liaison

Kate Dietz
Director of Utilities

- Water Production
- Wastewater Treatment
- Water Service Center
- Utilities Engineering

Benny Yazdanpanahi
Chief Information Officer (CIO)

- Information Technology

**CITY OF TYLER, TEXAS
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2021**

MAYOR – DON WARREN

Members of City Council:

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

City Manager – Edward Broussard

Chief Financial Officer – Keidric Trimble

City Attorney – Deborah Pullum

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparison information for the General Fund, and the aggregate remaining fund information of the City of Tyler, Texas (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, 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 the City of Tyler, Texas, as of September 30, 2021, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, net pension liability information, and other postemployment benefit plan information, as listed in the table of contents, 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 ("GASB"), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, combining and individual fund statements and schedules, statistical section, additional supplementary information schedule of expenditure of federal awards, and schedule of expenditures of state awards required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of Texas Uniform Grant Management Standards, issued by the Governor's Office of Budget and Planning, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, additional supplemental information, statistical section, and the schedules of expenditure of federal and state awards are the responsibility of management and were derived from and relate 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 combining and individual fund statements and schedules, additional supplemental information, and the schedules of expenditure of federal and state awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

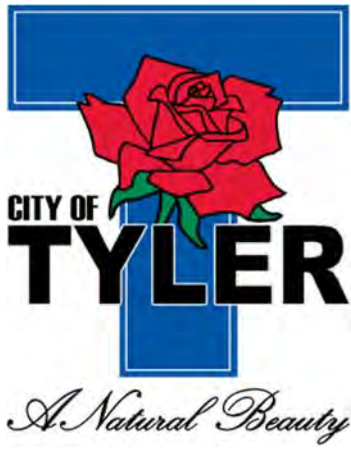
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Prothro, Wilhelmi & Company, PLLC". The signature is written in a cursive, flowing style.

PROTHRO, WILHELMI AND COMPANY, PLLC

Tyler, Texas
March 16, 2022



CITY OF TYLER, TEXAS

Management's Discussion and Analysis
For Year Ended September 30, 2021
(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, 2021. 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 at September 30, 2021 by \$534,945,056 (net position).
- The City's total net position increased by \$26,487,897 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 \$77,976,893. \$28,010,993 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 \$27,995,150. The general fund operating reserve targeted amount was \$11,333,507 (15% of general fund expenditures).
- The City's revenue bond payable had a net increase of \$32,495,000. 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 of 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 financial position of the City 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 the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the 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 governmental activities of the City 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 can be found on pages 14-15 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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of 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, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful 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 useful 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 of which are considered to be 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 16-21.

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 in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 22-24 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 can be found on pages 25-26 of this report. Individual fund data for the fiduciary funds is provided in the form of 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 5 on pages 61-68. 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 page 25-26. A separate independent audit of the Fund's financial condition is completed each fiscal year and details can be found in note 5 on pages 56-60.

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 27-70

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 71-77 of this report.

The combining 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 79-138 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 \$534,945,056 as of September 30, 2021.

The largest portion of the City's net position, 88.3%, or \$472,244,633, 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 2021

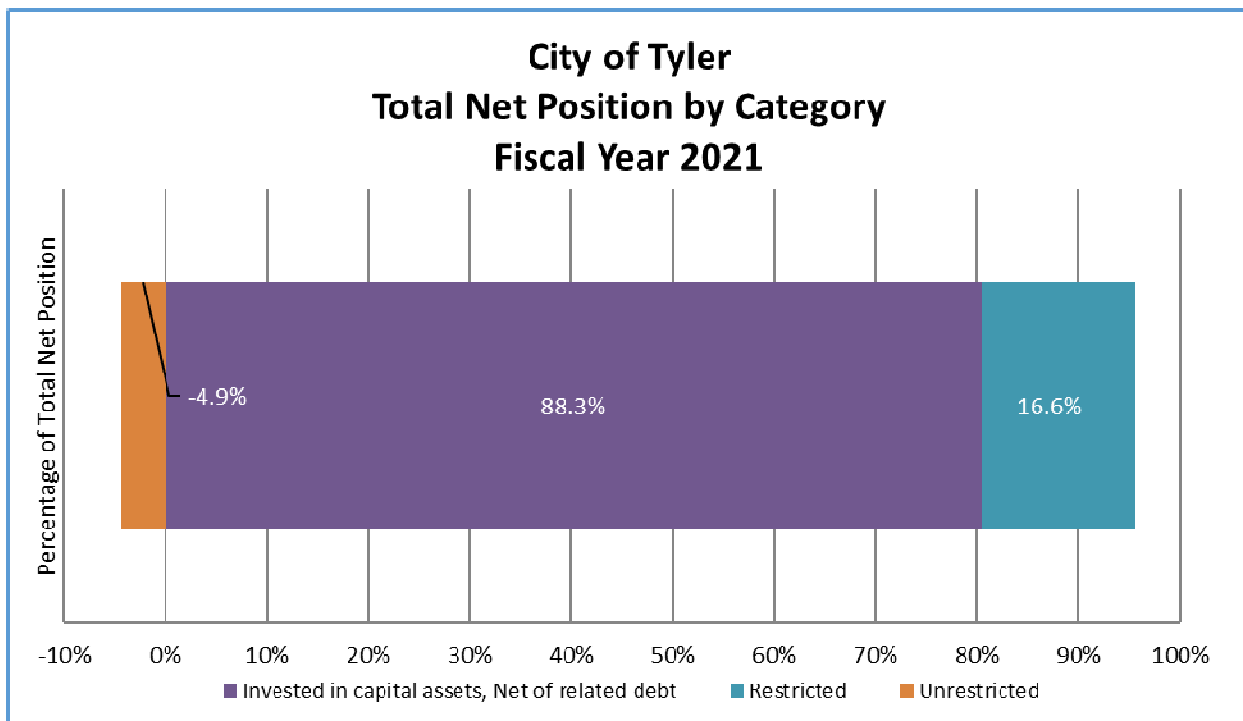
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$128,925,724	\$101,891,972	\$67,517,649	\$53,161,339	\$196,443,373	\$155,053,311
Capital assets	273,929,378	265,788,679	311,896,645	297,862,289	585,826,023	563,650,968
Total Assets	402,855,102	367,680,651	379,414,294	351,023,628	782,269,396	718,704,279
Deferred Outflow of Resources	12,922,476	17,646,638	1,495,416	2,715,978	14,417,892	20,362,616
Non-current liabilities	97,193,878	97,954,886	116,233,517	93,710,761	213,427,395	191,665,647
Other liabilities	20,122,620	8,181,613	5,707,353	5,841,230	25,829,973	14,022,843
Total Liabilities	117,316,498	106,136,499	121,940,870	99,551,991	239,257,368	205,688,490
Deferred Inflows of Resources	18,393,706	19,226,384	4,091,158	5,694,862	22,484,864	24,921,246
Net Position:						
Net Investment in Capital Assets	262,616,982	265,255,743	209,627,651	219,486,636	472,244,633	484,742,379
Restricted	47,018,449	34,968,729	41,650,116	28,681,236	88,668,565	63,649,965
Unrestricted	(29,568,057)	(40,260,066)	3,599,915	324,881	(25,968,142)	(39,935,185)
Total Net Position	\$280,067,374	\$259,964,406	\$254,877,682	\$248,492,753	\$534,945,056	\$508,457,159

An additional portion of the City's net position, 16.6% or \$88,668,565 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is (4.9%) at \$(25,968,142).

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: Texas Municipal Retirement System (TMRS) and Tyler Firemen’s Relief and Retirement Fund (TFDRRF). Texas Municipal Retirement plan has a thirty year closed amortization period. It is estimated that TMRS pension plan will 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 determine contribution (ADC) will be reduced. Tyler Firemen’s Relief and Retirement Fund is an open amortization plan and targets to amortize its unfunded actuarial accrued liability over a fifteen to twenty-five year period.

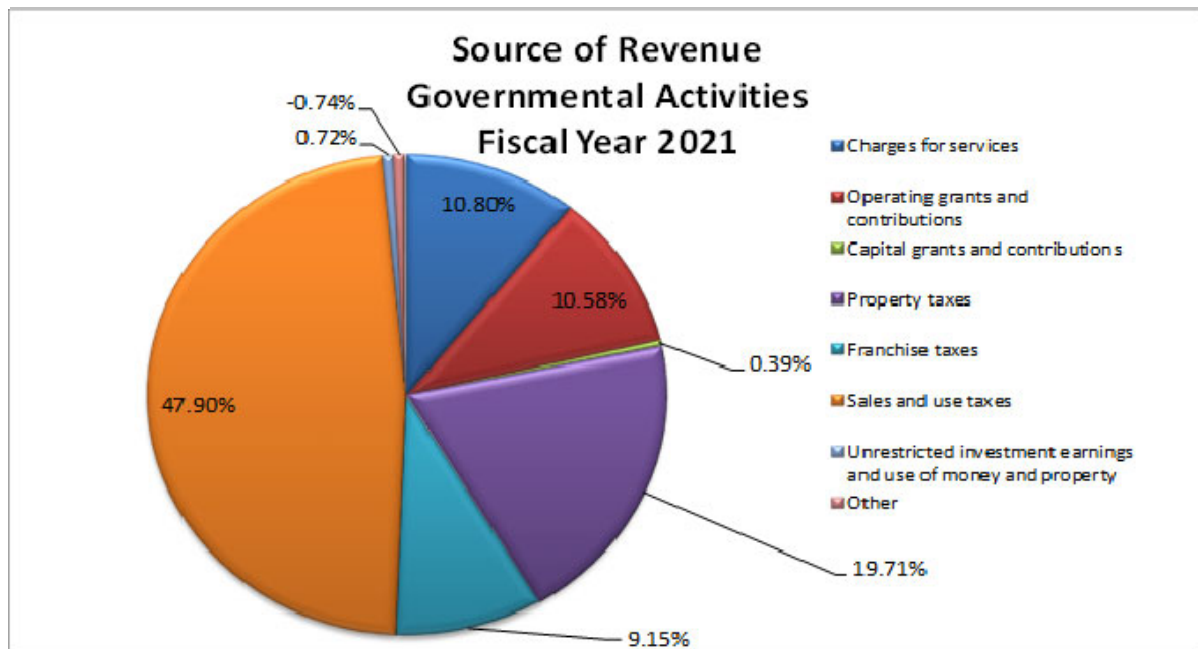
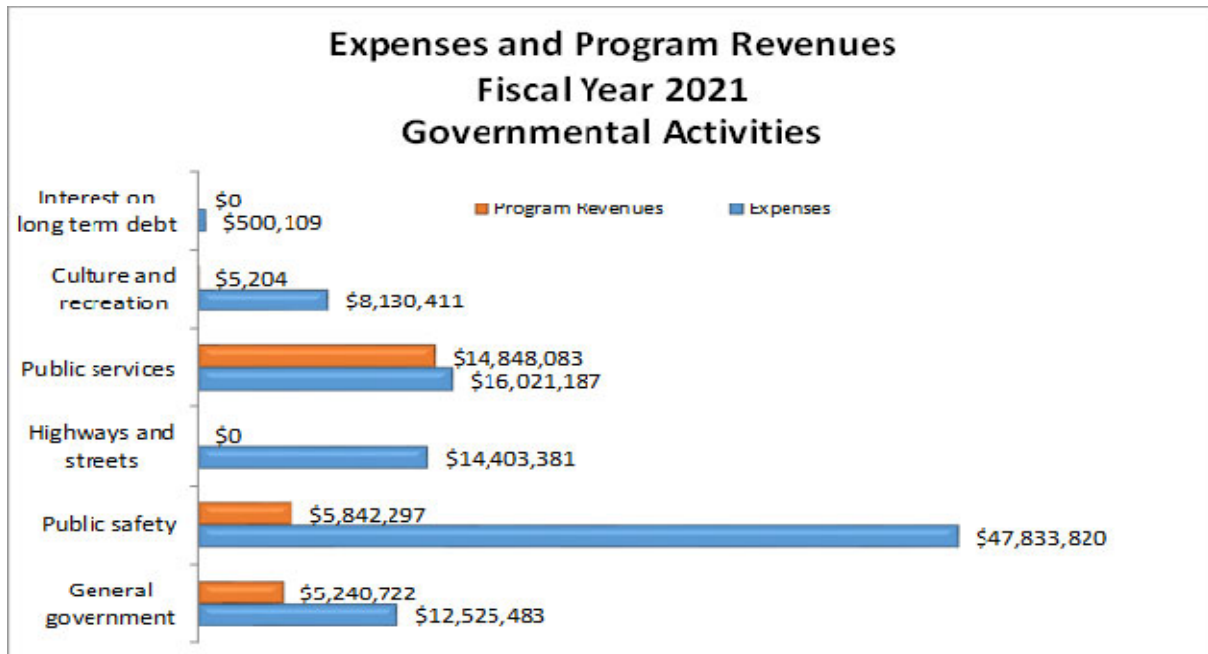
This negative impact on the City’s net position is not unique to the City of Tyler. Many organizations across the country are experiencing similar scenarios with the implementation of this new accounting standard. This new standard has been discussed for some time and organizations have been preparing for this implementation. Pension plans like TMRS have worked with us and made changes to make sure that we are properly setting aside the appropriate dollars for future benefits. The City has implemented 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, 2021 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 for the current fiscal year the percentage of total net position each category encompasses.

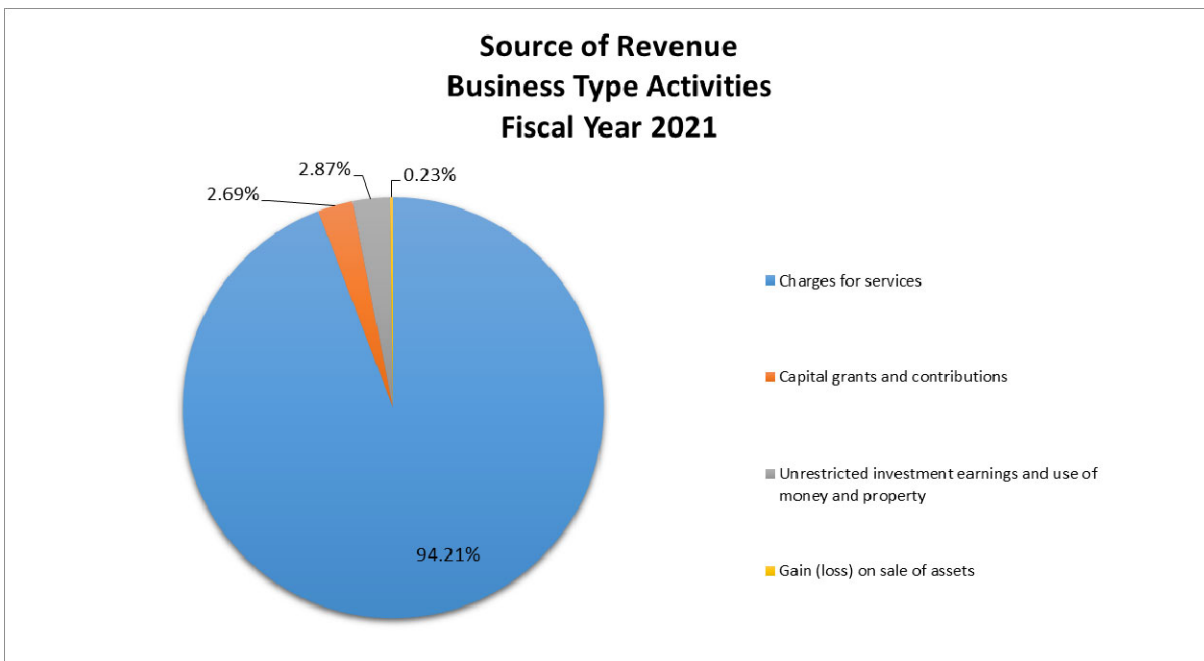
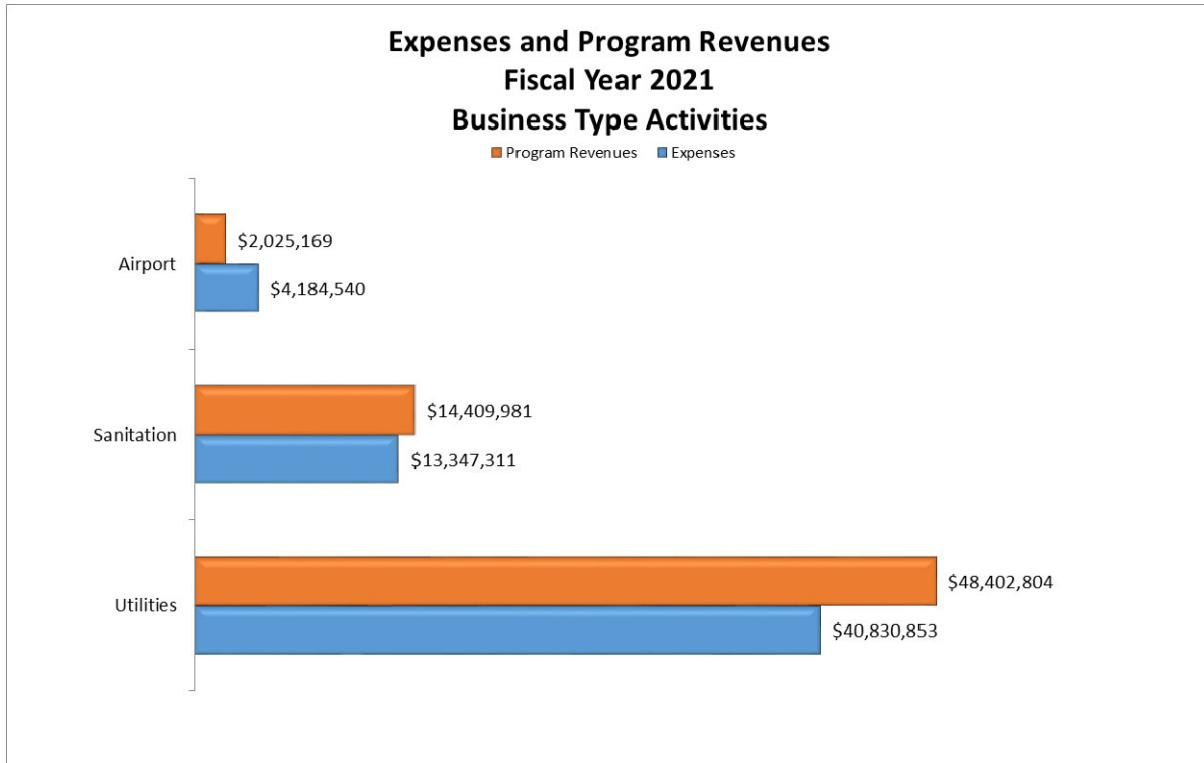


Analysis of the City’s Operations – Overall, the City’s total net position increased by \$26,487,897 for the current year.

Governmental Activities: Governmental activities increased total net position by \$20,102,968. Net position invested in capital assets, net of related debt decreased by \$2,638,761 addition of assets. Restricted net position decreased by \$2,498,913.



Business-type Activities: Net Position from business-type activities increased by \$6,384,929. This increase was primarily due to an increase in 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, 2021 with comparative totals for the year ended September 30, 2020.

CITY OF TYLER'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$12,866,247	\$8,960,991	\$63,040,900	\$63,301,413	\$75,907,147	\$72,262,404
Operating grants and contributions	12,606,998	19,981,326	-	-	12,606,998	19,981,326
Capital grants and contributions	463,061	308,143	1,797,054	4,900,741	2,260,115	5,208,884
General revenues:						
Property taxes	23,485,458	22,858,131	-	-	23,485,458	22,858,131
Franchise taxes	10,896,182	11,124,504	-	-	10,896,182	11,124,504
Sales and use taxes	57,065,720	49,273,911	-	-	57,065,720	49,273,911
Investment earnings and use of money and property	855,460	1,531,778	1,919,575	1,505,184	2,775,035	3,036,962
Gain on sale of assets	(886,629)	(336,086)	154,966	30,000	(731,663)	(306,086)
Donations	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	117,352,497	113,702,698	66,912,495	69,737,338	184,264,992	183,440,036
Expenses:						
General government	12,525,483	8,546,671	-	-	12,525,483	8,546,671
Public safety	47,833,820	52,163,878	-	-	47,833,820	52,163,878
Streets	14,403,381	14,331,423	-	-	14,403,381	14,331,423
Public services	16,021,187	18,825,525	-	-	16,021,187	18,825,525
Culture and recreation	8,130,411	11,208,328	-	-	8,130,411	11,208,328
Interest on long-term debt	500,109	43,768	-	-	500,109	43,768
Water and sewer	-	-	40,830,853	39,991,263	40,830,853	39,991,263
Sanitation	-	-	13,347,311	14,135,998	13,347,311	14,135,998
Airport	-	-	4,184,540	3,735,130	4,184,540	3,735,130
Total Expenses	99,414,391	105,119,593	58,362,704	57,862,391	157,777,095	162,981,984
Increases (decreases) in net position before transfers	17,938,106	8,583,105	8,549,791	11,874,947	26,487,897	20,458,052
Transfers	2,164,862	324,681	(2,164,862)	(324,681)	-	-
Change in net position	20,102,968	8,907,786	6,384,929	11,550,266	26,487,897	20,458,052
Net position – October 1	259,964,406	251,056,620	248,492,753	236,942,487	508,457,159	487,999,107
Prior Period Adjustment	-	-	-	-	-	-
Net position – September 30	\$ 280,067,374	\$ 259,964,406	\$ 254,877,682	\$ 248,492,753	\$ 534,945,056	\$ 508,457,159

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 serve as 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 \$77,976,893. Approximately 36% of this total amount, \$28,010,993, constitutes 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, \$35,793,218; 2) to pay for the perpetual care of city cemeteries, \$3,171,906; 3) to purchase items restricted under grant and donation terms, \$1,556,574; 4) to purchase items restricted under tourism and conventions, \$6,510,779 and 5) to pay for other

miscellaneous restrictions, \$2,933,423. The City of Tyler also self imposes an operating designation in the general fund equivalent to approximately 15 percent of total expenditures, \$11,333,507.

In the general fund, the City’s original budget planned to increase the fund balance on a budget basis by \$148,873. Additional amendments were made to fund various expenses required for operations for a net budgeted decrease in fund balance of \$2,591,248. Due to both revenue and expenditure budget variances the actual net increase in fund balance for fiscal year 2021 was \$2,392,246. Capital Projects Half Cent Sales Tax Fund balance increased in 2021 by \$2,355,971. Other non-major governmental fund balances increased in 2021 by \$10,404,394, from \$14,006,121 to \$124,410,515.

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 - \$3,876,051, Sanitation – \$(1,877,226) and Airport – \$154,637. The following funds had a net position increase/(decrease) in 2021 as follows: Utilities \$8,193,582, Sanitation \$570,415, and Airport- \$(1,105,849).

General Fund Budgetary Highlights - The City made revisions to the original budget appropriations approved by the City Council. Overall these changes resulted in increased budgeted appropriations of \$2,740,121.

Actual revenues were above the final budgeted amounts by a total of \$3,253,850. Actual expenditures including transfers were below final budgeted amounts by a total of \$1,729,644.

CAPITAL ASSETS

The City of Tyler’s investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$585,826,023, (net of accumulated depreciation). This investment in capital assets includes land, water rights, building, equipment, improvements, infrastructure and construction in progress. The total net increase in capital assets for the current fiscal year was \$22,175,055.

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

- \$ 10,954,723 Roadway improvement projects
- \$ 1,468,654 Airport capital projects
- \$ 9,275,904 Water and Sewer capital projects
- \$ 2,388,123 Parks
- \$ 4,736,988 Drainage Capital Projects

	Capital Assets at Year End Net of Accumulated Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$17,138,642	\$17,684,384	\$11,792,909	\$11,792,909	\$28,931,551	\$29,477,293
Water rights	-	-	12,526,700	12,526,700	12,526,700	12,526,700
Building	50,291,929	34,676,850	26,261,201	27,649,874	76,553,130	62,326,724
Improvements	40,987,045	45,342,566	229,241,001	196,032,907	270,228,046	241,375,473
Machinery & equipment	20,955,844	20,437,499	5,667,267	5,815,048	26,623,111	26,252,547
Infrastructure	129,646,459	127,200,200	16,410,001	16,882,622	146,056,460	144,082,822
Construction in progress	14,909,459	20,447,180	9,997,566	27,162,229	24,907,025	47,609,409
Total	\$273,929,378	\$265,788,679	\$311,896,645	\$297,862,289	\$585,826,023	563,650,968

Additional information on the City of Tyler’s capital assets can be found in note 4 on page 43-45 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Tyler had a total bonded debt of \$106,140,000 comprised of bonds secured by water and sewer revenues \$96,310,000, airport customer facility revenue \$630,000, and hotel bond revenue \$9,200,000.

	Outstanding Debt at Year End					
	Bonds and Notes Payable					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital leases	\$ 1,658,936	\$ 1,621,501	\$ -	\$ 51,691	\$ 1,658,936	\$ 1,673,192
Revenue bonds payable	-	-	106,140,000	73,645,000	106,140,000	73,645,000
Total	\$ 1,658,936	\$ 1,621,501	\$ 106,140,000	\$ 73,696,691	\$ 107,798,936	\$ 75,318,192

During the fiscal year, the City’s revenue bond debt increased by \$32,495,000 or 44.1%.

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

	Standard & Poor’s
General Obligation Bonds	AAA
Revenue Bonds	AA+
Revenue Bonds (Senior Lien Debt)	AAA
Revenue Bonds (Rose Complex)	A+

Please see note 4 on page 48 for an explanation of 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 \$939,938,978. 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 47-49 of this report.

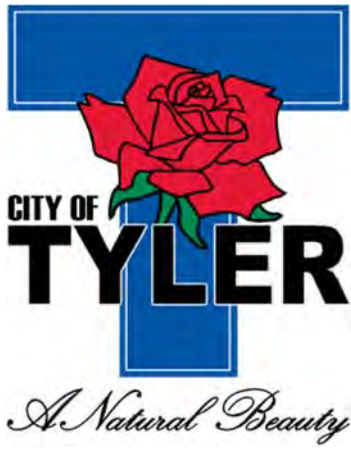
ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

- The unemployment rate for the City of Tyler is currently 3.3%, which is an decrease from 5.9% a year ago. This compares to the state’s average unemployment rate of 4.8% and the national average rate of 3.8%.
- The office space occupancy rate for the City of Tyler increased slightly in 2020 to 84.47% from 82.58% occupancy in 2019.
- Sales tax receipt growth over a ten year average increased slightly to 4.21%. Property values have grown at an average of 3.51% over the last ten years. Growth in values include new and existing values.

All of these factors were considered in preparing the budget for the fiscal year 2021-2022 and the City of Tyler anticipates that total net position will remain at similar levels by September 30, 2022.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with 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, 2021**

EXHIBIT 1

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 52,276,840	\$ 15,911,531	\$ 68,188,371
Receivables (net of allowance for doubtful accounts)	26,316,249	9,562,451	35,878,700
Internal balances	(1,311,804)	1,311,804	-
Inventory	409,913	826,818	1,236,731
Prepaid items	174,970	53,677	228,647
Restricted Assets:			
Temporarily restricted			
Cash and cash equivalents	44,196,501	39,851,368	84,047,869
Permanently restricted			
Cash and cash equivalents	3,171,064	-	3,171,064
Other post employment benefits asset	17,414	-	17,414
Investment in joint venture	3,674,577	-	3,674,577
Capital assets not being depreciated:			
Land	17,138,642	11,792,909	28,931,551
Water rights	-	12,526,700	12,526,700
Construction in progress	14,909,459	9,997,566	24,907,025
Capital Assets net of accumulated depreciation:			
Buildings	50,291,929	26,261,201	76,553,130
Improvements, other than buildings	40,987,045	229,241,001	270,228,046
Machinery and equipment	20,955,844	5,667,267	26,623,111
Infrastructure	129,646,459	16,410,001	146,056,460
Total assets	<u>402,855,102</u>	<u>379,414,294</u>	<u>782,269,396</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	11,737,506	1,459,664	13,197,170
Deferred outflows related to OPEB	1,184,970	8,449	1,193,419
Deferred charge on refunding (net of amortization)	-	27,303	27,303
Total deferred outflows of resources	<u>12,922,476</u>	<u>1,495,416</u>	<u>14,417,892</u>
LIABILITIES			
Accounts payable	7,239,392	5,427,891	12,667,283
Deposits and other refundable balances	1,183,935	39,179	1,223,114
Insurance claims payable	1,541,200	-	1,541,200
Accrued interest payable	22,541	240,283	262,824
Unearned revenues	10,135,552	-	10,135,552
Non-current liabilities:			
Due within one year	1,133,819	4,734,257	5,868,076
Due in more than one year	96,060,059	111,499,260	207,559,319
Total liabilities	<u>117,316,498</u>	<u>121,940,870</u>	<u>239,257,368</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	6,159,209	2,197,021	8,356,230
Deferred inflows related to pensions	12,234,497	1,894,137	14,128,634
Total deferred inflows of resources	<u>18,393,706</u>	<u>4,091,158</u>	<u>22,484,864</u>
NET POSITION			
Net investment in capital assets	262,616,982	209,627,651	472,244,633
Restricted for:			
Perpetual care - nonexpendable	3,171,906	-	3,171,906
Storm water management	-	1,798,748	1,798,748
Public Safety	858,229	-	858,229
Capital improvements	9,739,147	-	9,739,147
Tourism and convention	6,223,778	-	6,223,778
Donor restrictions	614,619	-	614,619
Capital projects	24,298,737	37,371,282	61,670,019
Airport improvements	123,749	-	123,749
Communications	1,043,892	-	1,043,892
Housing assistance	757,474	-	757,474
Grant restrictions	184,481	-	184,481
Debt service	2,437	2,480,086	2,482,523
Unrestricted	<u>(29,568,057)</u>	<u>3,599,915</u>	<u>(25,968,142)</u>
Total net position	<u>\$ 280,067,374</u>	<u>\$ 254,877,682</u>	<u>\$ 534,945,056</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, 2021**

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	\$ 12,525,483	\$ 5,228,000	\$ 12,722	\$ -	\$ (7,284,761)	\$ -	\$ (7,284,761)
Public safety	47,833,820	4,907,296	471,940	463,061	(41,991,523)	-	(41,991,523)
Highways and streets	14,403,381	-	-	-	(14,403,381)	-	(14,403,381)
Public services	16,021,187	2,725,747	12,122,336	-	(1,173,104)	-	(1,173,104)
Culture and recreation	8,130,411	5,204	-	-	(8,125,207)	-	(8,125,207)
Interest on long term debt	500,109	-	-	-	(500,109)	-	(500,109)
Total governmental activities	<u>99,414,391</u>	<u>12,866,247</u>	<u>12,606,998</u>	<u>463,061</u>	<u>(73,478,085)</u>	<u>-</u>	<u>(73,478,085)</u>
Business-type activities:							
Utilities	40,830,853	48,402,804	-	-	-	7,571,951	7,571,951
Sanitation	13,347,311	14,409,981	-	-	-	1,062,670	1,062,670
Airport	4,184,540	228,115	-	1,797,054	-	(2,159,371)	(2,159,371)
Total business-type activities	<u>58,362,704</u>	<u>63,040,900</u>	<u>-</u>	<u>1,797,054</u>	<u>-</u>	<u>6,475,250</u>	<u>6,475,250</u>
Total primary government	<u>\$ 157,777,095</u>	<u>\$ 75,907,147</u>	<u>\$ 12,606,998</u>	<u>\$ 2,260,115</u>	<u>(73,478,085)</u>	<u>6,475,250</u>	<u>(67,002,835)</u>
General revenues:							
Property taxes					23,485,458	-	23,485,458
Franchise taxes					10,896,182	-	10,896,182
Sales and use taxes					57,065,720	-	57,065,720
Unrestricted investment earnings and use of money and property					855,460	1,919,575	2,775,035
Gain (loss) on sale of assets					(886,629)	154,966	(731,663)
Transfers					2,164,862	(2,164,862)	-
Total general revenues and transfers					<u>93,581,053</u>	<u>(90,321)</u>	<u>93,490,732</u>
Change in net position					20,102,968	6,384,929	26,487,897
Net position - beginning of year					<u>259,964,406</u>	<u>248,492,753</u>	<u>508,457,159</u>
Net position - end of year					<u>\$ 280,067,374</u>	<u>\$ 254,877,682</u>	<u>\$ 534,945,056</u>

**CITY OF TYLER, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	MAJOR FUNDS		OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	ONE-HALF CENT SALES TAX		
ASSETS				
Cash and cash equivalents	\$ 22,794,651	\$ -	\$ 10,997,006	\$ 33,791,657
Receivables (net of allowance for doubtful accounts) :				
Property taxes	623,684	-	-	623,684
Other	21,002,034	3,151,618	1,399,447	25,553,099
Due from other funds	1,878,039	-	-	1,878,039
Inventory	70,022	-	4,450	74,472
Prepaid items	102,973	-	450	103,423
Cash and cash equivalents - restricted	10,105,793	22,849,227	14,412,545	47,367,565
	<u>\$ 56,577,196</u>	<u>\$ 26,000,845</u>	<u>\$ 26,813,898</u>	<u>\$ 109,391,939</u>
LIABILITIES				
Accounts payable	3,207,696	1,701,978	1,638,842	6,548,516
Deposits and other refundable balances	1,024,903	-	158,902	1,183,805
Other liabilities	-	130	-	130
Due to other funds	-	-	604,810	604,810
Unearned revenues	10,134,723	-	829	10,135,552
	<u>14,367,322</u>	<u>1,702,108</u>	<u>2,403,383</u>	<u>18,472,813</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	602,195	-	-	602,195
Unavailable revenue-fines	12,299,925	-	-	12,299,925
Unavailable revenue-permits	40,113	-	-	40,113
	<u>12,942,233</u>	<u>-</u>	<u>-</u>	<u>12,942,233</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Inventory	70,022	-	4,450	74,472
Prepaid items	102,973	-	-	102,973
Permanent fund principal	-	-	3,171,906	3,171,906
Restricted for:				
Debt service	-	-	2,437	2,437
Public safety	-	-	858,229	858,229
Capital improvements	-	-	9,739,147	9,739,147
Tourism and convention	-	-	6,223,778	6,223,778
Donor restrictions	-	-	614,619	614,619
Capital projects	-	24,298,737	-	24,298,737
Airport improvements	-	-	123,749	123,749
Communications	-	-	1,043,892	1,043,892
Housing assistance	-	-	757,474	757,474
Grant restrictions	-	-	184,481	184,481
Coronavirus fiscal recovery	10,105,793	-	-	10,105,793
Assigned to:				
Development services	851,420	-	-	851,420
Capital projects	(38,925)	-	1,670,510	1,631,585
Tourism and convention	287,001	-	-	287,001
Unassigned	17,889,357	-	15,843	17,905,200
	<u>29,267,641</u>	<u>24,298,737</u>	<u>24,410,515</u>	<u>77,976,893</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 56,577,196</u>	<u>\$ 26,000,845</u>	<u>\$ 26,813,898</u>	<u>\$ 109,391,939</u>

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, 2021

Total fund balances governmental funds (Exhibit 3)	\$ 77,976,893
Other post employment benefits in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. (Includes other post employment benefit assets of Internal Service Funds)	17,414
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	254,396,907
Equity in an affiliated joint venture is included in governmental activities in the statement of net assets.	3,674,577
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	12,942,233
Deferred outflows of funds related to pension and OPEB activities	12,738,230
Deferred inflows of funds related to pension and OPEB activities	(17,898,386)
Net pension and OPEB liabilities reflected under GASB 68 and 75 at year end	(65,926,203)
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)	29,822,709
Long term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	<u>(27,677,000)</u>
Net position of governmental activities (Exhibit 1)	<u><u>\$ 280,067,374</u></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, 2021

	MAJOR FUNDS		OTHER NON-MAJOR GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	ONE-HALF CENT SALES TAX			
REVENUES					
Taxes:					
Property	\$ 23,382,982	\$ -	\$ 108,019	\$ -	\$ 23,491,001
Franchise	10,665,601	-	230,581	-	10,896,182
Sales and use	35,680,193	17,542,155	3,843,372	-	57,065,720
Licenses and permits	2,190,049	-	7,150	-	2,197,199
Revenues from other agencies	484,662	319,738	12,265,659	-	13,070,059
Fines, forfeitures, and penalties	3,766,505	-	587,272	-	4,353,777
Revenues from use of money or property	372,588	170,099	124,515	-	667,202
Donations	-	-	406,590	-	406,590
Charges for current services	2,383,191	-	435,990	-	2,819,181
Miscellaneous	2,152,537	-	139,381	-	2,291,918
Total revenues	<u>81,078,308</u>	<u>18,031,992</u>	<u>18,148,529</u>	<u>-</u>	<u>117,258,829</u>
EXPENDITURES					
Current:					
General government	7,915,315	220,162	256,538	-	8,392,015
Public safety	50,754,293	-	410,629	-	51,164,922
Public services	2,990,729	-	13,250,159	-	16,240,888
Highways and streets	5,612,393	-	-	-	5,612,393
Culture and recreation	7,891,452	-	348,369	-	8,239,821
Capital outlay	392,534	15,424,602	6,590,467	-	22,407,603
Debt service:					
Principal retirement	-	-	871,732	-	871,732
Interest and fiscal charges	-	-	14,538	-	14,538
Total expenditures	<u>75,556,716</u>	<u>15,644,764</u>	<u>21,742,432</u>	<u>-</u>	<u>112,943,912</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,521,592</u>	<u>2,387,228</u>	<u>(3,593,903)</u>	<u>-</u>	<u>4,314,917</u>
OTHER FINANCING SOURCES (USES)					
Proceeds of long-term capital-related debt	-	-	10,752,436	-	10,752,436
Transfers in	2,363,500	-	5,786,793	(22,736)	8,127,557
Transfers out	<u>(5,492,846)</u>	<u>(31,257)</u>	<u>(2,540,932)</u>	<u>22,736</u>	<u>(8,042,299)</u>
Total other financing sources (uses)	<u>(3,129,346)</u>	<u>(31,257)</u>	<u>13,998,297</u>	<u>-</u>	<u>10,837,694</u>
Net change in fund balances	2,392,246	2,355,971	10,404,394	-	15,152,611
Fund balances - beginning of year	<u>26,875,395</u>	<u>21,942,766</u>	<u>14,006,121</u>	<u>-</u>	<u>62,824,282</u>
Fund balances - end of year	<u>\$ 29,267,641</u>	<u>\$ 24,298,737</u>	<u>\$ 24,410,515</u>	<u>\$ -</u>	<u>\$ 77,976,893</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, 2021

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

Net change in fund balances - total governmental funds	\$ 15,152,611
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.	8,518,604
The net increase of the equity in investment in an affiliated joint venture is reflected on the statement of activities.	792,378
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(1,051,378)
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.	(5,543)
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.	(10,357,965)
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.	9,205,275
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.	<u>(2,151,014)</u>
Change in net assets of governmental activities (Exhibit 2)	<u><u>\$ 20,102,968</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, 2021**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Property tax collections	\$ 23,511,036	\$ 23,511,036	\$ 23,382,982	\$ (128,054)
Franchise fees	11,304,407	11,304,407	10,665,601	(638,806)
Sales and use taxes	30,660,874	30,660,874	35,680,193	5,019,319
Licenses and permits	2,098,629	2,098,629	2,190,049	91,420
Fines, forfeitures, and penalties	4,076,865	4,415,247	3,766,505	(648,742)
Revenues from use of money or property	563,450	563,450	372,588	(190,862)
Charges for current services	2,516,299	2,516,299	2,383,191	(133,108)
Revenues from other agencies	554,794	568,394	484,662	(83,732)
Miscellaneous	845,563	2,186,122	2,152,537	(33,585)
Total revenues	76,131,917	77,824,458	81,078,308	3,253,850
EXPENDITURES				
GENERAL GOVERNMENT:				
General Government Services	4,482,735	4,764,934	4,500,652	264,282
Communications	450,792	450,792	424,999	25,793
Finance	1,438,682	1,438,682	1,409,254	29,428
Human Resources	490,195	490,195	474,248	15,947
Legal	1,197,528	1,197,528	1,073,665	123,863
Parking Garage	28,050	28,050	24,800	3,250
Innovation Pipeline	6,046	6,046	7,697	(1,651)
Total General Government	8,094,028	8,376,227	7,915,315	460,912
PUBLIC SAFETY				
Police	29,109,190	29,136,638	29,377,743	(241,105)
Fire	19,652,254	19,721,817	19,483,357	238,460
Municipal Court	1,733,226	2,021,089	1,893,193	127,896
Total Public Safety	50,494,670	50,879,544	50,754,293	125,251
PUBLIC SERVICES				
Animal Services	1,157,430	1,157,430	1,102,050	55,380
Planning and Zoning Services	787,694	801,294	699,226	102,068
Building Services	1,215,903	1,215,903	1,189,453	26,450
Total Public Services	3,161,027	3,174,627	2,990,729	183,898

(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, 2020**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
EXPENDITURES (continued)				
HIGHWAYS AND STREETS				
Engineering	\$ 597,154	\$ 620,554	\$ 548,446	\$ 72,108
Street administration	2,780,906	2,820,906	2,706,749	114,157
Traffic operations	2,390,771	2,422,154	2,357,198	64,956
Total Highways and Streets	5,768,831	5,863,614	5,612,393	251,221
CULTURE AND RECREATION				
Library	1,802,035	1,803,266	1,635,411	167,855
Parks administration	2,784,879	2,784,879	2,862,667	(77,788)
Indoor recreation	546,230	680,999	551,016	129,983
Outdoor recreation	243,160	243,160	203,725	39,435
Median maintenance and arborist	408,368	408,368	363,223	45,145
Rose Garden center	302,613	302,613	258,752	43,861
Rose Garden maintenance	600,541	600,541	595,009	5,532
Visitor facilities	952,010	952,228	831,391	120,837
Main Street	420,768	470,868	380,694	90,174
Liberty Hall	324,366	329,555	209,564	119,991
Total Culture and Recreation	8,384,970	8,576,477	7,891,452	685,025
Capital Outlay	119,287	459,986	392,534	67,452
Total expenditures	76,022,813	77,330,475	75,556,716	1,773,759
Excess (deficiency) of revenues over (under) expenditures	109,104	493,983	5,521,592	5,027,609
OTHER FINANCING SOURCES (USES)				
Transfers in	2,363,500	5,817,935	2,363,500	(3,454,435)
Transfers out	(2,323,731)	(8,903,166)	(5,492,846)	3,410,320
Total other financing sources (uses)	39,769	(3,085,231)	(3,129,346)	(44,115)
Net change in fund balance	148,873	(2,591,248)	2,392,246	4,983,494
Fund balance - beginning of year	16,295,654	14,742,019	26,875,395	12,133,376
Fund balance - end of year	\$ 16,444,527	\$ 12,150,771	\$ 29,267,641	\$ 17,116,870

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, 2021**

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	\$ 13,984,314	\$ 1,090,982	\$ 836,235	\$ 15,911,531	\$ 18,485,183	
Prepaid expenses	46,453	7,224	-	53,677	71,547	
Accounts receivable (net of allowance for doubtful accounts)	6,473,722	2,514,503	568,512	9,556,737	139,466	
Accrued interest receivable	5,489	-	225	5,714	-	
Inventory - at average cost	826,818	-	-	826,818	335,441	
Total unrestricted current assets	<u>21,336,796</u>	<u>3,612,709</u>	<u>1,404,972</u>	<u>26,354,477</u>	<u>19,031,637</u>	
Restricted Current assets:						
Temporarily restricted:						
Cash and cash equivalents for payment of current maturities of revenue bond principal and interest	2,375,906	-	104,180	2,480,086	-	
Total restricted current assets	<u>2,375,906</u>	<u>-</u>	<u>104,180</u>	<u>2,480,086</u>	<u>-</u>	
Total current assets	<u>23,712,702</u>	<u>3,612,709</u>	<u>1,509,152</u>	<u>28,834,563</u>	<u>19,031,637</u>	
Noncurrent assets:						
Restricted assets:						
Temporarily restricted						
Cash and cash equivalents	37,336,370	34,912	-	37,371,282	-	
Total restricted assets	<u>37,336,370</u>	<u>34,912</u>	<u>-</u>	<u>37,371,282</u>	<u>-</u>	
Other post employment benefits asset	-	-	-	-	17,414	
Capital assets:						
Land	6,842,055	3,285,312	1,665,542	11,792,909	104,249	
Water rights	12,526,700	-	-	12,526,700	-	
Buildings and infrastructure	41,380,122	727,319	42,144,225	84,251,666	1,666,203	
Improvements other than buildings	291,284,640	605,496	80,168,789	372,058,925	2,183,640	
Machinery and equipment	6,449,655	8,891,026	1,266,521	16,607,202	52,250,581	
Construction in progress	8,063,548	54,280	1,879,738	9,997,566	14,500	
Less accumulated depreciation	(159,170,537)	(6,275,951)	(29,891,835)	(195,338,323)	(36,686,702)	
Total capital assets net of accumulated depreciation	<u>207,376,183</u>	<u>7,287,482</u>	<u>97,232,980</u>	<u>311,896,645</u>	<u>19,532,471</u>	
Total noncurrent assets	<u>244,712,553</u>	<u>7,322,394</u>	<u>97,232,980</u>	<u>349,267,927</u>	<u>19,549,885</u>	
Total assets	<u>268,425,255</u>	<u>10,935,103</u>	<u>98,742,132</u>	<u>378,102,490</u>	<u>38,581,522</u>	
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	854,182	490,951	114,531	1,459,664	371,481	
Deferred outflows related to OPEB	4,314	3,200	935	8,449	(187,235)	
Deferred charge on refunding (net of amortization)	27,303	-	-	27,303	-	
Total deferred outflows of resources	<u>885,799</u>	<u>494,151</u>	<u>115,466</u>	<u>1,495,416</u>	<u>184,246</u>	
LIABILITIES						
Current liabilities:						
Unrestricted current liabilities						
Accounts and contracts payable	4,382,084	744,539	301,268	5,427,891	690,876	
Due to other funds	-	-	134,649	134,649	-	
Insurance claims payable	-	-	-	-	1,541,200	
Current portion of capital lease payable	-	-	-	-	172,365	
Current portion of compensated absences payable	31,374	11,383	1,500	44,257	13,616	
Total unrestricted current liabilities	<u>4,413,458</u>	<u>755,922</u>	<u>437,417</u>	<u>5,606,797</u>	<u>2,418,057</u>	
Current liabilities payable from restricted assets						
Revenue bonds payable	4,610,000	-	80,000	4,690,000	-	
Customer deposits	39,179	-	-	39,179	-	
Accrued interest	240,283	-	-	240,283	22,541	
Total current liabilities payable from restricted assets	<u>4,889,462</u>	<u>-</u>	<u>80,000</u>	<u>4,969,462</u>	<u>22,541</u>	
Total current liabilities	<u>9,302,920</u>	<u>755,922</u>	<u>517,417</u>	<u>10,576,259</u>	<u>2,440,598</u>	
Noncurrent liabilities						
Revenue bonds payable	97,028,994	-	550,000	97,578,994	-	
Capital lease payable	-	-	-	-	273,490	
Net pension obligation	5,683,291	2,673,278	556,944	8,913,513	2,114,090	
Net OPEB obligation	2,780,114	1,191,940	193,815	4,165,869	758,411	
Compensated absences	596,110	216,281	28,493	840,884	258,703	
Total noncurrent liabilities	<u>106,088,509</u>	<u>4,081,499</u>	<u>1,329,252</u>	<u>111,499,260</u>	<u>3,404,694</u>	
Total liabilities	<u>115,391,429</u>	<u>4,837,421</u>	<u>1,846,669</u>	<u>122,075,519</u>	<u>5,845,292</u>	
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to OPEB	1,502,831	614,993	79,197	2,197,021	183,744	
Deferred inflows related to pensions	1,292,530	531,672	69,935	1,894,137	311,576	
Total deferred inflows of resources	<u>2,795,361</u>	<u>1,146,665</u>	<u>149,132</u>	<u>4,091,158</u>	<u>495,320</u>	
NET POSITION						
Net investment in capital assets	105,737,189	7,287,482	96,602,980	209,627,651	19,532,471	
Restricted for:						
Debt service	2,375,906	-	104,180	2,480,086	-	
Storm water management	1,798,748	-	-	1,798,748	-	
Capital projects	37,336,370	34,912	-	37,371,282	-	
Unrestricted	<u>3,876,051</u>	<u>(1,877,226)</u>	<u>154,637</u>	<u>2,153,462</u>	<u>12,892,685</u>	
Total net position	<u>\$ 151,124,264</u>	<u>\$ 5,445,168</u>	<u>\$ 96,861,797</u>	<u>253,431,229</u>	<u>\$ 32,425,156</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 Current year	2,719,682 (1,273,229)	
Net position of business-type activities					<u>\$ 254,877,682</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, 2021

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES
	UTILITIES	SANITATION	AIRPORT		INTERNAL SERVICE FUNDS
OPERATING REVENUES					
Water and sewer operations	\$ 45,711,172	\$ -	\$ -	\$ 45,711,172	\$ -
Trash and garbage	-	14,389,474	-	14,389,474	-
Airport services	-	-	187,970	187,970	-
Charges for services	-	-	-	-	18,094,374
Contributions	-	-	-	-	10,027,674
Miscellaneous	2,691,632	20,507	40,145	2,752,284	2,722,820
Total operating revenues	<u>48,402,804</u>	<u>14,409,981</u>	<u>228,115</u>	<u>63,040,900</u>	<u>30,844,868</u>
OPERATING EXPENSES					
Water and sewer operations	29,016,594	-	-	29,016,594	-
Sanitation operations	-	12,699,905	-	12,699,905	-
Municipal airport operations	-	-	1,380,502	1,380,502	-
Garage operations	-	-	-	-	6,393,747
Depreciation	8,341,554	647,406	2,776,365	11,765,325	4,379,366
Insurance claims	-	-	-	-	14,061,900
Administrative	-	-	-	-	7,186,474
Special services	-	-	-	-	370,439
Maintenance	-	-	-	-	448,428
Total operating expenses	<u>37,358,148</u>	<u>13,347,311</u>	<u>4,156,867</u>	<u>54,862,326</u>	<u>32,840,354</u>
Operating income (loss)	<u>11,044,656</u>	<u>1,062,670</u>	<u>(3,928,752)</u>	<u>8,178,574</u>	<u>(1,995,486)</u>
NON-OPERATING REVENUES (EXPENSES)					
Revenues from use of money and property	294,060	716,250	909,265	1,919,575	193,462
Gain (loss) on sale of assets	-	154,966	-	154,966	164,749
Interest expense	(2,199,476)	-	(27,673)	(2,227,149)	(8,310)
Total non-operating revenues (expenses)	<u>(1,905,416)</u>	<u>871,216</u>	<u>881,592</u>	<u>(152,608)</u>	<u>349,901</u>
Income (loss) before income from other agencies and transfers	<u>9,139,240</u>	<u>1,933,886</u>	<u>(3,047,160)</u>	<u>8,025,966</u>	<u>(1,645,585)</u>
Income from other agencies	-	-	1,797,054	1,797,054	-
Transfers in	-	-	181,257	181,257	2,079,604
Transfers out	(945,648)	(1,363,471)	(37,000)	(2,346,119)	-
Net transfers and income from other agencies	<u>(945,648)</u>	<u>(1,363,471)</u>	<u>1,941,311</u>	<u>(367,808)</u>	<u>2,079,604</u>
Change in net position	8,193,592	570,415	(1,105,849)	7,658,158	434,019
Net position - beginning of year	<u>142,930,672</u>	<u>4,874,753</u>	<u>97,967,646</u>		<u>31,991,137</u>
Net position - end of year	<u>\$ 151,124,264</u>	<u>\$ 5,445,168</u>	<u>\$ 96,861,797</u>		<u>\$ 32,425,156</u>
Reconciliation to government-wide statements of net assets					
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				(1,273,229)	
Change in net position of business-type activities				<u>\$ 6,384,929</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, 2021

	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	\$ 47,857,954	\$ 14,281,507	\$ 302,646	\$ 62,442,107	\$ 29,888,167
Cash paid to suppliers for goods and services	(18,497,456)	(8,853,637)	(640,828)	(27,991,921)	(11,916,674)
Cash paid to employees for services	(12,269,856)	(4,487,775)	(642,588)	(17,400,219)	(3,007,742)
Insurance claims paid	-	-	-	-	(14,128,024)
Net cash provided by (used in) operating activities	<u>17,090,642</u>	<u>940,095</u>	<u>(980,770)</u>	<u>17,049,967</u>	<u>835,727</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Advances from/ (to) other funds	-	-	134,649	134,649	1,138,580
Transfers in from other funds	-	-	181,257	181,257	2,079,604
Transfers out to other funds	(945,648)	(1,363,471)	(37,000)	(2,346,119)	-
Net cash (used in) provided by non-capital financing activities	<u>(945,648)</u>	<u>(1,363,471)</u>	<u>278,906</u>	<u>(2,030,213)</u>	<u>3,218,184</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(22,728,137)	(1,150,697)	(1,548,653)	(25,427,487)	(5,647,038)
Bond proceeds	26,875,000	-	-	26,875,000	-
Proceeds from grants for capital purposes	-	-	1,394,395	1,394,395	-
Proceeds from sale of assets	-	640,270	-	640,270	758,948
Payment of capital lease obligations	-	-	(51,691)	(51,691)	-
Principal paid on debt	(3,500,000)	-	-	(3,500,000)	(627,538)
Interest paid	(2,199,476)	-	(27,673)	(2,227,149)	(8,310)
Net cash provided by (used in) capital and related financing activities	<u>(1,552,613)</u>	<u>(510,427)</u>	<u>(233,622)</u>	<u>(2,296,662)</u>	<u>(5,523,938)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends on investments	304,868	716,250	909,249	1,930,367	193,462
Net cash (used in) provided by investing activities	<u>304,868</u>	<u>716,250</u>	<u>909,249</u>	<u>1,930,367</u>	<u>193,462</u>
Net increase (decrease) in cash and cash equivalents	14,897,249	(217,553)	(26,237)	14,653,459	(1,276,565)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>38,799,341</u>	<u>1,343,447</u>	<u>966,652</u>	<u>41,109,440</u>	<u>19,761,748</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 53,696,590</u>	<u>\$ 1,125,894</u>	<u>\$ 940,415</u>	<u>\$ 55,762,899</u>	<u>\$ 18,485,183</u>
Reconciliation to Exhibit 8:					
Unrestricted cash and cash equivalents	\$ 13,984,314	\$ 1,090,982	\$ 836,235	\$ 15,911,531	\$ 18,485,183
Restricted cash - current asset	2,375,906	-	104,180	2,480,086	-
Restricted cash - noncurrent asset	37,336,370	34,912	-	37,371,282	-
Total Cash and Cash Equivalents at End of Year	<u>\$ 53,696,590</u>	<u>\$ 1,125,894</u>	<u>\$ 940,415</u>	<u>\$ 55,762,899</u>	<u>\$ 18,485,183</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 11,044,656	\$ 1,062,670	\$ (3,928,752)	\$ 8,178,574	\$ (1,995,486)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	8,341,554	647,406	2,776,365	11,765,325	4,379,366
(Increase) decrease in accounts receivable	(517,849)	(128,474)	74,531	(571,792)	(956,701)
(Increase) decrease in prepaid expenses	(4,943)	(6,497)	-	(11,440)	4,415
(Increase) decrease in inventory	(135,631)	-	-	(135,631)	(16,175)
(Increase) decrease in deferred outflows related to pensions	677,625	235,902	34,163	947,690	150,480
(Increase) decrease in deferred outflows related to OPEB	(47,962)	(15,910)	(2,412)	(66,284)	(11,089)
Increase (decrease) in accounts payable	(162,971)	(106,523)	162,618	(106,876)	(268,246)
Increase (decrease) in claims payable	-	-	-	-	(3,966)
Increase (decrease) in customer deposits	(27,001)	-	-	(27,001)	-
Increase (decrease) in compensated absences payable	23,167	(15,472)	8,529	16,224	65,681
Increase (decrease) in post employment benefits liability	(273,083)	(94,892)	(13,698)	(381,673)	(70,342)
Increase (decrease) in deferred inflows related to pensions	(937,659)	(326,427)	(47,273)	(1,311,359)	(216,442)
Increase (decrease) in deferred inflows related to OPEB	(208,822)	(72,987)	(10,536)	(292,345)	(53,164)
Increase (decrease) in net pension obligation	(680,439)	(238,701)	(34,305)	(953,445)	(172,604)
Total adjustments	<u>6,045,986</u>	<u>(122,575)</u>	<u>2,947,982</u>	<u>8,871,393</u>	<u>2,831,213</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 17,090,642</u>	<u>\$ 940,095</u>	<u>\$ (980,770)</u>	<u>\$ 17,049,967</u>	<u>\$ 835,727</u>

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

CITY OF TYLER, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	EMPLOYEE BENEFIT TRUST FUNDS	PRIVATE- PURPOSE TRUST FUNDS	TOTAL
ASSETS			
Equity in pooled cash	\$ 3,925,849	\$ 2,896,319	\$ 6,822,168
Investments, at fair value			
Equities	55,912,286	98,740	56,011,026
Mutual funds	18,203,745	-	18,203,745
Fixed income	26,914,147	-	26,914,147
Real estate investment trust	973,478	-	973,478
Total investments	<u>102,003,656</u>	<u>98,740</u>	<u>102,102,396</u>
Receivables			
Contributions receivable	145,909	-	145,909
Interest receivable	86,531	760	87,291
Total receivables	<u>232,440</u>	<u>760</u>	<u>233,200</u>
Total assets	<u>106,161,945</u>	<u>2,995,819</u>	<u>109,157,764</u>
LIABILITIES			
Accounts payable	<u>2,010,866</u>	<u>-</u>	<u>2,010,866</u>
Total liabilities	<u>2,010,866</u>	<u>-</u>	<u>2,010,866</u>
FIDUCIARY NET POSITION			
Restricted for OPEB	17,355,872	-	17,355,872
Restricted for pensions	86,559,764	-	86,559,764
Held in trust for other purposes	235,443	2,995,819	3,231,262
Total fiduciary net position	<u>\$ 104,151,079</u>	<u>\$ 2,995,819</u>	<u>\$107,146,898</u>

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

CITY OF TYLER, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	EMPLOYEE BENEFIT TRUST FUNDS	PRIVATE- PURPOSE TRUST FUNDS	TOTAL
ADDITIONS			
Contributions:			
Employees	\$ 1,958,569	\$ -	\$ 1,958,569
Employer	6,003,546	-	6,003,546
Other	-	36,000	36,000
Total contributions	<u>7,962,115</u>	<u>36,000</u>	<u>7,998,115</u>
Investment income:			
Interest and dividend income	4,948,183	23,901	4,972,084
Net appreciation (depreciation) in fair value of investments	12,313,124	11,692	12,324,816
Less investment expense	(362,859)	(4,655)	(367,514)
Total investment income	<u>16,898,448</u>	<u>30,938</u>	<u>16,929,386</u>
Other income	<u>1,496,376</u>	-	<u>1,496,376</u>
Total additions	<u>26,356,939</u>	<u>66,938</u>	<u>26,423,877</u>
DEDUCTIONS			
Reimbursement for benefit claims	1,703,320	-	1,703,320
Benefits	<u>6,416,468</u>	<u>-</u>	<u>6,416,468</u>
Total deductions	<u>8,119,788</u>	<u>-</u>	<u>8,119,788</u>
Change in fiduciary net position	18,237,151	66,938	18,304,089
Fiduciary net position - beginning of year	<u>85,913,928</u>	<u>2,928,881</u>	<u>88,842,809</u>
Fiduciary net position - end of year	<u>\$ 104,151,079</u>	<u>\$ 2,995,819</u>	<u>\$ 107,146,898</u>

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



**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Tyler, Texas (City) was incorporated 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 can 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 Firefighters' Relief and Retirement Fund

The City's fire department employees participate in the Tyler Firefighters' Relief and Retirement Fund (TFRRF). TFRRF functions for the benefit of these employees and is governed by a pension board. The City and TFRRF participants are obligated to fund all TFRRF 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, TFRRF 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. TFRRF's fiscal year-end is December 31 but the information reported corresponds with the City's September 30, 2021 reporting period. Financial statements of TFRRF can be obtained directly from the FIRE Pension Board, 1718 West Houston St., Tyler, Texas 75702.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021

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 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 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.

TFRRF is used to account for the resources accumulated to be used for the retirement benefits payments to the members of TFRRF.

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, 2021

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 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 GASB Statement No. 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, 2021

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

Consistent with GASB Statement No. 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 Statement No. 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 4B.

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 received. All delinquent property taxes receivables are assets of the General Fund.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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, 2021, was \$0.259 per \$100, which means that the City has a tax margin of \$1.491 per \$100 and could raise up to \$140,277,705 additional taxes a year from the present valuation of \$9,408,296,792 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, 2021

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. 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.

9. Compensated Absences

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 at 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 could 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 GASB Statement No.16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting 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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

10. 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.

11. 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.

12. 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. The City's deferred charge on refunding reported in the government-wide statement of net position and the proprietary funds statement of net position qualifies for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has deferred outflows related to pension and other postemployment benefit activities that are reported in this category.

In addition to liabilities, the statement of financial 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 position 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 one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, fines, and permits. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows related to pension and other postemployment benefit activities that are reported in this category.

13. 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 receivables 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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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.

14. 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 \$88,668,565 of restricted net position.

15. 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.

16. 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, 2021, the City recognized total net pension expense of \$5,645,989, \$3,777,100 of which was for the Texas Municipal Retirement System (TMRS) Plan and \$1,875,889 for the TFRRF Plan. For the fiscal year ended September 30, 2021, the City recognized total net OPEB income of \$239,181, of which \$585,618 of OPEB income was for the Health Plan and \$346,437 of OPEB expense was for the TMRS Supplemental Death Benefits Fund (SDBF).

17. 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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

18. 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 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.

19. Newly Implemented Standards

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, which will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement and the related GASB Statement No. 92, *Omnibus*, topics were implemented by the City for its fiscal year ended September 30, 2021.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*, which will enhance the consistency and comparability of reporting a government's majority equity interest in a legally separate organization. It will also enhance the relevance of financial statement information for certain component units. This statement was implemented by the City for its fiscal year ended September 30, 2021. Accordingly, the City does not recognize any majority equity interests in any legally separate entities; therefore, the implementation of this standard had no effect on the City's financials financial position or reporting.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, which establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replaces instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The requirements of this statement are effective for fiscal years ending after December 15, 2021; however, the City elected to apply this statement early for its fiscal year ended September 30, 2021.

20. Future Implementation of New Standards

In June 2017, the GASB issued Statement No. 87, *Leases*, which will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. This statement is effective for reporting periods beginning after June 15, 2021. The City is evaluating the impact of this statement on its financial statements.

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period* which will (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period by requiring that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the cost of a capital asset reported in a business-type activity or enterprise fund. This statement is effective for reporting periods beginning after December 15, 2020. The City is evaluating the impact of this statement on its financial statements.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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, 2020. The City is evaluating the impact of this statement on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus*, which will enhance comparability in accounting and financial reporting and will improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement has certain topics that will be effective for the City's fiscal year ending September 30, 2022. The City is evaluating the impact of this statement on its financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, which will address the accounting and financial reporting implications that result from the replacement of an interbank offered rate. This statement was issued in response to global reference rate reform, which, most notably, has caused the London Interbank Offered Rate (LIBOR) to cease to exist in its current form. This reform has prompted governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The City is evaluating the impact of this statement on its financial statements.

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.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which will (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which the potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan for benefits provided through those plans. This statement is effective for reporting periods beginning after June 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, 2021**

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 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 \$12,947,776 difference are as follows:

Unavailable property tax revenues	\$ 602,195
Unavailable fines	12,299,925
Unavailable permits	<u>40,113</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 12,942,233</u>

Another 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 \$(27,677,000) difference are as follows:

Claims and judgements	\$ (100,000)
Capital leases	(853,218)
Compensated absences	(15,971,346)
Revenue bond outstanding	<u>(10,752,436)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (27,677,000)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

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 \$8,518,604 difference are as follows:

Capital outlay	\$ 22,488,023
Depreciation expense	<u>(13,969,419)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in position - governmental activities	<u>\$ 8,518,604</u>

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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.
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, PEG Fee Fund, Homeownership and Housing Fund, CDBG Fund, Home Grant Fund, Housing Assistance Payment Fund, Transit System Fund, TIF/TIRZ #3 Fund, Economic Development Fund, TIF/TIRZ #4 Fund, Tourism & Convention Fund, Airport Passenger Facility Fund, Rainy Day Fund, Fair Plaza Fund, Grant 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, PEG Fee Fund, Homeownership and Housing Fund, CDBG Fund, Home Grant Fund, Housing Assistance Payment Fund, Transit System Fund, TIF/TIRZ #3 Fund, Economic Development Fund, TIF/TIRZ #4 Fund, Tourism & Convention Fund, Airport Passenger Facility Fund, Rainy Day Fund, Fair Plaza Fund, Grant 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 \$86,233,641. 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, 2021, neither the general fund nor any major special revenue fund had expenditures in excess of appropriations.

C. Deficit Fund Equity

As of September 30, 2021, no funds had a deficit in net position.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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, 2021, are as follows:

Statement of net position:

Primary government	
Cash and cash equivalents	\$ 68,188,371
Temporarily restricted cash and cash equivalents	84,047,869
Permanently restricted cash and cash equivalents	3,171,064
Fiduciary funds	
Cash and cash equivalents	6,822,168
Investments	<u>102,102,396</u>
Total cash and investments	<u><u>\$ 264,331,868</u></u>
Cash on hand	\$ 13,032
Savings and checking accounts	51,847,422
Cash and cash equivalents held in investment accounts	2,718,269
Investments	<u>209,753,145</u>
Total cash and investments	<u><u>\$ 264,331,868</u></u>

Custodial Credit Risk – Deposits – At September 30, 2021, the City held several bank accounts, including a NOW interest bearing account, at one financial institution. The City's bank balances totaled \$35,608,706. 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 fair value of pledged securities in excess of 102% of all uninsured deposits.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

A. Deposits and Investments – continued

Investments are stated at fair value or amortized costs, which approximates fair value. As of September 30, 2021, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Risk
Primary Government			
Certificates of deposit	\$ 79,460,011	1.08	N/A
Texas government investment pool	<u>28,190,738</u>	0.09	AAAm
Total Primary Government	<u>107,650,749</u>		
Fiduciary Funds			
Equities	56,011,026	N/A	N/A
Mutual Funds	18,203,745	N/A	N/A
Fixed income	26,914,147	N/A	N/A
Real estate investment trust	<u>973,478</u>	N/A	N/A
Total Fiduciary Funds	<u>102,102,396</u>		
Total Reporting Entity	<u>\$ 209,753,145</u>		
Portfolio weighted average maturity (years)		0.82	

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.

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 fair 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.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

A. Deposits and Investments – continued

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, 2021 are as follows:

	Assets at fair value as of September 30, 2021			
	Level 1	Level 2	Level 3	Total
Primary government:				
Certificates of deposit	\$ -	\$ 79,460,011	\$ -	\$ 79,460,011
Texas government investment pool	-	28,190,738	-	28,190,738
Total Primary Government	-	107,650,749	-	107,650,749
Fiduciary funds:				
Equities	56,011,026	-	-	56,011,026
Mutual funds	18,203,745	-	-	18,203,745
Fixed income	-	26,914,147	-	26,914,147
Real estate investment trust	-	973,478	-	973,478
Total Fiduciary Funds	74,214,771	27,887,625	-	102,102,396
Total reporting entity	\$ 74,214,771	\$ 135,538,374	\$ -	\$ 209,753,145

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 Fund	One-Half Cent Sales Tax Fund	Utilities Fund	Sanitation Fund	Airport Fund	Non-Major Governmental Funds	Internal Service Funds	Total
Accounts	\$ 19,836,530	\$ -	\$ 6,672,319	\$ 2,578,712	\$ 568,512	\$ 499,095	\$ 139,466	\$ 30,294,634
Interest	-	-	5,489	-	225	-	-	5,714
Grants	6,921	-	-	-	-	900,352	-	907,273
Taxes	9,053,448	3,145,532	-	-	-	-	-	12,198,980
Miscellaneous	10,311	6,086	-	-	-	-	-	16,397
Gross receivables	28,907,210	3,151,618	6,677,808	2,578,712	568,737	1,399,447	139,466	43,422,998
Less: Allowance for uncollectibles	(7,281,492)	-	(198,597)	(64,209)	-	-	-	(7,544,298)
Net total receivables	\$ 21,625,718	\$ 3,151,618	\$ 6,479,211	\$ 2,514,503	\$ 568,737	\$ 1,399,447	\$ 139,466	\$ 35,878,700

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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

C. Lindsey Trust Fund – continued

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 of Tyler, Texas. Ordinary distributions to the City of Tyler shall be made from the Fund once per calendar year in the amount requested by the City of Tyler 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 of Tyler 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, 2021, the net appreciation on investments of the Fund was \$11,692.

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, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 17,684,384	\$ 306,364	\$ (852,106)	\$ 17,138,642
Construction in progress	20,447,181	18,998,634	(24,536,356)	14,909,459
Total capital assets, not being depreciated	38,131,565	19,304,998	(25,388,462)	32,048,101
Capital assets, being depreciated:				
Buildings	68,611,689	10,130,696	(2,671,069)	76,071,316
Improvements other than buildings	117,303,272	6,623,869	(405,123)	123,522,018
Machinery and equipment	76,462,824	6,433,898	(2,379,594)	80,517,128
Infrastructure	355,670,993	10,532,390	-	366,203,383
Total capital assets being depreciated	618,048,778	33,720,853	(5,455,786)	646,313,845
Less accumulated depreciation for:				
Buildings	(25,803,785)	(2,311,193)	2,335,591	(25,779,387)
Improvements other than buildings	(80,091,760)	(2,508,649)	65,436	(82,534,973)
Machinery and equipment	(56,025,325)	(5,442,813)	1,906,854	(59,561,284)
Infrastructure	(228,470,794)	(8,086,130)	-	(236,556,924)
Total accumulated depreciation	(390,391,664)	(18,348,785)	4,307,881	(404,432,568)
Total capital assets, being depreciated, net	227,657,114	15,372,068	(1,147,905)	241,881,277
Governmental activities capital assets, net	<u>\$ 265,788,679</u>	<u>\$ 34,677,068</u>	<u>\$ (26,536,367)</u>	<u>\$ 273,929,378</u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

D. Capital Assets – continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 11,792,909	\$ -	\$ -	\$ 11,792,909
Water rights	12,526,700	-	-	12,526,700
Construction in progress	27,162,229	5,880,736	(23,045,399)	9,997,566
Total capital assets, not being depreciated	51,481,838	5,880,736	(23,045,399)	34,317,175
Capital assets, being depreciated:				
Buildings	63,500,219	-	-	63,500,219
Improvements other than buildings	330,213,898	41,845,027	-	372,058,925
Machinery and equipment	15,862,759	1,604,620	(860,177)	16,607,202
Infrastructure	20,751,447	-	-	20,751,447
Total capital assets being depreciated	430,328,323	43,449,647	(860,177)	472,917,793
Less accumulated depreciation for:				
Buildings	(35,850,345)	(1,388,673)	-	(37,239,018)
Improvements other than buildings	(134,180,992)	(8,636,932)	-	(142,817,924)
Machinery and equipment	(10,047,710)	(1,267,099)	374,874	(10,939,935)
Infrastructure	(3,868,825)	(472,621)	-	(4,341,446)
Total accumulated depreciation	(183,947,872)	(11,765,325)	374,874	(195,338,323)
Total capital assets, being depreciated, net	246,380,451	31,684,322	(485,303)	277,579,470
Business-type activities capital assets, net	\$ 297,862,289	\$ 37,565,058	\$ (23,530,702)	\$ 311,896,645

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

Governmental activities:	
General government	\$ 775,485
Public safety	1,982,013
Highways and streets, including depreciation of general infrastructure assets	9,428,600
Public services	709,640
Culture and recreation	1,073,681
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	4,379,366
Total depreciation expense - governmental activities	<u>\$ 18,348,785</u>
Business-type activities:	
Utilities	\$ 8,341,554
Sanitation	647,406
Airport	2,776,365
Total depreciation expense - business-type activities	<u>\$ 11,765,325</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, 2021, total water rights were \$12,526,700. Management believes there is no impairment in the value of the water rights at September 30, 2021.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

D. Capital Assets – continued

Construction Commitments

As of September 30, 2021, 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
Hidden Palace Construction	\$ 808,932	\$ 425,471
Woldert Park ADA Renovation	837,412	43,732
Bryanmar Court Drainage Improvements	421,274	5,992
College Ave Utility Improvements	778,082	136,027
Arbor Oaks Drainage & Street Improvements	1,530,481	185,692
Martin Luther King, Jr Blvd Improvements	978,305	550,190
2020 Asphalt Enhancement (Overlay)	4,038,354	265,243
Holly Park Drainage	-	434,761
2021 Asphalt Enhancement (Overlay)	1,627,352	2,520,583
Melinda/Donna Street Reconstruction	498,761	798,934
Three Lakes Parkway Extension	802,926	118,074
Cloverdale Drainage	-	3,356,266
Cambridge Road Drainage	2,089,242	6,407,596
Pabst-Bow Storm Sewer	371,176	3,421
Flat Rock Creek Drainage	557,264	23,895
Briarwood Drainage	92,408	47,268
Golden Road Filter Rehab	2,071,998	369,319
Southside WWTP Improvements	2,938,445	1,856,355
Bascom Road Waterline Project	710,663	155,658
Group 3: Pipe Rehabilitation (IPR)	714,804	1,777,209
Group 3: Remedial Measures	271,485	11,701,436
Group 3: Pipe Rehabilitation (Lopez)	39,064	1,885,206
Eastern Seal Package	652,582	365,810
Point Repairs	2,520,198	275,354
Pipe Bursting	1,551,105	568,406
Group 2 Traditional Pipe Rehabilitation	2,010,782	2,327,322
RW 4-22 Project 4	10,710,656	396,180
Charlie Foxtrot Taxiway	8,302,398	75,152
Airport Security Fencing Construction	662,478	1,316,318
TOTAL	\$ 48,588,627	\$ 38,392,870

The above projects are funded by resources held in the One-Half Cent Sales Tax Fund, 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.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

E. Interfund Receivables, Payables, and Transfers - continued

The composition of interfund balances as of September 30, 2021, is as follows:

Receivable Fund	Payable Fund	Amount
Utilities Fund	General Fund	\$ 1,311,804

Interfund transfers are made in accordance with the City's adopted budget or through approvals to meet unexpected operating needs.

The composition of interfund transfers as of September 30, 2021, is as follows:

	Transfer In					Total
	General Fund	Nonmajor Governmental Funds	Airport Enterprise Funds	Sanitation Enterprise Funds	Internal Service Funds	
Transfers Out:						
General Fund	\$ -	\$ 4,821,542	\$ -	\$ -	\$ 671,304	\$ 5,492,846
One-Half Cent Sales Tax Fund	-	-	31,257	-	-	31,257
Nonmajor Governmental Funds	2,363,500	-	150,000	-	24,996	2,538,496
Debt Service Funds	-	2,436	-	-	-	2,436
Utilities Enterprise Funds	-	174,996	-	-	770,652	945,648
Airport Enterprise Funds	-	-	-	-	37,000	37,000
Sanitation Enterprise Funds	-	787,819	-	-	575,652	1,363,471
Internal Service Funds	-	-	-	-	-	-
Totals	\$ 2,363,500	\$ 5,786,793	\$ 181,257	\$ -	\$ 2,079,604	\$ 10,411,154

F. Leases

Operating Leases

The City leases various types of equipment under annual cancelable (termination clause) operating leases.

Capital Leases

The City has entered into various lease agreements as the lessee for financing the acquisition of a telephone system, fire trucks, radio equipment and multiple computer and copier purchases. The lease agreements qualify as capital leases for accounting purposes, the assets acquired through the capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$ 15,463,872
Less: Accumulated depreciation	(13,362,795)
	\$ 2,101,077

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

F. Leases - continued

The future minimum lease obligations as of September 30, 2021, were as follows:

<u>Year ending September 30</u>	<u>Governmental Activities</u>
2022	\$ 336,580
2023	249,051
2024	157,994
2025	157,995
2026	-
Thereafter	-
Total amount of minimum lease payments	<u>901,620</u>
Less: amount representing interest	<u>(48,400)</u>
Present value of minimum lease payments	<u><u>\$ 853,220</u></u>

G. 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 \$122,230,000 with maturities ranging from 2027 to 2051.

Revenue bonds currently outstanding are as follows:

<u>Issue</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 2012	Water and sewer refunding	1.50 to 2.625%	790,000
Series 2013	Customer facility use	3.76%	630,000
Series 2015A	Water refunding and improvements	2.00 to 4.00%	6,840,000
Series 2015B	Water and sewer refunding	2.00 to 5.00%	12,320,000
Series 2017A	Water and sewer refunding	3.00 to 4.00%	3,200,000
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%	7,580,000
Series 2018B	Water and sewer revenue	3.00%	6,605,000
Series 2019A	Water and sewer revenue	2.00 to 5.00%	19,095,000
Series 2020	Water and sewer revenue	2.00 to 3.00%	5,055,000
Series 2021	Water and sewer revenue	2.00 to 5.00%	26,875,000
Series 2021	Rose Complex revenue	4.00%	9,200,000
Total outstanding bonds			<u><u>\$ 106,140,000</u></u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

G. Long-term debt – continued

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

Year ending September 30	Principal	Interest	Total
2022	\$ 4,820,000	\$ 3,843,830	\$ 8,663,830
2023	5,315,000	3,393,541	8,708,541
2024	5,485,000	3,210,795	8,695,795
2025	5,685,000	3,020,309	8,705,309
2026	5,905,000	2,802,935	8,707,935
2027-2031	28,300,000	10,325,043	38,625,043
2032-2036	17,850,000	5,934,455	23,784,455
2037-2041	11,825,000	3,722,378	15,547,378
Thereafter	20,955,000	2,708,131	23,663,131
	<u>\$ 106,140,000</u>	<u>\$ 38,961,417</u>	<u>\$ 145,101,417</u>

Cash in the amount of \$2,480,086 is restricted at September 30, 2021 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.

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance 10/1/2020	Additions	Reductions	Ending Balance 9/30/2021	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Revenue bonds payable	\$ -	\$ 9,200,000	\$ -	\$ 9,200,000	\$ 130,000	\$ 9,070,000
Bond premium/(discount)	-	1,658,936	-	1,658,936	-	1,658,936
Claims and judgements	100,000	-	-	100,000	100,000	-
Capital leases	1,621,501	451,473	1,219,754	853,220	313,914	539,306
Net pension liability	64,363,654	-	6,981,817	57,381,837	-	57,381,837
Net OPEB liability	12,431,633	-	1,031,109	11,400,524	-	11,400,524
Compensated absences	19,438,098	-	2,838,737	16,599,361	589,905	16,009,456
Governmental activities						
Long-term liabilities	<u>\$ 97,954,886</u>	<u>\$ 11,310,409</u>	<u>\$ 12,071,417</u>	<u>\$ 97,193,878</u>	<u>\$ 1,133,819</u>	<u>\$ 96,060,059</u>
Business-Type Activities:						
Revenue bonds payable	\$ 73,645,000	\$ 26,875,000	\$ 3,580,000	\$ 96,940,000	\$ 4,690,000	\$ 92,250,000
Bond premium/(discount)	4,732,410	1,289,802	693,976	5,328,236	-	5,328,236
Capital leases	51,691	-	51,691	-	-	-
Net pension liability	9,865,138	-	951,625	8,913,513	-	8,913,513
Net OPEB liability	4,547,605	-	380,978	4,166,627	-	4,166,627
Compensated absences	868,917	16,224	-	885,141	44,257	840,884
Business-Type Activities						
Long-Term Liabilities	<u>\$ 93,710,761</u>	<u>\$ 28,181,026</u>	<u>\$ 5,658,270</u>	<u>\$ 116,233,517</u>	<u>\$ 4,734,257</u>	<u>\$ 111,499,260</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 capital leases will be liquidated by the General and Technology Funds. The net pension and other post-employment benefits 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 other post-employment benefits expenses in each fund.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

G. Long-term debt – continued

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 \$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, 2021, \$22,810,000 of bonds outstanding are considered defeased. The issues and amounts of outstanding defeased bonds are as follows:

<u>Bond Issue</u>	<u>Year Refunded</u>	<u>Outstanding</u>
Series 2017A Water and Sewer System Refunding Bonds	2008	\$ 3,200,000
Series 2017B Water and Sewer System Refunding Bonds	2009	7,950,000
Series 2018B Water and Sewer System Refunding Bonds	2009	6,605,000
Series 2020A Water and Sewer System Refunding Bonds	2011	<u>5,055,000</u>
Total Bonds Defeased		<u>\$ 22,810,000</u>

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 \$5,000 per occurrence; \$100,000 for claims involving flood and earthquake; \$50,000 for claims involving wind/hail damage, automobile liability, general liability, employment practices liability, law enforcement liability, and management liability; and \$0 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 \$450,000 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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

A. Risk management - continued

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 the City's self-funded prescription drug card plan and the Medicare Supplement Insurance Program. The retiree hired before January 1, 1997 pay 40% and their dependent pays 70% of the current premiums. The City pays the remainder. Retirees hired after January 1, 1997 pay the full cost of the prescription card program and Medicare supplement. The insurance provider for the Medicare Supplement Plan processes and pays health claims. A third-party administrator administers prescription claims and payments.

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.

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 amount of three times their annual salary up to a maximum of \$130,000, whichever is less. Additional coverage is available up to \$30,000 not to exceed 50% of the employee's covered amount once the employee has purchased a minimum of \$40,000 in personal supplemental insurance. Dependent children's coverage is also available for purchase by the employee in the amounts of \$5,000 or \$10,000 once the employee has purchased \$40,000 in personal supplemental insurance.

For employees actively at work, benefit amounts reduce to 65% of original coverage at age 65, 50% of original coverage at age 70, and to 30% of original coverage at age 75 for both personal and spouse life coverage. Supplemental life coverage is eligible for portability. The insurance provider processes and pays life insurance claims.

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, 2021, was \$100,000. See Note 4G for a reconciliation of changes in claims and judgments.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

B. Contingent liabilities - continued

The City's self-insurance program is described in Note 5A. The following is a reconciliation of the changes in the estimated liabilities for claims payable within 90 days for the years ended September 30, 2021 and 2020:

Fund	Insurance Claims Payable At Beginning of Year	Current Year Claims and Changes In Estimates	Actual Claim Payments	Insurance Claims Payable At End of Year
Employee Benefits Fund				
FYE 2020	\$ 242,875	\$ 9,779,016	\$ 9,401,754	\$ 620,137
FYE 2021	620,137	10,280,254	10,483,951	416,440
Retiree Benefits Fund				
FYE 2020	\$ 216,268	\$ 1,366,905	\$ 1,530,373	\$ 52,800
FYE 2021	52,800	1,438,425	1,451,124	40,101

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, 2021, the City budgeted funding of \$200,000 for the District. The City's equity interest in the District at September 30, 2021 is \$3,674,577. The Health District's total fund balance at September 30, 2021 was approximately \$5.7 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 fair value and carrying value of deferred compensation plan assets is \$30,131,460 for September 30, 2021.

E. Pension Plans

1. TMRS 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 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.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

E. Pension Plans - continued

Firefighters are covered by a separate pension plan (see Note 5E:2); therefore, they are not included in the TMRS 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.tmrs.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.

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 2020</u>	<u>Plan Year 2019</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	20 years at any age, 5 years at age 60 and above	20 years at any age, 5 years at age 60 and above
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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Inactive employees or beneficiaries currently receiving benefits	600	584
Inactive employees entitled to but not yet receiving benefits	316	300
Active employees	<u>701</u>	<u>684</u>
	<u><u>1,617</u></u>	<u><u>1,568</u></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 21.23% and 21.37% in calendar years 2019 and 2020, respectively.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

E. Pension Plans - continued

The City's contributions to TMRS for the year ended September 30, 2021, were \$8,631,602, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

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

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).

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

E. Pension Plans - continued

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	20.00%	5.77%
Non-Core Fixed Income	30.00%	5.23%
Global Public Equity	10.00%	9.09%
Real Estate	10.00%	4.44%
Real Return	10.00%	4.13%
Absolute Return	10.00%	6.13%
Private Equity	10.00%	20.43%
Cash Equivalents	0.00%	1.45%
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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance as of December 31, 2019	\$ 260,225,644	\$ 213,401,161	\$ 46,824,483
Changes for the year:			
Service cost	6,538,350	-	6,538,350
Interest	17,359,476	-	17,359,476
Change of benefit terms	-	-	-
Difference between expected and actual experience	(159,058)	-	(159,058)
Changes of assumptions	-	-	-
Contributions - employer	-	8,375,887	(8,375,887)
Contributions - employee	-	2,801,479	(2,801,479)
Net investment income	-	16,195,750	(16,195,750)
Benefit payments, including refunds of employee contributions	(12,634,794)	(12,634,794)	-
Administrative expense	-	(104,816)	104,816
Other changes	-	(4,089)	4,089
Net changes	<u>11,103,974</u>	<u>14,629,417</u>	<u>(3,525,443)</u>
Balance as of December 31, 2020	<u>\$ 271,329,618</u>	<u>\$ 228,030,578</u>	<u>\$ 43,299,040</u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

E. Pension Plans - continued

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%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 80,985,107	\$ 43,299,040	\$ 12,346,921

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, 2021, the City recognized pension expense of \$3,777,100.

At September 30, 2021, 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	\$ -	\$ 978,219
Changes in actuarial assumptions	155,294	-
Difference between projected and actual investment earnings	-	6,065,137
Contributions subsequent to the measurement date	6,401,125	-
Total	\$ 6,556,419	\$ 7,043,356

\$6,401,125 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, 2022. 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	
2021	\$ (2,882,474)
2022	(5,969)
2023	(3,641,383)
2024	(358,236)
2025	-
Thereafter	-
	<u>\$ (6,888,062)</u>

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

2. Tyler Firefighters' Relief and Retirement Fund

Plan Description

The City contributes to the retirement plan for firefighters in the Tyler Fire Department. TFRRF is a single employer, contributory, defined benefit plan. The benefit provisions of TFRRF 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 TFRRF. The City does not have access to, nor can it utilize assets within the retirement plan trust. TFRRF issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing TFRRF at 1718 West Houston, Tyler, Texas 75702.

TFRRF 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 TFRRF 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 or more 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 he had terminated employment on his selected RETRO DROP benefit calculation date, which is no earlier than the later of the date he meets the RETRO DROP eligibility requirements and the date preceding the date he retires 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 his monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to TFRRF 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 he 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.

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

Members Covered by TFRRF

In the December 31, 2019 actuarial valuation, the following numbers of members were covered by TFRRF:

Retirees and beneficiaries currently receiving benefits	114
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>159</u>
	<u><u>273</u></u>

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

E. Pension Plans – continued

Contribution Policy

The contribution provisions of TFRRF 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 contribution policy of TFRRF requires contributions equal to 13.5% 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 TFRRF’s board of trustees. The city’s contribution rate to TFRRF is the same percentage of payroll that the city contributes to the TMRS for other employees each calendar year. The actual city contribution rate was 20.92% in 2018 and 21.12% in 2019. In late 2020, the city agreed in principle to a new contribution policy which will gradually phase in from a 21.23% contribution rate in 2020 to the ultimate rate of 23% beginning in 2025. The December 31, 2019 actuarial valuation includes the assumption that the city contribution rate will be according to this new policy and continue to be the ultimate 23% over the remainder of the unfunded liability amortization period. The costs of administering the plan are paid from TFRRF assets.

Ultimately, the contribution policy also depends upon the total return of TFRRF’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. For the year ended December 31, 2020, the money-weighted rate of return on pension plan investments was 13.54%. 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 TFRRF 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.

Net Pension Liability

The City of Tyler’s net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of December 31, 2019.

Total pension liability	\$ 104,050,966
Plan fiduciary net position	81,054,656
City's net pension liability	\$ 22,996,310
Plan fiduciary net position as a	
percentage of the total pension liability	77.9%

Actuarial Method and Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%	
Salary increases	3.0%, plus promotion, step and longevity increases that vary by service	
Investment rate of return	7.25%, net of pension plan investment expense, including inflation	

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

E. Pension Plans - continued

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 4.25%) and by adding expected inflation (3.0%). In addition, the final 7.25% assumption was selected by rounding down. 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%	5.90%
Small cap domestic	6.00%	5.97%
International developed	7.00%	6.50%
International developing	5.00%	7.25%
Alternatives		
Real estate	5.00%	3.80%
Commodities	5.50%	1.10%
Fixed income		
Domestic core	19.30%	1.85%
Domestic high yield	4.00%	2.73%
Domestic bank loan	3.70%	2.24%
Global	5.00%	1.66%
Cash	1.50%	0.25%
Total	100.00%	
Weighted Average		4.28%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. No projection of cash flows was used to determine the discount rate because the December 31, 2019 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 29 years. Because of the 29-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 7.25% 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 7.25%, compared to what the city's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

E. Pension Plans - continued

	1% Decrease in Discount Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
City's net pension liability	\$ 35,209,086	\$ 22,996,310	\$ 12,522,434

Plan Fiduciary Net Position

The plan fiduciary net position reported above is the same as reported by TFRRF. Detailed information about the plan fiduciary net position is available in TFRRF'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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance as of September 30, 2020	\$ 101,976,879	\$ 74,572,570	\$ 27,404,309
Changes for the year:			
Service cost	2,548,466	-	2,548,466
Interest	7,296,397	-	7,296,397
Difference between expected and actual experience	-	-	-
Contributions by the City	-	2,708,618	(2,708,618)
Firefighter contributions	-	1,722,252	(1,722,252)
Net investment income	-	9,868,054	(9,868,054)
Benefit payments	(7,770,776)	(7,770,776)	-
Administrative expenses	-	(46,062)	46,062
Assumption changes	-	-	-
Other changes	-	-	-
Net changes	2,074,087	6,482,086	(4,407,999)
Balance as of September 30, 2021	\$ 104,050,966	\$ 81,054,656	\$ 22,996,310

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

For the year ended September 30, 2021, the city's GASB 68 pension expense was \$1,875,889. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

E. Pension Plans - continued

Components of Pension Expense for the Fiscal Year Ended September 30, 2021:

Components of Pension Expense	
Service cost	\$ 2,548,466
Interest	7,296,397
Firefighter contributions	(1,722,252)
Projected earnings on pension plan investments	(5,283,770)
Amortization of differences between projected and actual earnings on plan investments	(1,503,809)
Amortization of changes of assumptions	807,851
Amortization of differences between expected and actual experience	(313,056)
Pension plan administrative expenses	46,062
Changes in benefit provisions	-
Total pension expense	<u>\$ 1,875,889</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	\$ 58,449	\$ 1,967,027
Changes in actuarial assumptions	4,609,411	-
Difference between projected and actual investment earnings	-	5,118,251
Contributions subsequent to the measurement date	1,972,891	-
Total	<u>\$ 6,640,751</u>	<u>\$ 7,085,278</u>

\$1,972,891 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, 2022. 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	
2022	\$ (888,820)
2023	64,879
2024	(1,951,012)
2025	(540,317)
2026	370,477
Thereafter	527,375
Total	<u>\$ (2,417,418)</u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 (TMRS or TFRF) 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 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 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 January 1, 1997 must pay full cost of premiums to continue coverage upon retirement. 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 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.

Employees Covered by Benefit Terms

At the December 31, 2020 measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	486
Inactive employees entitled to but not yet receiving benefits	-
Active employees	823
	<hr/>
	1,309
	<hr/>

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

F. Post-Employment Benefits Other Than Pensions – continued

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 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, 2020. 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	\$ 54.17	\$ 10.64	\$ 5.96	\$ 6.65
Employee + Spouse	266.20	32.67	10.08	11.38
Employee + Child(ren)	235.24	37.87	10.73	12.07
Employee + Family	368.33	58.87	16.03	18.09

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, 2020, 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, 2019 biennial actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	TMRS: 3.50% to 11.50%, including inflation FIRE: 3.50% to 9.71%, including inflation
Healthcare cost trend rates	Initial rates of 7.00% declining to ultimate rates of 4.15% after 15 years

Salary increases were based on a service-related table obtained from either TMRS or TFRRF. 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 using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements and are applied before the 3.5% and 3% minimum mortality floors are applied. Per TFRRE, mortality rates for active members, retirees, and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected to 2024 using Scale AA for males and females.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

F. Post-Employment Benefits Other Than Pensions – continued

The demographic 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 ended 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, 2019.

Discount Rate

The discount rate used to measure the Total OPEB liability was 6.50%. 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 6.50%; the municipal bond rate is 2.00% (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 6.50%.

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.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balances as of September 30, 2020	\$ 27,826,933	\$ 13,882,366	\$ 13,944,567
Changes for the year:			
Service cost	597,389	-	597,389
Interest on the total OPEB liability	1,780,085	-	1,780,085
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(517,661)	-	(517,661)
Changes in assumptions	-	-	-
Employer contributions	-	2,119,542	(2,119,542)
Net investment income	-	1,709,041	(1,709,041)
Benefit payments	(1,479,405)	(1,479,405)	-
Administrative expenses	-	(35,395)	35,395
Other	-	-	-
Net Changes	380,408	2,313,783	(1,933,375)
Balances as of September 30, 2021	\$ 28,207,341	\$ 16,196,149	\$ 12,011,192

Sensitivity Analysis

The following presents the Net OPEB liability of the City, calculated using the discount rate of 6.50%, 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 (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

F. Post-Employment Benefits Other Than Pensions - continued

	1% Decrease in Discount Rate (5.50%)	Current Discount Rate (6.50%)	1% Increase in Discount Rate (7.50%)
Net OPEB Liability	\$ 14,145,708	\$ 12,011,192	\$ 10,083,803

The following presents the Net OPEB liability of the City, calculated using the assumed trend rates (6.50% declining to the ultimate rate of 4.25% after 15 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 (5.50% declining to the ultimate rate of 3.25% after 15 years) or 1-percentage-point higher (7.50% declining to the ultimate rate of 5.25% after 15 years) than the current rate:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ 9,982,582	\$ 12,011,192	\$ 14,328,238

OPEB Expense (Income)

For the year ended September 30, 2021, the City recognized OPEB income of \$585,618.

Components of OPEB Expense (Income)	
Service cost	\$ 597,389
Interest on total OPEB liability	1,780,085
Current-period benefit changes	-
Employee contributions	-
Projected earnings on OPEB plan investments	(922,008)
OPEB plan administrative expenses	35,395
Other changes in plan fiduciary net position	-
Recognition of current year outflow/(inflow) due to liabilities	(85,713)
Recognition of current year outflow/(inflow) due to assets	(157,407)
Amortization of prior year outflow/(inflow) due to liabilities	(1,724,696)
Amortization of prior year outflow/(inflow) due to assets	(108,663)
Total OPEB expense (income)	<u>\$ (585,618)</u>

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

At September 30, 2021, 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	\$ -	\$ 6,894,980
Changes in actuarial assumptions	-	318,008
Difference between projected and actual investment earnings	-	1,000,901
Contributions subsequent to the measurement date	591,763	-
Total	<u>\$ 591,763</u>	<u>\$ 8,213,889</u>

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

F. Post-Employment Benefits Other Than Pensions - continued

The City had \$591,763 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 ended September 30, 2021. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2021	\$ (2,076,478)
2022	(1,974,005)
2023	(2,224,240)
2024	(1,850,070)
2025	(85,713)
Thereafter	(3,383)
	\$ (8,213,889)

2. Supplemental Death Benefits Fund

Plan Description

The City also participates in a single-employer defined benefit group-term life insurance plan operated by the TMRS known as the 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.tmr.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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Inactive employees currently receiving benefits	474	461
Inactive employees entitled to but not yet receiving benefits	69	70
Active employees	701	684
	1,244	1,215

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

F. Post-Employment Benefits Other Than Pensions - continued

Contributions

The member city 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 2021, the total SDB contributions rate for the City was 0.33%, while the retiree portion of the SDB contribution was 0.23%. The City's contributions for the year ended September 30, 2021, were \$87,748 for the retiree portion, and \$125,899 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.

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Summary of Actuarial Assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount Rate*	2.00%
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, 2020.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

F. Post-Employment Benefits Other Than Pensions - continued

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.

Changes in the Total OPEB Liability

	Increase (Decrease)
	Total OPEB
	Liability
Balance as of December 31, 2019	\$ 3,034,671
Changes for the year:	
Service cost	115,476
Interest	84,548
Change of benefit terms	-
Difference between expected and actual experience	(85,897)
Changes of assumptions or other inputs	442,998
Benefit payments	(35,837)
Net changes	521,288
Balance as of December 31, 2020	\$ 3,555,959

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 2.00%, would be if it were calculated using a discount rate that is 1-percentage-point lowers (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

	1% Decrease in	Current	1% Increase in
	Discount Rate (1.00%)	Discount Rate (2.00%)	Discount Rate (3.00%)
Total OPEB Liability	\$ 4,290,725	\$ 3,555,959	\$ 2,982,257

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

F. Post-Employment Benefits Other Than Pensions - continued

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$346,437.

Components of OPEB Expense	
Service cost	\$ 115,476
Interest on total OPEB liability	84,548
Changes in benefit terms	-
Employer administrative costs	-
Recognition of deferred outflows/inflows of resources:	
Differences between expected and actual experience	(47,490)
Changes in assumptions or other inputs	193,903
Total OPEB expense	\$ 346,437

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

At September 30, 2021, 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	\$ -	\$ 142,341
Changes in actuarial assumptions	578,303	-
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	23,353	-
Total	\$ 601,656	\$ 142,341

The City had \$23,353 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, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2021	\$ 140,933
2022	112,908
2023	125,104
2024	57,017
2025	-
Thereafter	-
	\$ 435,962

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

G. Commitments

Effective April 10, 2017, the City entered into a ten-year agreement, known as a consent decree, with the U.S. Environmental Protection Agency (EPA) to make wastewater collection system upgrades and to enhance the City's existing programs for inspections, maintenance, and cleaning of the wastewater system. The City is required to submit periodic reports to the EPA and Texas Commission on Environmental Quality to ensure that compliance with the terms of the consent decree is maintained. The City is in compliance with the terms of the consent decree at September 30, 2021.

The City invested in other projects and contracts with outside parties. The more significant of these at September 30, 2021, 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 amount to be provided is estimated to be 50% of the annual supply. The parties have established a minimum annual and monthly take or pay volume and a surcharge to water taken above maximum day volume.

Reinvestment Zone agreement – The City has an agreement in which the City will reimburse Tyler Economic Development Council (TEDC) for the construction of Bennett Avenue, a public roadway in the City of Tyler Reinvestment Zone No. 1 (ZONE). After receiving the City's payments, TEDC will match the amount and contribute it to the ZONE for the purpose of paying for site work and construction costs for the addition to the Tyler Junior College Skills Training Center. The agreement provides that the City make contributions during each of the fiscal years in the amount of \$275,000.

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.

I. COVID-19

The outbreak of the coronavirus disease (COVID-19) was declared a pandemic by the World Health Organization. Additionally, the Governor declared a state of disaster for the State of Texas on March 13, 2020. On global, national, state, and local levels, economic disruptions have occurred due to the pandemic.

While the ultimate impact of the COVID-19 pandemic on the amount and timing of collections of City revenues cannot be determined with certainty, the net effect of the pandemic on the City's position as of September 30, 2021 is not considered to be significant.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

I. COVID-19 - continued

As of September 30, 2021, The City had received and expended approximately \$5.9 million in funding from the Coronavirus Relief Fund and \$2.5 million in CARES Act funding for Airport, Transit, and Housing. These funds were primarily expended, as allowed, to pay the salaries and benefits of first responders employed by the City. Additionally, the City received \$10.1 million in Coronavirus State and Local Fiscal Recovery Funds as part of the American Rescue Plan Act in 2021. These funds were not spent as of September 30, 2021 and are considered unearned revenues until spent.

The City also adopted the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in consideration of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. This pronouncement did not impact the preparation of these financial statements.

J. Subsequent Events

Subsequent events were evaluated through March 16, 2022, 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, 2021

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
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
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
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)
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)
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
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
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>
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
Contributions - Employee	2,227,512	2,327,022	2,388,648	2,420,194	2,438,458	2,539,876	2,801,479
Net Investment Income	8,776,879	238,696	10,912,920	23,797,094	(5,816,547)	28,874,055	16,195,750
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)
Administrative Expense	(91,634)	(145,395)	(123,252)	(123,321)	(112,418)	(163,154)	(104,816)
Other	(7,534)	(7,181)	(6,641)	(6,250)	(5,873)	(4,901)	(4,089)
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
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
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>
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>
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%
Covered Payroll	\$ 31,816,401	\$ 33,222,301	\$ 34,080,198	\$ 34,542,306	\$ 34,783,842	\$ 36,281,338	\$ 39,817,416
Net Pension Liability as a Percentage of Covered Payroll	158.98%	181.13%	175.66%	137.47%	183.57%	129.06%	108.74%

Notes to Schedule:

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 CONTRIBUTIONS
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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
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>
Contribution deficiency (overpayment)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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
Contributions as a percentage of covered payroll	20.94%	21.09%	20.75%	20.72%	20.71%	20.85%	20.97%	21.03%

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: 24 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 the 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.

Notes to Schedule:
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
FIREFIGHTERS' RELIEF AND RETIREMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
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
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
Changes in benefit terms	-	-	-	-	158,198	-	-
Difference between expected and actual results	-	198,165	-	(1,038,495)	-	(1,839,950)	-
Change of assumptions	-	808,186	-	1,214,295	-	4,861,656	-
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)
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
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
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>
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
Contributions - Employee	1,522,493	1,555,182	1,512,916	1,549,098	1,568,701	1,605,481	1,722,252
Net Investment Income	2,403,790	(2,891,814)	5,091,311	9,480,792	(4,565,736)	12,119,485	9,868,054
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)
Administrative Expense	(53,740)	(30,035)	(54,206)	(15,132)	(35,836)	(15,903)	(46,062)
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
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
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>
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>
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%
Covered Payroll	\$ 11,272,803	\$ 11,519,867	\$ 11,206,785	\$ 11,474,800	\$ 11,620,007	\$ 11,892,452	\$ 12,757,422
Net Pension Liability as a Percentage of Covered Payroll	152.31%	222.08%	226.82%	184.64%	267.64%	230.43%	180.26%

Notes to Schedule:

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 CONTRIBUTIONS
FIREFIGHTERS' RELIEF AND RETIREMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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
Contributions in relation to the actuarially determined contributions	<u>2,402,466</u>	<u>2,448,625</u>	<u>2,442,540</u>	<u>2,189,346</u>	<u>2,620,919</u>	<u>2,487,004</u>	<u>2,578,616</u>	<u>2,697,932</u>
Contribution deficiency (overpayment)	\$ -	\$ -	\$ 66,093	\$ 55,011	\$ 20,003	\$ 38,742	\$ -	\$ (1,865)
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
Contributions as a percentage of covered payroll	21.31%	21.28%	20.42%	20.42%	20.77%	20.75%	21.20%	21.35%

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: 29 years
 - Inflation: 3.0%
 - Salary Increases: 3.0%, plus promotion, step and longevity increases that vary by service
 - Investment Rate of Return: 7.25%, 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: PubS-2010 total dataset mortality tables for employees and retirees (sex distinct), projected generationally using projection scale MP-2019.
 - Other Information: There were no benefit changes during the year.
- Notes to Schedule:
 - 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, 2021

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
Total OPEB liability				
Service Cost	\$ 617,273	\$ 656,975	\$ 660,205	\$ 597,389
Interest (on the Total OPEB Liability)	2,303,993	2,317,569	2,329,351	1,780,085
Difference between expected and actual experience	-	(736,059)	(9,134,915)	(517,661)
Change of assumptions	-	-	(477,666)	-
Benefit payments	(3,459,056)	(2,005,477)	(2,112,205)	(1,479,405)
Net Change in Total OPEB Liability	(537,790)	233,008	(8,735,230)	380,408
Total OPEB Liability - Beginning	36,866,945	36,329,155	36,562,163	27,826,933
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>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 6,125,793	\$ 2,880,184	\$ 3,188,005	\$ 2,119,542
OPEB plan net investment income	1,042,478	(539,956)	2,019,451	1,709,041
Benefit payments	(3,459,056)	(2,005,477)	(2,112,205)	(1,479,405)
OPEB plan administrative Expense	(23,966)	(29,550)	(37,313)	(35,395)
Net Change in Plan Fiduciary Net Position	3,685,249	305,201	3,057,938	2,313,783
Plan Fiduciary Net Position - Beginning	6,833,978	10,519,227	10,824,428	13,882,366
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>
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>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	28.96%	29.61%	49.89%	57.42%
Covered Payroll	\$ 45,211,468	\$ 45,363,280	\$ 48,419,528	\$ 52,976,140
Net OPEB Liability as a Percentage of Covered Payroll	57.09%	56.74%	28.80%	22.67%

Notes to Schedule:

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 CONTRIBUTIONS
HEALTH PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 2,988,214	\$ 2,988,214	\$ 2,748,039	\$ 2,769,150
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>
Contribution excess	\$ (237,937)	\$ (141,054)	\$ (666,192)	\$ (652,219)
Covered payroll	\$ 44,647,862	\$ 48,416,755	\$ 50,375,986	\$ 53,826,836
Contributions as a percentage of covered payroll	7.23%	6.46%	6.78%	6.36%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: The actuarially determined contribution for fiscal year ending September 30, 2021 was developed in the December 31, 2017 valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Closed, 21 years as of FYE21
Asset Valuation Method	Fair Value
Investment Rate of Return	6.50%, net of investment expenses, including inflation
Inflation	2.50%
Salary Increases	TMRS: 3.50% to 10.50%, 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, 2014 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, 2017.
Mortality	TMRS: For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used 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. FIRE: RP-2000 Combined Healthy Mortality Table projected to 2024 using Scale AA for males and for females for all three types of mortality
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 4.35% after 15 years.

Notes to Schedule:

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
SUPPLEMENTAL DEATH BENEFITS PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
Total OPEB liability				
Service Cost	\$ 72,539	\$ 86,960	\$ 79,819	\$ 115,476
Interest	86,877	86,971	95,473	84,548
Difference between expected and actual experience	-	(27,611)	(111,448)	(85,897)
Change of assumptions and other inputs	190,285	(168,451)	451,855	442,998
Benefit payments	(27,634)	(27,827)	(29,025)	(35,837)
Net Change in Total OPEB Liability	322,067	(49,958)	486,674	521,288
Total OPEB Liability - Beginning	2,275,888	2,597,955	2,547,997	3,034,671
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>
Covered Payroll	\$ 34,542,306	\$ 34,783,842	\$ 36,281,338	\$ 39,819,429
Net OPEB Liability as a Percentage of Covered Payroll	7.52%	7.33%	8.36%	8.93%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Summary of Actuarial Assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount Rate*	2.00%
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, 2020.

Notes to Schedule:

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, 2021**

	GENERAL	DEVELOPMENT SERVICES	TOURISM AND CONVENTION	RAINY DAY	FAIR PARKING GARAGE	ELIMINATIONS	TOTAL GENERAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 9,325,610	\$ 1,917,584	\$ 378,935	\$ 11,172,522	\$ -	\$ -	\$ 22,794,651
Receivables (net of allowance for doubtful accounts) :							
Property taxes	623,684	-	-	-	-	-	623,684
Other	20,946,200	40,619	163	8,166	6,886	-	21,002,034
Due from other funds	1,922,731	-	-	-	-	(44,692)	1,878,039
Inventory	70,022	-	-	-	-	-	70,022
Prepaid items	101,850	1,123	-	-	-	-	102,973
Cash and cash equivalents - restricted	10,105,793	-	-	-	-	-	10,105,793
Total assets	\$ 43,095,890	\$ 1,959,326	\$ 379,098	\$ 11,180,688	\$ 6,886	\$ (44,692)	\$ 56,577,196
LIABILITIES							
Accounts payable	\$ 3,031,947	\$ 84,418	\$ 90,212	\$ -	\$ 1,119	\$ -	\$ 3,207,696
Due to other funds	-	-	-	-	44,692	(44,692)	-
Deposits and other refundable balances	35,766	982,252	1,885	5,000	-	-	1,024,903
Unearned revenue	10,134,723	-	-	-	-	-	10,134,723
Total liabilities	13,202,436	1,066,670	92,097	5,000	45,811	(44,692)	14,367,322
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	602,195	-	-	-	-	-	602,195
Unavailable revenue - fines	12,299,925	-	-	-	-	-	12,299,925
Unavailable revenue - permits	-	40,113	-	-	-	-	40,113
Total deferred inflows of resources	12,902,120	40,113	-	-	-	-	12,942,233
FUND BALANCES (DEFICITS)							
Restricted	10,105,793	-	-	-	-	-	10,105,793
Nonspendable:							
Inventory	70,022	-	-	-	-	-	70,022
Prepaid items	101,850	1,123	-	-	-	-	102,973
Assigned to:							
Development services	-	851,420	-	-	-	-	851,420
Capital improvements	-	-	-	-	(38,925)	-	(38,925)
Tourism and convention	-	-	287,001	-	-	-	287,001
Unassigned	6,713,669	-	-	11,175,688	-	-	17,889,357
Total fund balances (deficits)	16,991,334	852,543	287,001	11,175,688	(38,925)	-	29,267,641
Total liabilities, deferred inflows of resources, and fund balances	\$ 43,095,890	\$ 1,959,326	\$ 379,098	\$ 11,180,688	\$ 6,886	\$ (44,692)	\$ 56,577,196

CITY OF TYLER, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	GENERAL	DEVELOPMENT SERVICES	TOURISM AND CONVENTION	RAINY DAY	FAIR PARKING GARAGE	ELIMINATIONS	TOTAL GENERAL GOVERNMENTAL FUNDS
REVENUES							
Taxes:							
Property	\$ 23,382,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,382,982
Franchise	10,665,601	-	-	-	-	-	10,665,601
Sales and use	35,680,193	-	-	-	-	-	35,680,193
Licenses and permits	452,935	1,737,114	-	-	-	-	2,190,049
Revenues from other agencies	484,662	-	-	-	-	-	484,662
Fines, forfeitures and penalties	3,766,505	-	-	-	-	-	3,766,505
Revenues from use of money or property	225,906	12,033	71,839	60,160	2,650	-	372,588
Charges for current services	2,282,607	100,584	-	-	-	-	2,383,191
Miscellaneous	955,348	334,233	54,791	808,165	-	-	2,152,537
Total revenues	<u>77,896,739</u>	<u>2,183,964</u>	<u>126,630</u>	<u>868,325</u>	<u>2,650</u>	<u>-</u>	<u>81,078,308</u>
EXPENDITURES							
Current:							
General government	7,882,265	-	-	20,050	13,000	-	7,915,315
Public safety	50,754,293	-	-	-	-	-	50,754,293
Public services	1,102,050	1,888,679	-	-	-	-	2,990,729
Highways and streets	5,612,393	-	-	-	-	-	5,612,393
Culture and recreations	5,616,042	-	2,275,410	-	-	-	7,891,452
Capital outlay	68,971	-	35,135	288,428	-	-	392,534
Total expenditures	<u>71,036,014</u>	<u>1,888,679</u>	<u>2,310,545</u>	<u>308,478</u>	<u>13,000</u>	<u>-</u>	<u>75,556,716</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,860,725</u>	<u>295,285</u>	<u>(2,183,915)</u>	<u>559,847</u>	<u>(10,350)</u>	<u>-</u>	<u>5,521,592</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	28,575	-	2,363,500	3,454,435	-	(3,483,010)	2,363,500
Transfers out	(8,927,281)	-	(20,000)	-	(28,575)	3,483,010	(5,492,846)
Total other financing sources (uses)	<u>(8,898,706)</u>	<u>-</u>	<u>2,343,500</u>	<u>3,454,435</u>	<u>(28,575)</u>	<u>-</u>	<u>(3,129,346)</u>
Net change in fund balances	(2,037,981)	295,285	159,585	4,014,282	(38,925)	-	2,392,246
Fund balances - beginning of year	<u>19,029,315</u>	<u>557,258</u>	<u>127,416</u>	<u>7,161,406</u>	<u>-</u>	<u>-</u>	<u>26,875,395</u>
Fund balances - end of year	<u>\$ 16,991,334</u>	<u>\$ 852,543</u>	<u>\$ 287,001</u>	<u>\$ 11,175,688</u>	<u>\$ (38,925)</u>	<u>\$ -</u>	<u>\$ 29,267,641</u>

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 ***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 *Street Improvement Capital Projects 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, 2021

	SPECIAL REVENUE FUND										
	POLICE FORFEITURE	COURT SPECIAL FEE	ECONOMIC DEVELOPMENT	HOTEL-MOTEL OCCUPANCY TAX	DONATIONS	PASSENGER FACILITY CHARGE	PEG FEE	CDBG	HOME GRANT	HOMEOWNERSHIP AND HOUSING	HOUSING ASSISTANCE PAYMENT
ASSETS											
Equity in pooled cash and investments	\$ -	\$ -	\$ 347,794	\$ 5,801,569	\$ -	\$ 123,653	\$ 988,311	\$ -	\$ 152,519	\$ 427	\$ -
Accounts and grants receivable	137	19	91	425,713	-	96	56,215	298,682	-	-	8,597
Inventory	-	-	-	-	-	-	-	-	4,450	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
Cash - restricted	513,698	77,050	-	-	624,143	-	-	-	-	-	925,683
Total assets	513,835	77,069	347,885	6,227,282	624,143	123,749	1,044,526	298,682	156,969	427	934,280
LIABILITIES											
Accounts payable	6,593	31,625	-	3,504	9,524	-	634	7,031	113,899	-	56,888
Deposits and other refundable balances	42,342	-	-	-	-	-	-	-	(3,785)	-	120,345
Due to other funds	-	-	-	-	-	-	-	204,769	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	48,935	31,625	-	3,504	9,524	-	634	211,800	110,114	-	177,233
FUND BALANCES											
Nonspendable:											
Inventory	-	-	-	-	-	-	-	-	4,450	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-	-	-	-	-	-
Restricted for:											
Debt service	-	-	-	-	-	-	-	-	-	-	-
Public safety	464,900	45,444	347,885	-	-	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-	-	-	-	-	-
Tourism and convention	-	-	-	6,223,778	-	-	-	-	-	-	-
Donor restrictions	-	-	-	-	614,619	-	-	-	-	-	-
Airport improvements	-	-	-	-	-	123,749	-	-	-	-	-
Communications	-	-	-	-	-	-	1,043,892	-	-	-	-
Housing assistance	-	-	-	-	-	-	-	-	-	427	757,047
Grant restrictions	-	-	-	-	-	-	-	86,882	42,405	-	-
Assign to:											
Capital projects	-	-	-	-	-	-	-	-	-	-	-
Cemetery maintenance	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	464,900	45,444	347,885	6,223,778	614,619	123,749	1,043,892	86,882	46,855	427	757,047
Total liabilities and fund balances	\$ 513,835	\$ 77,069	\$ 347,885	\$ 6,227,282	\$ 624,143	\$ 123,749	\$ 1,044,526	\$ 298,682	\$ 156,969	\$ 427	\$ 934,280

**CITY OF TYLER, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021**

	<u>SPECIAL REVENUE FUND</u>				<u>CAPITAL PROJECTS FUND</u>		<u>DEBT SERVICE FUND</u>	<u>PERMANENT FUND</u>	TOTAL NON-MAJOR GOVERNMENTAL FUNDS	
	STATE AND FEDERAL GRANTS	TRANSIT SYSTEM	TIF / TIRZ #3 FUND	TIF / TIRZ #4 FUND	TOTAL SPECIAL REVENUE	GENERAL CAPITAL PROJECTS	STREET PROJECTS	ROSE COMPLEX DEBT SERVICE		CEMETERIES
ASSETS										
Equity in pooled cash and investments	\$ -	\$ -	\$ 623,029	\$ 8,190	\$ 8,045,492	\$ 2,296,252	\$ 626,673	\$ 2,437	\$ 26,152	\$ 10,997,006
Accounts and grants receivable	97,157	504,513	199	6,922	1,398,341	-	264	-	842	1,399,447
Inventory	-	-	-	-	4,450	-	-	-	-	4,450
Prepaid items	450	-	-	-	450	-	-	-	-	450
Cash - restricted	-	100	-	-	2,140,674	9,100,807	-	-	3,171,064	14,412,545
Total assets	<u>97,607</u>	<u>504,613</u>	<u>623,228</u>	<u>15,112</u>	<u>11,589,407</u>	<u>11,397,059</u>	<u>626,937</u>	<u>2,437</u>	<u>3,198,058</u>	<u>26,813,898</u>
LIABILITIES										
Accounts payable	6,346	139,810	-	-	375,854	1,089,662	163,017	-	10,309	1,638,842
Deposits and other refundable balances	-	-	-	-	158,902	-	-	-	-	158,902
Due to other funds	90,432	309,609	-	-	604,810	-	-	-	-	604,810
Unearned revenue	829	-	-	-	829	-	-	-	-	829
Total Liabilities	<u>97,607</u>	<u>449,419</u>	<u>-</u>	<u>-</u>	<u>1,140,395</u>	<u>1,089,662</u>	<u>163,017</u>	<u>-</u>	<u>10,309</u>	<u>2,403,383</u>
FUND BALANCES										
Nonspendable:										
Inventory	-	-	-	-	4,450	-	-	-	-	4,450
Permanent fund principal	-	-	-	-	-	-	-	-	3,171,906	3,171,906
Restricted for:										
Debt service	-	-	-	-	-	-	-	2,437	-	2,437
Public safety	-	-	-	-	858,229	-	-	-	-	858,229
Capital improvements	-	-	623,228	15,112	638,340	9,100,807	-	-	-	9,739,147
Tourism and convention	-	-	-	-	6,223,778	-	-	-	-	6,223,778
Donor restrictions	-	-	-	-	614,619	-	-	-	-	614,619
Airport improvements	-	-	-	-	123,749	-	-	-	-	123,749
Communications	-	-	-	-	1,043,892	-	-	-	-	1,043,892
Housing assistance	-	-	-	-	757,474	-	-	-	-	757,474
Grant restrictions	-	55,194	-	-	184,481	-	-	-	-	184,481
Assign to:										
Capital projects	-	-	-	-	-	1,206,590	463,920	-	-	1,670,510
Unassigned	-	-	-	-	-	-	-	-	15,843	15,843
Total fund balances	<u>-</u>	<u>55,194</u>	<u>623,228</u>	<u>15,112</u>	<u>10,449,012</u>	<u>10,307,397</u>	<u>463,920</u>	<u>2,437</u>	<u>3,187,749</u>	<u>24,410,515</u>
Total liabilities and fund balances	<u>\$ 97,607</u>	<u>\$ 504,613</u>	<u>\$ 623,228</u>	<u>\$ 15,112</u>	<u>\$ 11,589,407</u>	<u>\$ 11,397,059</u>	<u>\$ 626,937</u>	<u>\$ 2,437</u>	<u>\$ 3,198,058</u>	<u>\$ 26,813,898</u>

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, 2021

SPECIAL REVENUE FUND

	POLICE FORFEITURE	COURT SPECIAL FEE	ECONOMIC DEVELOPMENT	MOTEL OCCUPANCY TAX	DONATIONS	PASSENGER FACILITY CHARGE	PEG FEE	CDBG	HOME GRANT	OWNERSHIP AND HOUSING	HOUSING ASSISTANCE PAYMENT
REVENUES											
Taxes:											
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise	-	-	-	-	-	-	230,581	-	-	-	-
Sales and use	-	-	-	3,843,372	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-	-	455,150	10,085	-	8,040,862
Fines, forfeitures and penalties	108,428	478,844	-	-	-	-	-	-	-	-	-
Revenues from use of money and property	4,268	366	1,540	39,820	-	916	6,925	-	-	3	20,208
Donations	-	-	-	-	406,590	-	-	-	-	-	-
Charges for services	-	-	-	-	-	145,641	-	-	-	-	-
Miscellaneous	50,700	-	-	10,000	-	-	-	24,793	-	-	-
Total revenues	163,396	479,210	1,540	3,893,192	406,590	146,557	237,506	479,943	10,085	3	8,061,070
EXPENDITURES											
Current:											
General government	-	-	165,000	-	513	-	89,550	-	-	-	-
Public safety	20,702	371,525	-	-	18,402	-	-	-	-	-	-
Public services	33,583	-	-	1,256,051	38,122	-	-	190,292	6,387	-	8,463,976
Culture and recreation	-	-	-	-	84,062	-	-	-	-	-	-
Capital outlay	109,817	-	-	-	13,745	-	-	265,527	235,231	-	-
Debt service:											
Principal	-	85,233	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	663	5,821	-	-	-	-	-	-	-	-	-
Total expenditures	164,765	462,579	165,000	1,256,051	154,844	-	89,550	455,819	241,618	-	8,463,976
Excess (deficiency) of revenues over (under) expenditures	(1,369)	16,631	(163,460)	2,637,141	251,746	146,557	147,956	24,124	(231,533)	3	(402,906)
OTHER FINANCING SOURCES (USES)											
Proceeds of long-term capital-related debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	349,992	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(2,388,496)	-	(150,000)	-	-	-	-	-
Total other financing sources (uses)	-	-	349,992	(2,388,496)	-	(150,000)	-	-	-	-	-
Change in net assets	(1,369)	16,631	186,532	248,645	251,746	(3,443)	147,956	24,124	(231,533)	3	(402,906)
Fund balances - beginning of year	466,269	28,813	161,353	5,975,133	362,873	127,192	895,936	62,758	278,388	424	1,159,953
Fund balances - end of year	\$ 464,900	\$ 45,444	\$ 347,885	\$ 6,223,778	\$ 614,619	\$ 123,749	\$ 1,043,892	\$ 86,882	\$ 46,855	\$ 427	\$ 757,047

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, 2021

	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	TOTAL SPECIAL REVENUE FUNDS	GENERAL CAPITAL PROJECTS	STREET PROJECTS	ROSE COMPLEX DEBT SERVICE	CEMETERIES	
REVENUES										
Taxes:										
Property	\$ -	\$ -	\$ 99,183	\$ 8,836	\$ 108,019	\$ -	\$ -	\$ -	\$ -	\$ 108,019
Franchise	-	-	-	-	230,581	-	-	-	-	230,581
Sales and use	-	-	-	-	3,843,372	-	-	-	-	3,843,372
Licenses and permits	-	-	-	-	-	-	-	-	7,150	7,150
Revenues from other agencies	463,061	3,296,501	-	-	12,265,659	-	-	-	-	12,265,659
Fines, forfeitures and penalties	-	-	-	-	587,272	-	-	-	-	587,272
Revenues from use of money and property	-	10,860	4,304	53	89,263	4,286	6,549	1	24,416	124,515
Donations	-	-	-	-	406,590	-	-	-	-	406,590
Charges for services	-	106,849	-	-	252,490	-	-	-	183,500	435,990
Miscellaneous	-	17,476	-	-	102,969	36,412	-	-	-	139,381
Total revenues	463,061	3,431,686	103,487	8,889	17,886,215	40,698	6,549	1	215,066	18,148,529
EXPENDITURES										
Current:										
General government	-	-	1,475	-	256,538	-	-	-	-	256,538
Public safety	-	-	-	-	410,629	-	-	-	-	410,629
Public services	381,900	2,879,848	-	-	13,250,159	-	-	-	-	13,250,159
Culture and recreation	-	-	-	-	84,062	-	-	-	264,307	348,369
Capital outlay	81,161	641,435	-	-	1,346,916	3,831,744	1,411,807	-	-	6,590,467
Debt service:										
Principal	-	-	-	-	85,233	786,499	-	-	-	871,732
Interest and fiscal charges	-	-	-	-	6,484	8,054	-	-	-	14,538
Total expenditures	463,061	3,521,283	1,475	-	15,440,021	4,626,297	1,411,807	-	264,307	21,742,432
Excess (deficiency) of revenues over (under) expenditures	-	(89,597)	102,012	8,889	2,446,194	(4,585,599)	(1,405,258)	1	(49,241)	(3,593,903)
OTHER FINANCING SOURCES (USES)										
Proceeds of long-term capital-related debt	-	-	-	-	-	10,752,436	-	-	-	10,752,436
Transfers in	-	94,122	-	-	444,114	3,737,823	1,602,420	2,436	-	5,786,793
Transfers out	-	-	-	-	(2,538,496)	(2,436)	-	-	-	(2,540,932)
Total other financing sources (uses)	-	94,122	-	-	(2,094,382)	14,487,823	1,602,420	2,436	-	13,998,297
Change in net assets	-	4,525	102,012	8,889	351,812	9,902,224	197,162	2,437	(49,241)	10,404,394
Fund balances - beginning of year	-	50,669	521,216	6,223	10,097,200	405,173	266,758	-	3,236,990	14,006,121
Fund balances - end of year	\$ -	\$ 55,194	\$ 623,228	\$ 15,112	\$ 10,449,012	\$ 10,307,397	\$ 463,920	\$ 2,437	\$ 3,187,749	\$ 24,410,515

**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, 2021**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fines, forfeitures and penalties	\$ 41,000	\$ 108,428	\$ 67,428
Revenues from use of money and property	18,179	54,968	36,789
Total revenues	<u>59,179</u>	<u>163,396</u>	<u>104,217</u>
EXPENDITURES			
Public safety:			
Supplies and services	7,000	20,702	(13,702)
Public services:			
Supplies and services	10,000	33,583	(23,583)
Capital outlay	177,500	109,817	67,683
Debt service:			
Interest	-	663	(663)
Total expenditures	<u>194,500</u>	<u>164,765</u>	<u>29,735</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(135,321)</u>	<u>(1,369)</u>	<u>133,952</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>\$ (135,321)</u>	<u>(1,369)</u>	<u>\$ 133,952</u>
Fund balance - beginning of year		<u>466,269</u>	
Fund balance - end of year		<u>\$ 464,900</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, 2021**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fines, forfeitures and penalties	\$ 553,334	\$ 478,844	\$ (74,490)
Revenues from use of money and property	4,019	366	(3,653)
Total revenues	<u>557,353</u>	<u>479,210</u>	<u>(78,143)</u>
EXPENDITURES			
Public safety:			
Salaries and benefits	147,994	173,717	(25,723)
Supplies and services	240,700	128,642	112,058
Maintenance	72,866	69,166	3,700
Total expenditures	<u>461,560</u>	<u>371,525</u>	<u>90,035</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>95,793</u>	<u>107,685</u>	<u>11,892</u>
OTHER FINANCING SOURCES (USES)			
Principal paid on debt	-	(85,233)	(85,233)
Interest and fiscal charges	-	(5,821)	(5,821)
Transfer out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(91,054)</u>	<u>(91,054)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 95,793</u>	16,631	<u>\$ (79,162)</u>
Fund balance - beginning of year		<u>28,813</u>	
Fund balance - end of year		<u>\$ 45,444</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, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ -	\$ 1,540	\$ 1,540
Total revenues	<u>-</u>	<u>1,540</u>	<u>1,540</u>
EXPENDITURES			
General government			
Supplies and services	330,400	165,000	165,400
Total expenditures	<u>330,400</u>	<u>165,000</u>	<u>165,400</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(330,400)</u>	<u>(163,460)</u>	<u>166,940</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	<u>350,000</u>	<u>349,992</u>	<u>(8)</u>
Total other financing sources (uses)	<u>350,000</u>	<u>349,992</u>	<u>(8)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 19,600</u>	186,532	<u>\$ 166,932</u>
Fund balance - beginning of year		<u>161,353</u>	
Fund balance - end of year		<u>\$ 347,885</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, 2021

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Taxes	\$ 2,826,529	\$ 3,843,372	\$ 1,016,843
Revenues from use of money and property	75,497	39,820	(35,677)
Miscellaneous	10,000	10,000	-
Total revenues	<u>2,912,026</u>	<u>3,893,192</u>	<u>981,166</u>
EXPENDITURES			
Hotel-motel administration:			
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	666,500	666,500	-
Sports Tyler Award	25,000	25,000	-
Supplies and services	497,056	420,151	76,905
Contingency	123,500	-	123,500
Total expenditures	<u>1,456,456</u>	<u>1,256,051</u>	<u>200,405</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>1,455,570</u>	<u>2,637,141</u>	<u>780,761</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(2,388,500)</u>	<u>(2,388,496)</u>	<u>4</u>
Total other financing sources (uses)	<u>(2,388,500)</u>	<u>(2,388,496)</u>	<u>4</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (932,930)</u>	248,645	<u>\$ 1,181,575</u>
Fund balance - beginning of year		<u>5,975,133</u>	
Fund balance - end of year		<u>\$ 6,223,778</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, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Donations	\$ 377,254	\$ 406,590	\$ 29,336
Total revenues	<u>377,254</u>	<u>406,590</u>	<u>29,336</u>
EXPENDITURES			
General government			
Supplies and services	16,830	513	16,317
Public safety			
Supplies and services	132,716	18,402	114,314
Public services			
Supplies and services	245,451	38,122	207,329
Culture and recreation			
Supplies and services	284,805	84,062	200,743
Capital outlay	<u>120,853</u>	<u>13,745</u>	<u>107,108</u>
Total expenditures	<u>800,655</u>	<u>154,844</u>	<u>645,811</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(423,401)</u>	<u>251,746</u>	<u>675,147</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>\$ (423,401)</u>	<u>251,746</u>	<u>\$ 675,147</u>
Fund balance - beginning of year		<u>362,873</u>	
Fund balance - end of year		<u>\$ 614,619</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, 2021

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 4,500	\$ 916	\$ (3,584)
Charges for services	225,000	145,641	(79,359)
Total revenues	<u>229,500</u>	<u>146,557</u>	<u>(82,943)</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>229,500</u>	<u>146,557</u>	<u>(82,943)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 79,500</u>	<u>(3,443)</u>	<u>\$ (82,943)</u>
Fund balance - beginning of year		<u>127,192</u>	
Fund balance - end of year		<u>\$ 123,749</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, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Franchise fees	\$ 8,884	\$ 230,581	\$ 221,697
Revenues from use of money and property	12,691	6,925	(5,766)
Total revenues	<u>21,575</u>	<u>237,506</u>	<u>215,931</u>
EXPENDITURES			
General government	119,208	89,550	29,658
Capital outlay	197,000	-	197,000
Total expenditures	<u>316,208</u>	<u>89,550</u>	<u>226,658</u>
Excess of revenues over (under) expenditures - GAAP basis	(294,633)	147,956	442,589
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>\$ (294,633)</u>	147,956	<u>\$ 442,589</u>
Fund balance - beginning of year		<u>895,936</u>	
Fund balance - end of year		<u>\$ 1,043,892</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, 2021

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from other agencies	\$ 1,781,122	\$ 455,150	\$ (1,325,972)
Miscellaneous	12,000	24,793	12,793
Total revenues	<u>1,793,122</u>	<u>479,943</u>	<u>(1,313,179)</u>
EXPENDITURES			
Public services:			
Salaries and benefits	151,379	85,107	66,272
Supplies and services	312,966	104,375	208,591
Utilities	75	70	5
Maintenance	2,000	740	1,260
Capital outlay	1,436,702	265,527	1,171,175
Total expenditures	<u>1,903,122</u>	<u>455,819</u>	<u>1,447,303</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(110,000)</u>	<u>24,124</u>	<u>134,124</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>\$ (110,000)</u>	<u>24,124</u>	<u>\$ 134,124</u>
Fund balance - beginning of year		<u>62,758</u>	
Fund balance - end of year		<u>\$ 86,882</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, 2021

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from other agencies	\$ 3,127,637	\$ 10,085	\$ (3,117,552)
Total revenues	<u>3,127,637</u>	<u>10,085</u>	<u>(3,117,552)</u>
EXPENDITURES			
Public services:			
Salaries and benefits	11,462	3,714	7,748
Supplies and services	936,880	2,673	934,207
Capital outlay	<u>2,179,295</u>	<u>235,231</u>	<u>1,944,064</u>
Total expenditures	<u>3,127,637</u>	<u>241,618</u>	<u>2,886,019</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>-</u>	<u>(231,533)</u>	<u>(231,533)</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>\$ -</u>	<u>(231,533)</u>	<u>\$ (231,533)</u>
Fund balance - beginning of year		<u>278,388</u>	
Fund balance - end of year		<u>\$ 46,855</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, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 14	\$ 3	\$ (11)
Total revenues	<u>14</u>	<u>3</u>	<u>(11)</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>14</u>	<u>3</u>	<u>(11)</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>	3	<u>\$ (11)</u>
Fund balance - beginning of year		<u>424</u>	
Fund balance - end of year		<u>\$ 427</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, 2021**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from other agencies	\$ 8,055,261	\$ 8,040,862	\$ (14,399)
Revenues from use of money and property	27,431	20,208	(7,223)
Total revenues	<u>8,082,692</u>	<u>8,061,070</u>	<u>(21,622)</u>
EXPENDITURES			
Public services:			
Salaries and benefits	655,484	541,284	114,200
Supplies and services	8,170,127	7,896,433	273,694
Utilities	11,500	11,500	-
Maintenance	34,680	14,759	19,921
Total expenditures	<u>8,871,791</u>	<u>8,463,976</u>	<u>407,815</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(789,099)</u>	<u>(402,906)</u>	<u>386,193</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>\$ (789,099)</u>	<u>(402,906)</u>	<u>\$ 386,193</u>
Fund balance - beginning of year		<u>1,159,953</u>	
Fund balance - end of year		<u>\$ 757,047</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, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from other agencies	\$ 575,000	\$ 463,061	\$ (111,939)
Total revenues	<u>575,000</u>	<u>463,061</u>	<u>(111,939)</u>
EXPENDITURES			
Public services:			
Salaries and benefits	102,782	114,383	(11,601)
Supplies and services	472,168	267,513	204,655
Utilities	50	4	46
Capital outlay	<u>-</u>	<u>81,161</u>	<u>(81,161)</u>
Total expenditures	<u>575,000</u>	<u>463,061</u>	<u>111,939</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>-</u>	<u>-</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>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</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, 2021**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from other agencies	\$ 3,911,974	\$ 3,296,501	\$ (615,473)
Revenues from use of money and property	10,000	10,860	860
Charges for services	155,000	106,849	(48,151)
Miscellaneous	30,000	17,476	(12,524)
Total revenues	<u>4,106,974</u>	<u>3,431,686</u>	<u>(675,288)</u>
EXPENDITURES			
Public services			
Salaries and benefits	1,632,270	1,428,557	203,713
Supplies and services	914,348	1,044,432	(130,084)
Utilities	11,901	17,655	(5,754)
Maintenance	484,680	389,204	95,476
Capital outlay	1,113,775	641,435	472,340
Total expenditures	<u>4,156,974</u>	<u>3,521,283</u>	<u>635,691</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(50,000)</u>	<u>(89,597)</u>	<u>(1,310,979)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	94,122	(675,288)
Total other financing sources (uses)	<u>50,000</u>	<u>94,122</u>	<u>(675,288)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ -</u>	4,525	<u>\$ 4,525</u>
Fund balance - beginning of year		<u>50,669</u>	
Fund balance - end of year		<u>\$ 55,194</u>	

CITY OF TYLER, TEXAS
TIF / TIRZ #3 FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Taxes	\$ 96,999	\$ 99,183	\$ 2,184
Revenues from use of money and property	6,508	4,304	(2,204)
Total revenues	<u>103,507</u>	<u>103,487</u>	<u>(20)</u>
EXPENDITURES			
Special services	5,000	1,475	3,525
Total expenditures	<u>5,000</u>	<u>1,475</u>	<u>3,525</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>98,507</u>	<u>102,012</u>	<u>(3,545)</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>\$ 98,507</u>	102,012	<u>\$ 3,505</u>
Fund balance - beginning of year		<u>521,216</u>	
Fund balance - end of year		<u>\$ 623,228</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, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 14,659	\$ 8,836	\$ (5,823)
Revenues from use of money and property	-	53	53
Total revenues	<u>14,659</u>	<u>8,889</u>	<u>(5,770)</u>
EXPENDITURES			
Total expenditures	-	-	-
Excess of revenues over (under) expenditures - GAAP basis	<u>14,659</u>	<u>8,889</u>	<u>(5,770)</u>
OTHER FINANCING SOURCES (USES)			
Total other financing sources (uses)	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 14,659</u>	8,889	<u>\$ (5,770)</u>
Fund balance - beginning of year		<u>6,223</u>	
Fund balance - end of year		<u>\$ 15,112</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, 2021

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 1,000	\$ 4,286	\$ 3,286
Miscellaneous	8,000	36,412	28,412
Total revenues	<u>9,000</u>	<u>40,698</u>	<u>31,698</u>
EXPENDITURES			
Capital outlay	11,844,163	3,831,744	8,012,419
Total expenditures	<u>11,844,163</u>	<u>3,831,744</u>	<u>8,012,419</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(11,835,163)</u>	<u>(3,791,046)</u>	<u>8,044,117</u>
OTHER FINANCING SOURCES (USES)			
Principal paid on debt	(1,357,254)	(786,499)	570,755
Interest and fiscal charges	-	(8,054)	(8,054)
Proceeds of long-term capital-related debt	10,752,436	10,752,436	-
Transfers in	2,294,191	3,735,387	1,441,196
Total other financing sources (uses)	<u>11,689,373</u>	<u>13,693,270</u>	<u>2,003,897</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (145,790)</u>	9,902,224	<u>\$ 10,048,014</u>
Fund balance - beginning of year		<u>405,173</u>	
Fund balance - end of year		<u>\$ 10,307,397</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, 2021**

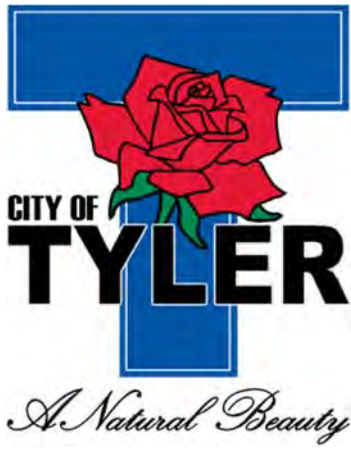
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 7,545	\$ 6,549	\$ (996)
Total revenues	<u>7,545</u>	<u>6,549</u>	<u>(996)</u>
EXPENDITURES			
Capital outlay	<u>1,790,766</u>	<u>1,411,807</u>	<u>378,959</u>
Total expenditures	<u>1,790,766</u>	<u>1,411,807</u>	<u>378,959</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(1,783,221)</u>	<u>(1,405,258)</u>	<u>377,963</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,602,426</u>	<u>1,602,420</u>	<u>(6)</u>
Total other financing sources (uses)	<u>1,602,426</u>	<u>1,602,420</u>	<u>(6)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (180,795)</u>	197,162	<u>\$ 377,957</u>
Fund balance - beginning of year		<u>266,758</u>	
Fund balance - end of year		<u>\$ 463,920</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, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ -	\$ 1	\$ 1
Total revenues	<u>-</u>	<u>1</u>	<u>1</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>-</u>	<u>1</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>2,436</u>	<u>2,436</u>
Total other financing sources (uses)	<u>-</u>	<u>2,436</u>	<u>2,436</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ -</u>	<u>2,437</u>	<u>\$ 2,437</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ 2,437</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, 2021**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Trust fund:			
Revenues from use of money and property	\$ 60,308	\$ 23,569	\$ (36,739)
Charges for services	96,600	76,497	(20,103)
Operations:			
Licenses and permits	13,450	7,150	(6,300)
Revenues from use of money and property	3,369	847	(2,522)
Charges for services	215,400	107,003	(108,397)
Total revenues	<u>389,127</u>	<u>215,066</u>	<u>(174,061)</u>
EXPENDITURES			
Operations:			
Salaries and benefits	144,910	143,057	1,853
Supplies and services	35,010	37,393	(2,383)
Utilities	49,000	31,546	17,454
Maintenance	38,694	52,311	(13,617)
Capital outlay	13,565	-	13,565
Total expenditures	<u>281,179</u>	<u>264,307</u>	<u>3,307</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>107,948</u>	<u>(49,241)</u>	<u>(177,368)</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>\$ 107,948</u>	<u>(49,241)</u>	<u>\$ (157,189)</u>
Fund balance - beginning of year		<u>3,236,990</u>	
Fund balance - end of year		<u>\$ 3,187,749</u>	



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, 2021**

	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	\$ 2,591,289	\$ 6,869,823	\$ 1,585,456	\$ 4,390,649	\$ -	\$ 1,260,944	\$ 1,787,022	\$ 18,485,183
Prepaid expenses	4,071	-	-	-	67,476	-	-	71,547
Accounts receivable (net)	685	3,270	32,391	1,088	102,113	(686)	605	139,466
Due from other funds	-	-	-	-	-	-	-	-
Inventory - at average cost	-	335,441	-	-	-	-	-	335,441
Total current assets	<u>2,596,045</u>	<u>7,208,534</u>	<u>1,617,847</u>	<u>4,391,737</u>	<u>169,589</u>	<u>1,260,258</u>	<u>1,787,627</u>	<u>19,031,637</u>
Noncurrent assets:								
Other post employment benefit assets	-	-	-	17,414	-	-	-	17,414
Capital assets:								
Land	-	104,249	-	-	-	-	-	104,249
Construction in progress	-	14,500	-	-	-	-	-	14,500
Buildings	-	831,546	-	-	-	637,061	3,267	1,471,874
Improvements other than buildings	-	713,213	-	-	-	1,463,939	6,488	2,183,640
Machinery and equipment	-	39,945,640	-	-	-	215,689	12,089,252	52,250,581
Infrastructure	-	-	-	-	-	194,329	-	194,329
Less: accumulated depreciation	-	(25,385,766)	-	-	-	(1,049,232)	(10,251,704)	(36,686,702)
Total capital assets, net of accumulated depreciation	<u>-</u>	<u>16,223,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,461,786</u>	<u>1,847,303</u>	<u>19,532,471</u>
Total assets	<u>2,596,045</u>	<u>23,431,916</u>	<u>1,617,847</u>	<u>4,409,151</u>	<u>169,589</u>	<u>2,722,044</u>	<u>3,634,930</u>	<u>38,581,522</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to pensions	53,169	150,136	250	(6,967)	(4,722)	33,021	146,594	371,481
Deferred outflows related to OPEB	459	6,174	-	(196)	(97)	354	(193,929)	(187,235)
Total deferred outflows of resources	<u>53,628</u>	<u>156,310</u>	<u>250</u>	<u>(7,163)</u>	<u>(4,819)</u>	<u>33,375</u>	<u>(47,335)</u>	<u>184,246</u>
LIABILITIES								
Current liabilities:								
Accounts and contracts payable	21,612	210,973	88,738	155,192	50,570	85,743	78,048	690,876
Insurance claims payable	-	-	1,084,659	416,440	40,101	-	-	1,541,200
Accrued interest payable	-	4,428	-	-	-	-	18,113	22,541
Current portion of compensated absences payable	593	3,206	43	-	-	2,762	7,012	13,616
Current portion of capital lease payable	-	-	-	-	-	-	172,365	172,365
Total current liabilities	<u>22,205</u>	<u>218,607</u>	<u>1,173,440</u>	<u>571,632</u>	<u>90,671</u>	<u>88,505</u>	<u>275,538</u>	<u>2,440,598</u>
Noncurrent liabilities:								
Compensated absences payable	11,275	60,917	815	-	-	52,472	133,224	258,703
Net pension obligation	234,010	785,400	138,214	(1,510)	(10,048)	164,278	803,746	2,114,090
Net OPEB obligation	81,732	257,096	58,185	1,265	(6,501)	47,554	319,080	758,411
Capital lease payable	-	-	-	-	-	-	273,490	273,490
Total noncurrent liabilities	<u>327,017</u>	<u>1,103,413</u>	<u>197,214</u>	<u>(245)</u>	<u>(16,549)</u>	<u>264,304</u>	<u>1,529,540</u>	<u>3,404,694</u>
Total liabilities	<u>349,222</u>	<u>1,322,020</u>	<u>1,370,654</u>	<u>571,387</u>	<u>74,122</u>	<u>352,809</u>	<u>1,805,078</u>	<u>5,845,292</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to pensions	18,594	103,377	-	5,131	2,044	16,414	166,016	311,576
Deferred inflows related to OPEB	16,205	105,858	40,058	8,128	3,735	20,933	(11,173)	183,744
Total deferred inflows of resources	<u>34,799</u>	<u>209,235</u>	<u>40,058</u>	<u>13,259</u>	<u>5,779</u>	<u>37,347</u>	<u>154,843</u>	<u>495,320</u>
NET POSITION								
Net investment in capital assets	-	16,223,382	-	-	-	1,461,786	1,847,303	19,532,471
Unrestricted	<u>2,265,652</u>	<u>5,833,589</u>	<u>207,385</u>	<u>3,817,342</u>	<u>84,869</u>	<u>903,477</u>	<u>(219,629)</u>	<u>12,892,685</u>
Total net position	<u>\$ 2,265,652</u>	<u>\$ 22,056,971</u>	<u>\$ 207,385</u>	<u>\$ 3,817,342</u>	<u>\$ 84,869</u>	<u>\$ 2,365,263</u>	<u>\$ 1,627,674</u>	<u>\$ 32,425,156</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, 2021

	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	\$ -	\$ 10,526,922	\$ 2,220,762	\$ 5,949	\$ -	\$ 382,914	\$ 4,957,827	\$ -	\$ 18,094,374
Contributions	-	-	-	9,186,045	841,629	-	-	-	10,027,674
Miscellaneous	-	644	235,133	562,723	1,703,320	-	221,000	-	2,722,820
Total operating revenues	-	10,527,566	2,455,895	9,754,717	2,544,949	382,914	5,178,827	-	30,844,868
OPERATING EXPENSES									
Garage operations	-	6,393,747	-	-	-	-	-	-	6,393,747
Depreciation	-	3,411,682	-	-	-	145,971	821,713	-	4,379,366
Insurance claims	-	-	2,350,969	10,280,261	1,438,430	(7,760)	-	-	14,061,900
Administrative	80,199	-	305,509	1,242,179	1,061,533	302,614	4,194,440	-	7,186,474
Special services	275,590	-	-	54,398	40,451	-	-	-	370,439
Maintenance	102,369	-	-	-	-	346,059	-	-	448,428
Total operating expenses	458,158	9,805,429	2,656,478	11,576,838	2,540,414	786,884	5,016,153	-	32,840,354
Operating income (loss)	(458,158)	722,137	(200,583)	(1,822,121)	4,535	(403,970)	162,674	-	(1,995,486)
NON-OPERATING REVENUES (EXPENSES)									
Revenues from use of money and property	21,297	53,288	13,618	36,152	-	26,976	42,131	-	193,462
Gain (loss) on sale of assets	-	164,749	-	-	-	-	-	-	164,749
Interest expense	-	-	-	-	-	-	(8,310)	-	(8,310)
Total non-operating revenues (expenses)	21,297	218,037	13,618	36,152	-	26,976	33,821	-	349,901
Income (loss) before transfers	(436,861)	940,174	(186,965)	(1,785,969)	4,535	(376,994)	196,495	-	(1,645,585)
Transfers in	920,000	-	-	-	-	227,604	997,347	(65,347)	2,079,604
Transfers out	-	(65,347)	-	-	-	-	-	65,347	-
Change in net position	483,139	874,827	(186,965)	(1,785,969)	4,535	(149,390)	1,193,842	-	434,019
Net position - beginning of year	1,782,513	21,182,144	394,350	5,603,311	80,334	2,514,653	433,832	-	31,991,137
Net position - end of year	\$ 2,265,652	\$ 22,056,971	\$ 207,385	\$ 3,817,342	\$ 84,869	\$ 2,365,263	\$ 1,627,674	\$ -	\$ 32,425,156

**CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	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	\$ 1,045	\$ 10,545,437	\$ 2,424,684	\$ 9,914,035	\$ 1,440,038	\$ 383,545	\$ 5,179,383	\$ -	\$ 29,888,167
Cash paid to suppliers for goods and services	(313,979)	(5,786,218)	(36,557)	(1,024,772)	(1,091,720)	(432,405)	(3,231,023)	-	(11,916,674)
Cash paid to employees for services	(147,607)	(1,079,453)	(252,752)	(82,479)	(35,769)	(161,180)	(1,248,502)	-	(3,007,742)
Insurance claims paid	-	-	(2,138,539)	(10,538,356)	(1,451,129)	-	-	-	(14,128,024)
Net cash provided by (used in) operating activities	(460,541)	3,679,766	(3,164)	(1,731,572)	(1,138,580)	(210,040)	699,858	-	835,727
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES									
Advances from (to) other funds	-	-	-	-	1,138,580	-	-	-	1,138,580
Transfers in from other funds	920,000	-	-	-	-	227,604	997,347	(65,347)	2,079,604
Transfers out to other funds	-	(65,347)	-	-	-	-	-	65,347	-
Net cash provided by (used in) non-capital financing activities	920,000	(65,347)	-	-	1,138,580	227,604	997,347	-	3,218,184
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES									
Acquisition, construction, and retirement of capital assets	-	(5,024,556)	-	-	-	24,051	(646,533)	-	(5,647,038)
Interest paid	-	-	-	-	-	-	(8,310)	-	(8,310)
Payment of capital lease obligations	-	-	-	-	-	-	(627,538)	-	(627,538)
Proceeds from sale of assets	-	758,948	-	-	-	-	-	-	758,948
Net cash provided by (used in) capital and related financing activities	-	(4,265,608)	-	-	-	24,051	(1,282,381)	-	(5,523,938)
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and dividends	21,297	53,288	13,618	36,152	-	26,976	42,131	-	193,462
Net cash provided by investing activities	21,297	53,288	13,618	36,152	-	26,976	42,131	-	193,462
Net increase (decrease) in cash and cash equivalents	480,756	(597,901)	10,454	(1,695,420)	-	68,591	456,955	-	(1,276,565)
Cash and cash equivalents - beginning of year	2,110,533	7,467,724	1,575,002	6,086,069	-	1,192,353	1,330,067	-	19,761,748
Cash and cash equivalents - end of year	\$ 2,591,289	\$ 6,869,823	\$ 1,585,456	\$ 4,390,649	\$ -	\$ 1,260,944	\$ 1,787,022	\$ -	\$ 18,485,183

**CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	TOTAL
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Operating income (loss)	\$ (458,158)	\$ 722,137	\$ (200,583)	\$ (1,822,121)	\$ 4,535	\$ (403,970)	\$ 162,674	\$ (1,995,486)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation expense	-	3,411,682	-	-	-	145,971	821,713	4,379,366
(Increase) decrease in accounts receivable	1,045	17,871	(31,211)	159,318	(1,104,911)	631	556	(956,701)
(Increase) decrease in prepaid expenses	436	-	-	-	3,871	-	108	4,415
(Increase) decrease in inventory	-	(16,175)	-	-	-	-	-	(16,175)
(Increase) decrease in deferred outflows related to pensions	8,977	53,067	(5,937)	4,856	2,081	9,903	77,533	150,480
(Increase) decrease in deferred outflows related to OPEB	(646)	(3,754)	-	(348)	(150)	(697)	(5,494)	(11,089)
Increase (decrease) in accounts payable	6,934	(357,854)	49,581	145,512	(24,840)	63,669	(151,248)	(268,246)
Increase (decrease) in claims payable	-	-	212,430	(203,697)	(12,699)	-	-	(3,966)
Increase (decrease) in compensated absences payable	8,804	17,235	180	-	-	5,094	34,368	65,681
Increase (decrease) in OPEB obligation	(3,672)	(22,291)	(6,216)	(1,977)	(847)	(4,132)	(31,207)	(70,342)
Increase (decrease) in deferred inflows related to pensions	(12,423)	(73,432)	-	(6,719)	(2,879)	(13,703)	(107,286)	(216,442)
Increase (decrease) in deferred inflows related to OPEB	(2,824)	(15,433)	(5,870)	(1,520)	(651)	(2,862)	(24,004)	(53,164)
Increase (decrease) in net pension obligation	(9,014)	(53,287)	(15,538)	(4,876)	(2,090)	(9,944)	(77,855)	(172,604)
Total adjustments	(2,383)	2,957,629	197,419	90,549	(1,143,115)	193,930	537,184	2,831,213
Net cash provided by (used in) operating activities	<u>\$ (460,541)</u>	<u>\$ 3,679,766</u>	<u>\$ (3,164)</u>	<u>\$ (1,731,572)</u>	<u>\$ (1,138,580)</u>	<u>\$ (210,040)</u>	<u>\$ 699,858</u>	<u>\$ 835,727</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, 2021

	<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	\$ 21,297	\$ (24,131)
Charges for services	-	-	-
Total revenues	45,428	21,297	(24,131)
Transfers in	920,000	920,000	-
Total revenues - budget and GAAP basis	<u>\$ 965,428</u>	<u>\$ 941,297</u>	<u>\$ (24,131)</u>
EXPENSES			
Salaries and benefits	\$ 179,758	\$ 156,411	\$ 23,347
Supplies and services	848,485	321,349	527,136
Capital outlay	3,400	-	3,400
Total expenses - budget basis	<u>\$ 1,031,643</u>	477,760	<u>\$ 553,883</u>
Financial statement adjustments:			
Adjustment for net pension liability		(12,460)	
Adjustment for OPEB liability		(7,142)	
Total expenses - GAAP basis		<u>\$ 458,158</u>	

CITY OF TYLER, TEXAS
FLEET MAINTENANCE AND REPLACEMENT FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 40,000	\$ 53,288	\$ 13,288
Current service charges	10,808,303	10,526,922	(281,381)
Miscellaneous	1,000	644	(356)
Sale of assets	308,000	758,948	450,948
Total revenues	11,157,303	11,339,802	182,499
Transfers out - COGS	(65,347)	(65,347)	-
Transfers in	-	-	-
Total revenues - budget basis	\$ 11,091,956	11,274,455	\$ 182,499
Financial statement adjustments:			
Retirement of assets sold		(594,199)	
Total revenues - GAAP basis		\$ 10,680,256	
EXPENSES			
Garage administration and operations:			
Salaries and benefits	\$ 1,233,829	1,096,688	\$ 137,141
Supplies and services	4,660,971	5,177,237	(516,266)
Utilities	66,761	60,709	6,052
Maintenance	232,362	174,243	58,119
Capital outlay	6,688,212	4,903,096	1,785,116
Total garage administration and operations	12,882,135	11,411,973	1,470,162
Total expenses - budget basis	\$ 12,882,135	11,411,973	\$ 1,470,162
Financial statement adjustments:			
Adjustment for net pension liability		(73,652)	
Adjust OPEB assets and liabilities		(41,478)	
Capital outlay items not expensed		(4,903,096)	
Depreciation expense		3,411,682	
Total expenses - GAAP basis		\$ 9,805,429	

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, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 35,642	\$ 13,618	\$ (22,024)
Collections - subrogation	50,000	235,133	185,133
Charges for services	<u>2,227,973</u>	<u>2,220,762</u>	<u>(7,211)</u>
Total revenues - budget and GAAP basis	<u>\$ 2,313,615</u>	<u>\$ 2,469,513</u>	<u>\$ 155,898</u>
EXPENSES			
Claims and premiums	\$ 2,586,688	\$ 2,350,969	\$ 235,719
Administrative	<u>328,899</u>	<u>339,070</u>	<u>(10,171)</u>
	2,915,587	2,690,039	225,548
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses - budget basis	<u>\$ 2,915,587</u>	<u>2,690,039</u>	<u>\$ 225,548</u>
Financial statement adjustments:			
Adjustment for net pension liability		(21,475)	
Adjustment for OPEB liability		<u>(12,086)</u>	
Total expenses - GAAP basis		<u>\$ 2,656,478</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, 2021**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 73,000	\$ 36,152	\$ (36,848)
Charges for services	30,067	5,949	(24,118)
Contributions from City of Tyler	6,828,755	6,701,118	(127,637)
Contributions from employees	2,530,997	2,484,927	(46,070)
Miscellaneous	251,157	562,723	311,566
	<u>\$ 9,713,976</u>	<u>\$ 9,790,869</u>	<u>\$ 76,893</u>
Total revenues - budget and GAAP basis			
EXPENSES			
Employee insurance fund administration:			
Special services	\$ 103,387	\$ 54,398	\$ 48,989
Claims	9,644,958	10,280,261	(635,303)
Administrative	1,005,236	994,539	10,697
Life insurance	156,429	255,517	(99,088)
	<u>10,910,010</u>	<u>11,584,715</u>	<u>(674,705)</u>
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses - budget basis	<u>\$ 10,910,010</u>	<u>\$ 11,584,715</u>	<u>\$ (674,705)</u>
Financial statement adjustments:			
Adjustment for net pension liability		(6,739)	
Adjustment for OPEB liability		<u>(1,138)</u>	
Total expenses - GAAP basis		<u>\$ 11,576,838</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, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 2,789	\$ -	\$ (2,789)
Contributions from retirees	784,498	841,629	57,131
Contributions - OPEB Trust and RDS Reimbursement	<u>2,195,169</u>	<u>1,703,320</u>	<u>(491,849)</u>
Total revenues - budget and GAAP basis	<u>\$ 2,982,456</u>	<u>\$ 2,544,949</u>	<u>\$ (437,507)</u>
EXPENSES			
Employee insurance fund administration:			
Special services	\$ 44,308	\$ 40,451	\$ 3,857
Claims	1,788,211	1,438,430	349,781
Administrative fees	1,104,739	1,031,904	72,835
Life insurance	<u>45,198</u>	<u>34,159</u>	<u>11,039</u>
	2,982,456	2,544,944	437,512
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses - budget basis	<u>\$ 2,982,456</u>	<u>\$ 2,544,944</u>	<u>\$ 437,512</u>
Financial statement adjustments:			
Adjustment for net pension liability		(2,888)	
Adjustment for OPEB liability		<u>(1,642)</u>	
Total expenses - GAAP basis		<u>\$ 2,540,414</u>	

CITY OF TYLER, TEXAS
PROPERTY AND FACILITY MANAGEMENT FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 18,000	\$ 26,976	\$ 8,976
Charges for services	<u>706,028</u>	<u>382,914</u>	<u>(323,114)</u>
Total revenues	724,028	409,890	(314,138)
Transfers in	<u>227,611</u>	<u>227,604</u>	<u>(7)</u>
Total revenues - budget and GAAP basis	<u>\$ 951,639</u>	<u>\$ 637,494</u>	<u>\$ (314,145)</u>
EXPENSES			
Salaries and benefits	\$ 162,421	\$ 166,274	\$ (3,853)
Supplies and services	98,546	75,096	23,450
Maintenance	643,493	420,978	222,515
Capital outlay	<u>450,163</u>	<u>208,021</u>	<u>242,142</u>
Total property and facility administration	<u>1,354,623</u>	<u>870,369</u>	<u>484,254</u>
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses - budget basis	<u>\$ 1,354,623</u>	870,369	<u>\$ 484,254</u>
Financial statement adjustments:			
Adjustment for net pension liability		(13,744)	
Adjustment for OPEB liability		(7,691)	
Capital outlay items not expensed		(208,021)	
Depreciation expense		<u>145,971</u>	
Total expenses - GAAP basis		<u>\$ 786,884</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, 2021**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 48,139	\$ 42,131	\$ (6,008)
Charges for services	4,957,827	4,957,827	-
Miscellaneous	135,000	221,000	86,000
Transfers in	-	997,347	997,347
Total revenues - budget and GAAP basis	<u>\$ 5,140,966</u>	<u>\$ 6,218,305</u>	<u>\$ 1,077,339</u>
EXPENSES			
Office technology fund administration:			
Salaries and benefits	\$ 1,237,987	\$ 1,282,870	\$ (44,883)
Supplies and services	40,431	28,388	12,043
Utilities	150	159	(9)
Maintenance	8,009	10,542	(2,533)
Total office technology fund administration	<u>1,286,577</u>	<u>1,321,959</u>	<u>(35,382)</u>
Office technology services:			
Supplies and services	2,003,729	1,553,455	450,274
Utilities	200,414	118,069	82,345
Maintenance	2,135,427	1,899,643	235,784
Capital outlay	646,533	646,533	-
Total office technology services	<u>4,986,103</u>	<u>4,217,700</u>	<u>768,403</u>
Transfers out	-	-	-
Total expenses - budget basis	<u>\$ 6,272,680</u>	5,539,659	<u>\$ 733,021</u>
Financial statement adjustments:			
Adjustment for net pension liability		(107,608)	
Adjustment for OPEB liability		(60,705)	
Capital outlay items not expensed		(646,533)	
Principal paid on capital leases		(530,373)	
Interest expense		8,310	
Depreciation expense		<u>821,713</u>	
Total expenses - GAAP basis		<u>\$ 5,024,463</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 of Tyler for outstanding service and to aid them and their families injured in t

CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
EMPLOYEE BENEFIT TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	EMPLOYEE BENEFIT PLAN (SECTION 125)	OPEB TRUST	TYLER FIRE DEPARTMENT RELIEF AND RETIREMENT	TOTAL
ASSETS				
Equity in pooled cash	\$ 1,207,580	\$ 188,308	\$ 2,529,961	\$ 3,925,849
Investments, at fair value				
Equities	-	-	55,912,286	55,912,286
Mutual funds	-	18,203,745	-	18,203,745
Fixed income	-	-	26,914,147	26,914,147
Investment trust	-	-	973,478	973,478
Total investments	<u>-</u>	<u>18,203,745</u>	<u>83,799,911</u>	<u>102,003,656</u>
Receivables				
Contributions receivable	-	-	145,909	145,909
Interest receivable	2,548	-	83,983	86,531
Total receivables	<u>2,548</u>	<u>-</u>	<u>229,892</u>	<u>232,440</u>
Total assets	<u>1,210,128</u>	<u>18,392,053</u>	<u>86,559,764</u>	<u>106,161,945</u>
LIABILITIES				
Accounts payable	<u>974,685</u>	<u>1,036,181</u>	<u>-</u>	<u>2,010,866</u>
Total liabilities	<u>974,685</u>	<u>1,036,181</u>	<u>-</u>	<u>2,010,866</u>
Restricted for OPEB	-	17,355,872	-	17,355,872
Restricted for pensions	-	-	86,559,764	86,559,764
Held in trust for other purposes	<u>235,443</u>	<u>-</u>	<u>-</u>	<u>235,443</u>
Total fiduciary net position	<u>\$ 235,443</u>	<u>\$ 17,355,872</u>	<u>\$ 86,559,764</u>	<u>\$ 104,151,079</u>

CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
EMPLOYEE BENEFIT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	EMPLOYEE BENEFIT PLAN (SECTION 125 PLAN)	OPEB TRUST	TYLER FIRE DEPARTMENT RELIEF AND RETIREMENT	TOTAL
ADDITIONS				
Contributions				
Employees	\$ 140,262	\$ -	\$ 1,818,307	\$ 1,958,569
Employer	-	3,414,159	2,589,387	6,003,546
Total contributions	<u>140,262</u>	<u>3,414,159</u>	<u>4,407,694</u>	<u>7,962,115</u>
Investment income				
Interest and dividend income	-	2,098,371	2,849,812	4,948,183
Net appreciation in fair value of investments	-	593,912	11,719,212	12,313,124
Less investment expense	-	(79,309)	(283,550)	(362,859)
Total investment income	<u>-</u>	<u>2,612,974</u>	<u>14,285,474</u>	<u>16,898,448</u>
Other income	-	-	1,496,376	1,496,376
Total additions	<u>140,262</u>	<u>6,027,133</u>	<u>20,189,544</u>	<u>26,356,939</u>
DEDUCTIONS				
Reimbursement for benefit claims	-	1,703,320	-	1,703,320
Benefits	111,171	-	6,305,297	6,416,468
Total deductions	<u>111,171</u>	<u>1,703,320</u>	<u>6,305,297</u>	<u>8,119,788</u>
Change in fiduciary net position	29,091	4,323,813	13,884,247	18,237,151
Fiduciary net position - beginning of year	<u>206,352</u>	<u>13,032,059</u>	<u>72,675,517</u>	<u>85,913,928</u>
Fiduciary net position - end of year	<u>\$ 235,443</u>	<u>\$ 17,355,872</u>	<u>\$ 86,559,764</u>	<u>\$ 104,151,079</u>

**CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021**

	GREENWOOD LANDFILL PRIVATE-PURPOSE TRUST	LINDSEY TRUST PRIVATE-PURPOSE TRUST	TOTAL
ASSETS			
Equity in pooled cash	\$ 2,896,319	\$ -	\$ 2,896,319
Investments, at fair value			
Equities	-	98,740	98,740
Total investments	-	98,740	98,740
Receivables			
Interest receivable	760	-	760
Total receivables	760	-	760
Total assets	2,897,079	98,740	2,995,819
FIDUCIARY NET POSITION			
Held in trust for other purposes	\$ 2,897,079	\$ 98,740	\$ 2,995,819

**CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	GREENWOOD LANDFILL PRIVATE-PURPOSE TRUST	LINDSEY TRUST PRIVATE-PURPOSE TRUST	TOTAL
ADDITIONS			
Contributions	\$ 36,000	\$ -	\$ 36,000
Investment income			
Interest and dividend income	21,639	2,262	23,901
Net appreciation in fair value of investments	-	11,692	11,692
Less investment expense	-	(4,655)	(4,655)
Total investment income	<u>21,639</u>	<u>9,299</u>	<u>30,938</u>
Total additions	<u>57,639</u>	<u>9,299</u>	<u>66,938</u>
DEDUCTIONS			
Benefits	-	-	-
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>
Change in fiduciary net position	57,639	9,299	66,938
Fiduciary net position - beginning of year	<u>2,839,440</u>	<u>89,441</u>	<u>2,928,881</u>
Fiduciary net position - end of year	<u>\$ 2,897,079</u>	<u>\$ 98,740</u>	<u>\$ 2,995,819</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, 2021**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
PROPERTY TAX COLLECTIONS			
Current taxes	\$ 23,197,180	\$ 23,110,223	\$ (86,957)
Delinquent taxes	164,356	81,962	(82,394)
Penalty and interest	149,500	190,797	41,297
Total property tax collections	<u>23,511,036</u>	<u>23,382,982</u>	<u>(128,054)</u>
FRANCHISE FEES			
Franchise - light and power	4,744,484	4,471,349	(273,135)
Franchise - natural gas	1,072,454	1,064,081	(8,373)
Franchise - telephone	675,374	582,472	(92,902)
Franchise - cable television	1,317,708	1,152,904	(164,804)
Franchise - street use fee	1,091,452	1,001,707	(89,745)
Franchise - water and sewer	2,402,935	2,393,088	(9,847)
Total franchise fees	<u>11,304,407</u>	<u>10,665,601</u>	<u>(638,806)</u>
SALES AND USE TAXES			
General sales tax	30,218,601	35,084,258	4,865,657
Mixed drink tax	432,413	549,484	117,071
Bingo tax	9,860	46,451	36,591
Total sales and use taxes	<u>30,660,874</u>	<u>35,680,193</u>	<u>5,019,319</u>
LICENSES AND PERMITS			
Parking meter	64,311	101,464	37,153
Taxicab and limousine	2,000	3,327	1,327
Burglar alarm	333,000	348,142	15,142
Building	1,103,273	1,208,072	104,799
Electrical	160,000	172,218	12,218
Plumbing	118,450	134,787	16,337
Zoning	75,000	70,946	(4,054)
Mechanical	90,000	59,526	(30,474)
Cert. of Occupancy	30,000	24,550	(5,450)
TABC fee	15,000	9,160	(5,840)
Billboard registration	17,595	16,660	(935)
Sign	40,000	19,132	(20,868)
Moving and clearing	-	-	-
Contractor license	50,000	22,065	(27,935)
Total licenses and permits	<u>2,098,629</u>	<u>2,190,049</u>	<u>91,420</u>
FINES, FORFEITURES AND PENALTIES			
Moving violation fines	2,188,188	1,978,973	(209,215)
Tax service fees on fines	130,863	133,266	2,403
Arrest fee fines	111,039	95,299	(15,740)
Municipal court administrative fees	99,824	63,321	(36,503)
Warrant fees	218,925	215,817	(3,108)
Child safety fees	153,453	151,332	(2,121)
Miscellaneous municipal court fines	57,413	56,675	(738)
Special court fees	916,177	695,128	(221,049)
Collection firm fee	452,789	282,054	(170,735)
Parking fees	54,558	50,798	(3,760)
Scofflaw	10,672	11,816	1,144
Animal fines	7,751	9,506	1,755
Omnibase program	13,595	22,520	8,925
Total fines, forfeitures and penalties	<u>4,415,247</u>	<u>3,766,505</u>	<u>(648,742)</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES FROM USE OF MONEY OR PROPERTY			
Rent - miscellaneous	\$ 263,950	\$ 130,623	\$ (133,327)
Distributed interest	299,500	241,965	(57,535)
Total revenues from use of money or property	<u>563,450</u>	<u>372,588</u>	<u>(190,862)</u>
CHARGES FOR CURRENT SERVICES			
Swimming pool admissions	1,665	1,751	86
Fire inspection fees	104,000	56,748	(47,252)
Lot mowing	61,138	42,689	(18,449)
Glass membership fees	42,000	45,966	3,966
Copying fees	20,000	10,678	(9,322)
Utility cut fees	132,000	132,000	-
Open records	33,000	28,246	(4,754)
Participant fees	2,400	2,696	296
Sports field maintenance	45,000	66,849	21,849
Recreation classes and events	31,000	10,713	(20,287)
Reimbursement of overhead from tourism and convention fund	47,566	47,566	-
One-Half cent administration costs	175,000	175,000	-
Reimbursement of overhead from water and sewer operating fund	1,332,641	1,332,641	-
Reimbursement of overhead from sanitation fund	246,747	246,837	90
Platting	70,000	100,584	30,584
Main street festivals	3,300	-	(3,300)
Animal adoption fees	26,640	23,461	(3,179)
Animal shelter fees	18,000	17,447	(553)
Liberty hall tickets sales	50,000	-	(50,000)
Library	74,202	41,319	(32,883)
Total charges for current services	<u>2,516,299</u>	<u>2,383,191</u>	<u>(133,108)</u>
REVENUES FROM OTHER AGENCIES			
Income from other agencies	13,600	-	(13,600)
State government	20,000	12,722	(7,278)
County hazardous material service	6,000	2,500	(3,500)
Prior year restitution income	-	-	-
Auto theft task force grant	112,000	123,578	11,578
Safe and sober grant	64,000	35,548	(28,452)
School crossing guards	236,452	220,130	(16,322)
COPS grant	90,342	66,143	(24,199)
Fire TCLEOSE allocation	1,000	988	(12)
Federal JAG	25,000	23,053	(1,947)
Justice assistance	-	-	-
Total revenues from other agencies	<u>568,394</u>	<u>484,662</u>	<u>(83,732)</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
MISCELLANEOUS			
Oil and lease royalties	\$ 215,301	\$ 463,679	\$ 248,378
Miscellaneous charges	500,162	320,019	(180,143)
Unclaimed property revenue	15,000	16,740	1,740
Returned check fees	-	235	235
Funeral escorts	14,000	11,600	(2,400)
Fire cost recovery	201,300	184,088	(17,212)
Contractor testing fees	160,000	283,833	123,833
Merchandise sales	1,019,359	54,791	(964,568)
Subdivision plan review	60,000	50,000	(10,000)
Sale of equipment	1,000	-	(1,000)
Sale of property	-	766,917	766,917
Junked vehicle	-	635	635
Total miscellaneous	<u>2,186,122</u>	<u>2,152,537</u>	<u>(33,585)</u>
Total revenues before other financing sources	<u>77,824,458</u>	<u>81,078,308</u>	<u>3,253,850</u>
OTHER FINANCING SOURCES (USES)			
Net transfers (to) from special revenue funds	<u>(3,085,231)</u>	<u>(3,129,346)</u>	<u>(44,115)</u>
Total other financing sources	<u>(3,085,231)</u>	<u>(3,129,346)</u>	<u>(44,115)</u>
Total revenue	<u>\$ 74,739,227</u>	<u>\$ 77,948,962</u>	<u>\$ 3,209,735</u>

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
GENERAL GOVERNMENT			
GENERAL GOVERNMENT SERVICES			
Salaries and benefits	\$ 2,484,069	\$ 2,503,475	\$ (19,406)
Supplies and services	2,192,167	1,906,981	285,186
Utilities	65,750	67,248	(1,498)
Maintenance	22,948	22,948	-
Total general government services	<u>4,764,934</u>	<u>4,500,652</u>	<u>264,282</u>
COMMUNICATIONS			
Salaries and benefits	367,180	348,237	18,943
Supplies and services	83,597	76,513	7,084
Utilities	15	-	15
Maintenance	-	249	(249)
Total communications	<u>450,792</u>	<u>424,999</u>	<u>25,793</u>
FINANCE			
Salaries and benefits	848,393	824,698	23,695
Supplies and services	589,089	584,526	4,563
Utilities	200	30	170
Maintenance	1,000	-	1,000
Total finance	<u>1,438,682</u>	<u>1,409,254</u>	<u>29,428</u>
HUMAN RESOURCES			
Salaries and benefits	414,797	403,585	11,212
Supplies and services	75,398	70,663	4,735
Total human resources	<u>490,195</u>	<u>474,248</u>	<u>15,947</u>
LEGAL			
Salaries and benefits	992,932	926,781	66,151
Supplies and services	203,497	145,977	57,520
Utilities	260	19	241
Maintenance	839	888	(49)
Total legal	<u>1,197,528</u>	<u>1,073,665</u>	<u>123,863</u>
PARKING GARAGE			
Supplies and services	4,000	1,787	2,213
Utilities	14,900	15,090	(190)
Maintenance	9,150	7,923	1,227
Total parking garage	<u>28,050</u>	<u>24,800</u>	<u>3,250</u>
INNOVATION PIPELINE			
Salaries and benefits	-	-	-
Supplies and services	3,306	3,433	(127)
Utilities	-	1,524	(1,524)
Maintenance	2,740	2,740	-
Total innovation pipeline	<u>6,046</u>	<u>7,697</u>	<u>(1,651)</u>
Total general government	<u>8,376,227</u>	<u>7,915,315</u>	<u>460,912</u>

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
PUBLIC SAFETY			
POLICE			
Salaries and benefits	\$ 25,015,693	\$ 25,165,411	\$ (149,718)
Supplies and services	2,778,413	2,792,778	(14,365)
Utilities	117,460	114,843	2,617
Maintenance	1,225,072	1,304,711	(79,639)
Total police	<u>29,136,638</u>	<u>29,377,743</u>	<u>(241,105)</u>
FIRE			
Salaries and benefits	17,786,537	17,508,019	278,518
Supplies and services	1,264,448	1,117,164	147,284
Utilities	154,625	161,026	(6,401)
Maintenance	516,207	697,148	(180,941)
Total fire	<u>19,721,817</u>	<u>19,483,357</u>	<u>238,460</u>
MUNICIPAL COURT			
Salaries and benefits	927,249	982,945	(55,696)
Supplies and services	1,023,400	841,291	182,109
Utilities	9,300	8,248	1,052
Maintenance	61,140	60,709	431
Total municipal court	<u>2,021,089</u>	<u>1,893,193</u>	<u>127,896</u>
Total public safety	<u>50,879,544</u>	<u>50,754,293</u>	<u>125,251</u>
PUBLIC SERVICES			
ANIMAL SERVICES			
Salaries and benefits	793,188	757,525	35,663
Supplies and services	241,426	210,326	31,100
Utilities	29,940	24,819	5,121
Maintenance	92,876	109,380	(16,504)
Total animal services	<u>1,157,430</u>	<u>1,102,050</u>	<u>55,380</u>
PLANNING AND ZONING SERVICES			
Salaries and benefits	678,236	604,183	74,053
Supplies and services	122,308	95,007	27,301
Utilities	750	36	714
Total planning and zoning services	<u>801,294</u>	<u>699,226</u>	<u>102,068</u>
BUILDING SERVICES			
Salaries and benefits	905,278	819,447	85,831
Supplies and services	277,527	338,895	(61,368)
Utilities	-	-	-
Maintenance	33,098	31,111	1,987
Total building services	<u>1,215,903</u>	<u>1,189,453</u>	<u>26,450</u>
Total public services	<u>3,174,627</u>	<u>2,990,729</u>	<u>183,898</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
HIGHWAYS AND STREETS			
ENGINEERING			
Salaries and benefits	\$ 541,962	\$ 416,108	\$ 125,854
Supplies and services	72,992	127,746	(54,754)
Utilities	50	16	34
Maintenance	5,550	4,576	974
Total engineering	<u>620,554</u>	<u>548,446</u>	<u>72,108</u>
STREET ADMINISTRATION			
Salaries and benefits	1,540,321	1,326,632	213,689
Supplies and services	208,182	311,684	(103,502)
Utilities	2,750	2,186	564
Maintenance	1,069,653	1,066,247	3,406
Total street administration	<u>2,820,906</u>	<u>2,706,749</u>	<u>114,157</u>
TRAFFIC OPERATIONS			
Salaries and benefits	678,232	662,211	16,021
Supplies and services	129,008	95,484	33,524
Utilities	1,275,090	1,263,684	11,406
Maintenance	339,824	335,819	4,005
Total traffic operations	<u>2,422,154</u>	<u>2,357,198</u>	<u>64,956</u>
Total highways and streets	<u>5,863,614</u>	<u>5,612,393</u>	<u>251,221</u>
CULTURE AND RECREATION			
LIBRARY			
Salaries and benefits	1,310,291	1,117,482	192,809
Supplies and services	395,574	402,349	(6,775)
Utilities	45,575	53,673	(8,098)
Maintenance	51,826	61,907	(10,081)
Total library	<u>1,803,266</u>	<u>1,635,411</u>	<u>167,855</u>
PARKS ADMINISTRATION			
Salaries and benefits	927,995	837,005	90,990
Supplies and services	768,951	858,796	(89,845)
Utilities	503,850	580,160	(76,310)
Maintenance	584,083	586,706	(2,623)
Total parks administration	<u>2,784,879</u>	<u>2,862,667</u>	<u>(77,788)</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
CULTURE AND RECREATION (cont'd)			
INDOOR RECREATION			
Salaries and benefits	\$ 404,568	\$ 380,372	\$ 24,196
Supplies and services	90,937	113,883	(22,946)
Utilities	100	18	82
Maintenance	185,394	56,743	128,651
Total indoor recreation	<u>680,999</u>	<u>551,016</u>	<u>129,983</u>
OUTDOOR RECREATION			
Salaries and benefits	152,142	108,357	43,785
Supplies and services	90,518	95,039	(4,521)
Maintenance	500	329	171
Total outdoor recreation	<u>243,160</u>	<u>203,725</u>	<u>39,435</u>
MEDIAN MAINTENANCE AND ARBORIST			
Salaries and benefits	245,862	151,491	94,371
Supplies and services	102,897	162,572	(59,675)
Maintenance	59,609	49,160	10,449
Total median maintenance and arborist	<u>408,368</u>	<u>363,223</u>	<u>45,145</u>
ROSE GARDEN CENTER			
Salaries and benefits	191,968	164,901	27,067
Supplies and services	26,238	26,022	216
Utilities	48,425	29,925	18,500
Maintenance	35,982	37,904	(1,922)
Total rose garden center	<u>302,613</u>	<u>258,752</u>	<u>43,861</u>
ROSE GARDEN MAINTENANCE			
Salaries and benefits	375,505	301,279	74,226
Supplies and services	95,461	182,700	(87,239)
Utilities	45,650	25,539	20,111
Maintenance	83,925	85,491	(1,566)
Total rose garden maintenance	<u>600,541</u>	<u>595,009</u>	<u>5,532</u>
VISITOR FACILITIES			
Salaries and benefits	587,611	538,319	49,292
Supplies and services	184,963	173,854	11,109
Utilities	109,075	59,383	49,692
Maintenance	70,579	59,835	10,744
Total visitor facilities	<u>952,228</u>	<u>831,391</u>	<u>120,837</u>
MAIN STREET			
Salaries and benefits	221,714	192,285	29,429
Supplies and services	241,965	183,858	58,107
Utilities	4,380	1,742	2,638
Maintenance	2,809	2,809	-
Total main street	<u>470,868</u>	<u>380,694</u>	<u>90,174</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	<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	\$ 138,855	\$ 140,462	\$ (1,607)
Supplies and services	156,213	39,084	117,129
Utilities	16,382	11,311	5,071
Maintenance	18,105	18,707	(602)
	<u>329,555</u>	<u>209,564</u>	<u>119,991</u>
Total liberty hall			
	<u>329,555</u>	<u>209,564</u>	<u>119,991</u>
Total culture and recreation	<u>8,576,477</u>	<u>7,891,452</u>	<u>685,025</u>
OTHER FINANCING USES			
Transfer to capital projects	8,181,861	4,727,420	3,454,441
Transfer to fleet maintenance	-	-	-
Transfer to permanent	-	-	-
Transfer to productivity improvement	250,000	250,000	-
Transfer to property and facility	101,305	101,304	1
Transfer to technology	320,000	320,000	-
Transfer to transit system	50,000	94,122	(44,122)
	<u>8,903,166</u>	<u>5,492,846</u>	<u>3,410,320</u>
Total other financing uses			
	<u>8,903,166</u>	<u>5,492,846</u>	<u>3,410,320</u>
Capital outlay	<u>459,986</u>	<u>392,534</u>	<u>67,452</u>
Total expenditures	<u>\$ 86,233,641</u>	<u>\$ 81,049,562</u>	<u>\$ 5,184,079</u>

CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money or property	\$ 376,412	\$ 294,060	\$ (82,352)
Charges for current services	45,434,434	45,711,172	276,738
Miscellaneous	<u>2,538,515</u>	<u>2,691,632</u>	<u>153,117</u>
Total revenue - budget and GAAP basis	<u>\$ 48,349,361</u>	<u>\$ 48,696,864</u>	<u>\$ 347,503</u>

**CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
WATER ADMINISTRATION AND SUNDRY			
Salaries and benefits	\$ 1,393,141	\$ 2,078,742	\$ (685,601)
Supplies and services	12,423,866	3,417,777	9,006,089
Utilities	12,150	10,527	1,623
Maintenance	52,385	39,655	12,730
Total water administration and sundry	<u>13,881,542</u>	<u>5,546,701</u>	<u>8,334,841</u>
WATER OFFICE			
Salaries and benefits	1,174,013	944,468	229,545
Supplies and services	1,293,652	1,059,705	233,947
Utilities	250	51	199
Maintenance	46,502	46,919	(417)
Total water office	<u>2,514,417</u>	<u>2,051,143</u>	<u>463,274</u>
WATER DISTRIBUTION			
Salaries and benefits	2,369,958	1,995,449	374,509
Supplies and services	320,678	322,653	(1,975)
Utilities	15,424	14,834	590
Maintenance	777,160	949,959	(172,799)
Total water distribution	<u>3,483,220</u>	<u>3,282,895</u>	<u>200,325</u>
WATER PLANT			
Salaries and benefits	1,910,851	2,123,386	(212,535)
Supplies and services	2,592,272	2,121,292	470,980
Utilities	1,789,061	1,515,673	273,388
Maintenance	512,165	288,760	223,405
Total water plant	<u>6,804,349</u>	<u>6,049,111</u>	<u>755,238</u>
WASTE COLLECTION			
Salaries and benefits	1,765,321	1,578,217	187,104
Supplies and services	160,875	175,031	(14,156)
Maintenance	837,543	939,801	(102,258)
Total waste collection	<u>2,763,739</u>	<u>2,693,049</u>	<u>70,690</u>
CD/CMOM (REGULATORY)			
Salaries and benefits	280	11,139	(10,859)
Supplies and services	3,505,578	2,755,334	750,244
Total cd/cmom (regulatory)	<u>3,505,858</u>	<u>2,766,473</u>	<u>739,385</u>
WASTE TREATMENT PLANT			
Salaries and benefits	1,844,016	1,545,058	298,958
Supplies and services	1,259,540	1,284,801	(25,261)
Utilities	651,036	698,671	(47,635)
Maintenance	720,875	644,683	76,192
Total waste treatment plant	<u>4,475,467</u>	<u>4,173,213</u>	<u>302,254</u>

(Continued)

**CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
LAKE TYLER			
Salaries and benefits	\$ 452,988	\$ 342,133	\$ 110,855
Supplies and services	407,702	38,442	369,260
Utilities	13,740	9,608	4,132
Maintenance	511,900	397,350	114,550
Total Lake Tyler	<u>1,386,330</u>	<u>787,533</u>	<u>598,797</u>
STORM WATER MANAGEMENT			
Salaries and benefits	716,186	628,603	87,583
Supplies and services	168,280	190,176	(21,896)
Utilities	8,100	7,472	628
Maintenance	523,379	472,186	51,193
Total storm water management	<u>1,415,945</u>	<u>1,298,437</u>	<u>117,508</u>
GEOGRAPHICAL INFORMATION SYSTEMS			
Salaries and benefits	737,125	608,029	129,096
Supplies and services	374,621	323,671	50,950
Total geographical information systems	<u>1,111,746</u>	<u>931,700</u>	<u>180,046</u>
SLUDGE HAULING			
Salaries and benefits	278,818	277,525	1,293
Supplies and services	543,411	592,828	(49,417)
Utilities	12,000	20,136	(8,136)
Maintenance	171,016	185,683	(14,667)
Total sludge hauling	<u>1,005,245</u>	<u>1,076,172</u>	<u>(70,927)</u>
PURCHASING			
Salaries and benefits	200,842	160,274	40,568
Supplies and services	12,907	9,937	2,970
Utilities	150	9	141
Maintenance	10,559	12,593	(2,034)
Total purchasing	<u>224,458</u>	<u>182,813</u>	<u>41,645</u>
Capital outlay	<u>48,428,080</u>	<u>23,665,634</u>	<u>24,762,446</u>
Principal payments on bonds	<u>3,590,000</u>	<u>3,500,000</u>	<u>90,000</u>
Interest expense	<u>2,558,215</u>	<u>2,199,476</u>	<u>358,739</u>
Transfers (in)/out	<u>957,653</u>	<u>945,648</u>	<u>12,005</u>
Total expenditures - budget basis	<u>\$ 98,106,264</u>	<u>61,149,998</u>	<u>\$ 36,956,266</u>
Financial statement adjustments:			
Adjustment for net pension liability		(940,473)	
Adjustment for OPEB liability		(529,867)	
Capital outlay items not expensed		(23,665,634)	
Principal payments of bonds		(3,500,000)	
Amortization expense		(352,306)	
Depreciation expense		<u>8,341,554</u>	
Total expenditures - GAAP basis		<u>\$ 40,503,272</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, 2021**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Franchise fees	\$ 679,080	\$ 701,657	\$ 22,577
Revenue from use of money or property	30,171	14,593	(15,578)
Current service charges	13,869,672	14,289,268	419,596
Miscellaneous	80,000	120,713	40,713
Sale of assets	-	154,966	154,966
Total revenues	14,658,923	15,281,197	622,274
Transfers in	1,032,309	-	(1,032,309)
Total revenues - budget and GAAP basis	\$ 15,691,232	\$ 15,281,197	\$ (410,035)
EXPENSES			
Solid waste administration			
Salaries and benefits	\$ 968,930	\$ 1,011,079	\$ (42,149)
Supplies and services	1,081,851	1,045,908	35,943
Utilities	690	438	252
Total solid waste administration	2,051,471	2,057,425	(5,954)
Residential collections			
Salaries and benefits	1,876,324	1,495,909	380,415
Supplies and services	1,986,374	2,332,893	(346,519)
Utilities	2,345	1,813	532
Maintenance	2,016,086	2,163,408	(147,322)
Total residential collections	5,881,129	5,994,023	(112,894)
Commercial collections			
Salaries and benefits	1,231,471	1,362,880	(131,409)
Supplies and services	1,997,056	2,125,142	(128,086)
Utilities	4,371	5,279	(908)
Maintenance	725,891	778,889	(52,998)
Total commercial collections	3,958,789	4,272,190	(313,401)
Litter control			
Salaries and benefits	80,432	59,696	20,736
Supplies and services	110,495	114,551	(4,056)
Utilities	800	931	(131)
Total litter control	191,727	175,178	16,549

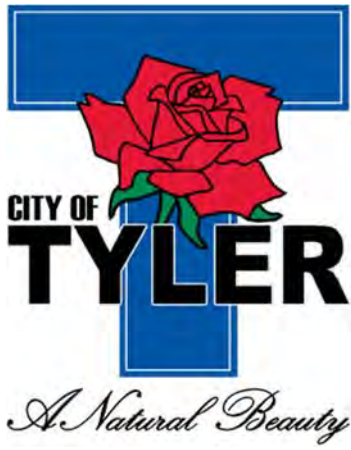
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**CITY OF TYLER, TEXAS
SANITATION FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENSES (cont'd)			
Code enforcement			
Salaries and benefits	\$ 669,194	\$ 542,739	\$ 126,455
Supplies and services	106,883	101,957	4,926
Utilities	5,447	3,445	2,002
Maintenance	<u>67,065</u>	<u>65,963</u>	<u>1,102</u>
Total code enforcement	848,589	714,104	134,485
Capital outlay	1,188,963	1,150,696	38,267
Transfers out	<u>1,782,962</u>	<u>1,363,471</u>	<u>419,491</u>
Total expenses - budget basis	<u>\$ 15,903,630</u>	15,727,087	<u>\$ 176,543</u>
Financial statement adjustments:			
Adjustment for net pension liability		(329,226)	
Adjust OPEB assets and liabilities		(183,789)	
Capital outlay items not expensed		(1,150,696)	
Depreciation expense		<u>647,406</u>	
Total expenses - GAAP basis		<u>\$ 14,710,782</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, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Airport services	\$ 211,600	\$ 187,970	\$ (23,630)
Revenues from use of money and property	1,166,922	909,265	(257,657)
Income from other agencies	3,246,051	1,797,054	(1,448,997)
Miscellaneous	62,974	40,145	(22,829)
Total revenues	4,687,547	2,934,434	(1,753,113)
Transfers in	150,000	181,257	31,257
Total revenues - budget and GAAP basis	<u>\$ 4,837,547</u>	<u>\$ 3,115,691</u>	<u>\$ (1,721,856)</u>
EXPENSES			
Municipal airport operations			
Salaries and benefits	727,270	651,117	76,153
Supplies and services	940,523	467,073	473,450
Utilities	164,021	156,025	7,996
Maintenance	281,561	180,348	101,213
Total municipal airport operations	2,113,375	1,454,563	658,812
Interest expense	26,696	27,673	(977)
Principal payments on bonds	80,000	80,000	-
Transfers out	87,000	37,000	50,000
Capital outlay	3,538,537	1,468,654	2,069,883
Total expenses- budget basis	<u>\$ 5,845,608</u>	3,067,890	<u>\$ 2,777,718</u>
Financial statement adjustments:			
Adjustment for net pension liability		(47,415)	
Adjustment for OPEB liability		(26,646)	
Principal payments on bonds		(80,000)	
Capital outlay items not expensed		(1,468,654)	
Depreciation expense		2,776,365	
Total expenses - GAAP basis		<u>\$ 4,221,540</u>	



STATISTICAL SECTION (UNAUDITED)

**CITY OF TYLER, TEXAS
STATISTICAL SECTION**

This part of the City of Tyler’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and 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.	143-149
Revenue Capacity	
These schedules contain information to help the reader assess the City’s most significant local revenue source, property taxes.	150-154
Debt Capacity	
These Schedules present 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.	155-159
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	160-162
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	163-164



TABLE 1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Invested in capital assets	\$ 235,722,589	\$ 226,678,557	\$ 243,391,685	\$ 248,481,237	\$ 255,335,707	\$ 254,071,947	\$ 250,403,768	\$ 257,564,279	\$ 265,255,743	\$ 262,616,982
Restricted	18,144,679	25,006,305	22,022,830	21,857,483	19,998,703	24,687,498	34,538,182	36,220,286	34,968,630	47,018,449
Unrestricted	23,997,766	24,904,041	21,104,444	(23,090,282)	(29,206,408)	(29,239,172)	(44,703,390)	(42,727,945)	(40,259,967)	(29,568,057)
Total governmental activities net position	<u>\$ 277,865,034</u>	<u>\$ 276,588,903</u>	<u>\$ 286,518,959</u>	<u>\$ 247,248,438</u>	<u>\$ 246,128,002</u>	<u>\$ 249,520,273</u>	<u>\$ 240,238,560</u>	<u>\$ 251,056,620</u>	<u>\$ 259,964,406</u>	<u>\$ 280,067,374</u>
Business-type activities										
Invested in capital assets	\$ 146,342,227	\$ 155,451,446	\$ 161,933,656	\$ 171,337,799	\$ 185,888,696	\$ 199,364,645	\$ 207,347,257	\$ 220,412,254	\$ 219,486,636	\$ 209,627,651
Restricted	14,296,705	21,543,386	19,104,927	14,620,332	13,984,060	11,622,220	17,540,832	16,738,113	28,681,236	41,650,116
Unrestricted	14,488,578	6,834,476	6,150,703	676,523	803,659	1,418,179	(989,693)	(207,880)	324,881	3,599,915
Total business-type activities net position	<u>\$ 175,127,510</u>	<u>\$ 183,829,308</u>	<u>\$ 187,189,286</u>	<u>\$ 186,634,654</u>	<u>\$ 200,676,415</u>	<u>\$ 212,405,044</u>	<u>\$ 223,898,396</u>	<u>\$ 236,942,487</u>	<u>\$ 248,492,753</u>	<u>\$ 254,877,682</u>
Primary government										
Invested in capital assets	\$ 382,064,816	\$ 382,130,003	\$ 405,325,341	\$ 419,819,036	\$ 441,224,403	\$ 453,436,592	\$ 457,751,025	\$ 477,976,533	\$ 484,742,379	\$ 472,244,633
Restricted	32,441,384	46,549,691	41,127,757	36,477,815	33,982,763	36,309,718	52,079,014	52,958,399	63,649,866	88,668,565
Unrestricted	38,486,344	31,738,517	27,255,147	(22,413,759)	(28,402,749)	(27,820,993)	(45,693,083)	(42,935,825)	(39,935,086)	(25,968,142)
Total primary government net position	<u>\$ 452,992,544</u>	<u>\$ 460,418,211</u>	<u>\$ 473,708,245</u>	<u>\$ 433,883,092</u>	<u>\$ 446,804,417</u>	<u>\$ 461,925,317</u>	<u>\$ 464,136,956</u>	<u>\$ 487,999,107</u>	<u>\$ 508,457,159</u>	<u>\$ 534,945,056</u>

Source: Government-wide Statement of Net Position

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 7,699,118	\$ 8,814,941	\$ 10,788,232	\$ 7,411,863	\$ 10,454,415	\$ 8,541,513	\$ 7,135,438	\$ 6,929,613	\$ 8,546,671	\$ 12,525,483
Public safety	42,534,178	43,594,916	43,241,597	42,751,866	50,776,656	50,698,376	49,127,207	54,290,654	52,163,878	47,833,820
Highways and streets	16,221,560	16,197,280	13,828,933	12,190,307	12,564,341	12,901,307	12,904,261	12,863,503	14,331,423	14,403,381
Public services	13,961,677	14,395,725	14,207,356	15,086,795	15,609,073	15,935,764	16,243,252	16,293,667	18,825,525	16,021,187
Cultures and recreation	8,470,638	8,314,970	7,737,071	9,344,668	7,933,036	7,629,494	8,284,920	8,573,123	11,208,328	8,130,411
Interest on long term debt	106,407	74,423	67,788	69,680	60,341	29,600	31,629	68,488	43,768	500,109
Total governmental activities expenses	<u>88,993,578</u>	<u>91,392,255</u>	<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>
Business-type activities:										
Water and sewer	31,109,582	32,097,630	31,080,132	31,574,214	32,754,688	34,766,700	37,299,452	38,465,495	39,991,263	40,830,853
Sanitation	11,327,917	11,202,044	11,474,007	11,586,745	11,997,643	12,102,806	13,182,876	13,836,676	14,135,998	13,347,311
Airport	2,522,166	2,722,446	2,839,883	3,074,982	3,421,977	3,235,501	3,057,006	3,390,497	3,735,130	4,184,540
Total business-type activities expenses	<u>44,959,665</u>	<u>46,022,120</u>	<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>
Total primary government expenses	<u>\$ 133,953,243</u>	<u>\$ 137,414,375</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,262,331	\$ 2,242,946	\$ 2,451,394	\$ 2,413,406	\$ 3,144,517	\$ 3,666,701	\$ 3,674,604	\$ 2,919,670	\$ 2,602,642	\$ 5,228,000
Public safety	8,427,569	7,943,419	7,910,583	7,709,536	7,278,868	5,820,726	8,113,402	7,411,401	3,401,998	4,907,296
Highways and streets	95,913	94,981	92,034	175,622	142,380	38,880	-	-	-	-
Public services	2,083,303	1,962,945	2,449,877	2,125,553	2,317,480	2,070,577	2,015,878	2,328,149	2,832,501	2,725,747
Cultures and recreation	1,149,328	1,027,908	1,206,025	1,201,230	1,141,469	1,300,735	1,566,802	1,578,234	123,850	5,204
Operating grants and contributions	10,569,298	11,033,709	11,870,746	11,016,862	11,447,285	13,517,732	12,456,026	11,744,468	19,981,326	12,606,998
Capital grants and contributions	329,091	774,752	393,979	319,933	1,010,989	476,557	454,666	411,605	308,143	463,061
Total governmental activities program revenues	<u>24,916,833</u>	<u>25,080,660</u>	<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>
Business-type activities:										
Charges for services:										
Water and sewer	32,493,375	34,680,614	33,520,628	34,651,646	36,512,873	38,567,044	44,496,473	43,571,235	47,113,899	48,402,804
Sanitation	11,250,663	11,502,821	11,508,277	11,485,864	11,378,673	11,842,892	14,037,513	14,793,110	14,164,974	14,409,981
Airport	1,174,841	1,433,089	1,559,769	1,625,731	1,345,440	1,185,962	1,299,196	1,274,805	217,900	228,115
Capital grants and contributions	5,449,727	5,998,483	2,310,974	6,479,939	11,482,387	9,500,432	10,402,222	8,459,328	5,804,364	1,797,054
Total business-type activities program revenues	<u>50,368,606</u>	<u>53,615,007</u>	<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>
Total primary government program revenues	<u>\$ 75,285,439</u>	<u>\$ 78,695,667</u>	<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>
Net (expense)/revenue										
Governmental activities	\$ (64,076,745)	\$ (66,311,595)	\$ (63,496,339)	\$ (61,893,037)	\$ (70,914,874)	\$ (68,844,146)	\$ (65,445,329)	\$ (72,625,521)	\$ (75,869,133)	\$ (73,478,085)
Business-type activities	5,408,941	7,592,887	3,505,626	8,007,239	12,545,065	10,991,323	16,696,070	12,405,810	9,438,746	6,475,250
Total primary government net expense	<u>\$ (58,667,804)</u>	<u>\$ (58,718,708)</u>	<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>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	\$ 14,155,402	\$ 14,333,678	\$ 15,458,985	\$ 15,859,234	\$ 16,464,898	\$ 17,722,103	\$ 19,125,723	\$ 20,736,120	\$ 22,858,131	\$ 23,485,458
Franchise taxes	9,882,588	10,186,300	10,434,684	10,476,018	10,592,842	10,847,085	11,187,605	11,019,217	11,124,504	10,896,182
Sales and use taxes	38,362,310	40,582,134	43,577,045	45,043,290	43,321,470	44,434,519	47,178,374	50,168,540	49,273,911	57,065,720
Unrestricted investment earnings and use of money and property	226,322	191,907	205,478	255,243	181,013	349,543	434,301	1,264,860	1,531,778	855,460
Gain (loss) on sale of assets	550,466	224,224	385,327	(443,252)	294,107	(825,967)	191,946	170,908	(336,086)	(886,629)
Miscellaneous	328,963	148,120	294,476	334,677	-	-	-	-	-	-
Donations	-	26,704	2,745,000	-	-	-	-	-	-	-
Equity in earnings of joint venture	-	-	-	-	-	-	-	-	-	-
Transfers	(679,152)	(657,603)	325,400	(250,581)	(1,059,892)	(290,866)	(1,168,328)	83,936	324,681	2,164,862
Total governmental activities	62,826,899	65,035,464	73,426,395	71,274,629	69,794,438	72,236,417	76,949,621	83,443,581	84,776,919	93,581,053
Business-type activities:										
Unrestricted investment earnings and use of money and property	266,145	197,626	242,517	177,701	251,601	342,277	469,638	661,536	2,406,201	1,919,575
Gain (loss) on sale of assets	-	253,682	324,964	92,824	185,203	104,163	342,894	60,681	30,000	154,966
Transfers	679,152	657,603	(325,400)	250,581	1,059,892	290,866	1,168,328	(83,936)	(324,681)	(2,164,862)
Total business-type activities	945,297	1,108,911	242,081	521,106	1,496,696	737,306	1,980,860	638,281	2,111,520	(90,321)
Total primary government	\$ 63,772,196	\$ 66,144,375	\$ 73,668,476	\$ 71,795,735	\$ 71,291,134	\$ 72,973,723	\$ 78,930,481	\$ 84,081,862	\$ 86,888,439	\$ 93,490,732
Change in Net Position										
Governmental activities	\$ (1,249,846)	\$ (1,276,131)	\$ 9,930,056	\$ 9,381,592	\$ (1,120,436)	\$ 3,392,271	\$ 11,504,292	\$ 10,818,060	\$ 11,298,834	\$ 20,102,968
Business-type activities	6,354,238	8,701,798	3,747,707	8,528,345	14,041,761	11,728,629	18,676,930	13,044,091	11,550,266	6,384,929
Total primary government	\$ 5,104,392	\$ 7,425,667	\$ 13,677,763	\$ 17,909,937	\$ 12,921,325	\$ 15,120,900	\$ 30,181,222	\$ 23,862,151	\$ 19,885,604	\$ 93,490,732

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
2012	14,155,402	9,882,588	38,362,310	62,400,300
2013	14,333,678	10,186,300	40,582,134	65,102,112
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

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Reserved For:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	49,767	48,565	48,318	41,624	98,179	95,719	136,805	128,379	168,872	172,995
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	361,785	365,140	1,208,611	1,549,828	2,092,909	1,742,596	2,093,261	1,389,151	921,304	1,099,496
Unassigned	11,856,089	12,198,776	10,823,011	12,766,508	12,717,634	14,324,791	16,246,434	18,559,488	25,785,219	27,995,150
Total General Fund	<u>\$ 12,267,641</u>	<u>\$ 12,612,481</u>	<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>
One-Half Cent Sales Tax fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	10,760,784	17,534,474	13,183,589	13,391,689	10,491,754	14,750,799	22,942,254	23,136,162	21,942,766	24,298,737
Total One-Half Cent Sales Tax fund	<u>\$ 10,760,784</u>	<u>\$ 17,534,474</u>	<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>
All Other Governmental Funds										
Reserved For:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	2,618,800	2,681,379	2,751,496	2,841,929	2,930,388	2,965,480	3,024,870	3,213,067	3,099,119	3,176,356
Restricted	4,769,545	4,795,421	6,092,195	5,645,636	7,576,542	6,976,269	8,577,798	9,875,815	9,931,297	10,446,999
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,304,944	1,008,898	1,807,246	784,195	586,738	313,516	497,286	490,429	671,931	10,771,317
Unassigned	-	-	34,151	-	-	-	-	-	142,420	15,843
Total All Other Governmental Funds	<u>\$ 9,693,289</u>	<u>\$ 8,485,698</u>	<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>

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 62,458,006	\$ 65,100,567	\$ 69,452,558	\$ 71,348,666	\$ 70,367,919	\$ 72,992,685	\$ 77,480,218	\$ 81,904,923	\$ 83,224,890	\$ 91,452,903
Licenses and permits	986,939	1,251,436	1,675,295	1,526,595	1,818,538	1,687,299	2,446,051	1,769,360	1,734,830	2,197,199
Revenues from other agencies	10,608,019	11,190,288	11,816,379	11,276,795	12,458,274	13,994,289	12,910,692	12,156,073	20,289,469	13,070,059
Fines, forfeitures, and penalties	7,213,751	6,747,247	7,684,828	7,510,714	6,771,908	5,325,902	5,125,706	4,997,271	4,009,595	4,353,777
Revenues from use of money or property	890,955	790,478	802,335	841,955	750,320	845,170	915,646	1,696,680	1,160,080	667,202
Donations	181,932	402,064	352,948	339,795	374,071	586,470	365,044	682,566	168,415	406,590
Charges for current services	2,669,475	2,630,074	2,849,107	2,792,386	2,807,579	2,780,962	2,985,838	3,123,455	2,954,723	2,819,181
Miscellaneous	1,229,190	714,585	836,490	2,239,017	1,338,192	1,915,362	1,219,342	733,920	1,038,050	2,291,918
Total revenues	<u>86,238,267</u>	<u>88,826,739</u>	<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>
Expenditures										
General government	6,887,278	7,249,762	8,323,657	7,758,004	7,185,846	7,585,488	7,751,217	7,726,127	7,343,378	8,392,015
Public safety	39,724,861	41,169,936	42,316,320	44,644,245	45,249,043	45,075,237	45,801,648	48,017,964	49,788,910	51,164,922
Public services	12,652,458	12,850,038	12,926,496	14,324,967	15,072,374	15,234,239	15,548,886	15,729,247	15,767,993	16,240,888
Highways and streets	4,813,390	4,914,648	5,090,951	5,228,922	5,596,575	5,375,760	4,805,677	3,893,759	4,839,899	5,612,393
Culture and recreation	6,902,974	7,021,610	7,105,539	7,707,090	7,461,931	7,005,094	7,652,792	7,912,551	8,416,058	8,239,821
Capital outlay	12,358,611	8,196,820	22,200,604	16,213,454	16,659,253	12,717,841	8,292,421	18,494,375	20,806,944	22,407,603
Debt service										
Principal	97,331	316,927	313,756	376,998	54,094	188,157	167,214	270,211	136,114	871,732
Interest	13,363	10,718	13,936	7,133	5,867	9,894	5,777	23,003	17,715	14,538
Total expenditures	<u>83,450,266</u>	<u>81,730,459</u>	<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>
Excess of revenues over (under) expenditures	2,788,001	7,096,280	(2,821,319)	1,615,110	(598,182)	6,936,429	13,422,905	4,997,011	7,463,041	4,314,917
Other financing sources (uses)										
Proceeds of long-term capital-related debt	1,029,095	-	71,610	126,480	405,126	-	817,083	-	-	10,752,436
Transfers in	2,690,528	2,233,311	5,028,638	3,364,434	50,000	638,000	3,388,915	4,231,066	4,214,521	8,127,557
Transfers out	(3,694,280)	(3,418,652)	(4,962,965)	(4,033,232)	(1,369,619)	(1,913,993)	(5,231,692)	(5,954,294)	(5,807,127)	(8,042,299)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>25,343</u>	<u>(1,185,341)</u>	<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>
Net Change in fund balances	<u>\$ 2,813,344</u>	<u>\$ 5,910,939</u>	<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>
Debt service as a percentage of noncapital expenditures	0.1557%	0.4456%	0.4307%	0.4799%	0.0744%	0.2461%	0.2117%	0.3508%	0.1782%	0.9789%

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)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Sales and Use Tax ¹</u>	<u>Total</u>
2012	14,213,108	9,882,588	38,362,310	62,458,006
2013	14,332,133	10,186,300	40,582,134	65,100,567
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

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

TABLE 7

**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
2012	23,390,802	11,695,401	35,086,203
2013	24,708,985	12,354,493	37,063,478
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

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 of Tyler impose a sales and Use Tax of 1.5 %.

Note: The Retail Sales Tax Rate in the City of Tyler 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					
2012	5,759,889,140	N/A	970,691,666	N/A	N/A	6,730,580,806	0.208865
2013	5,859,969,154	N/A	984,818,840	N/A	N/A	6,844,787,994	0.207708
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

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	
2012	0.208865	-	0.208865	0.323900	1.37500	0.182176	1.260000	1.193000	4.54294
2013	0.207708	-	0.207708	0.323564	1.37500	0.199926	1.245000	1.193000	4.54420
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

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	2021			2012		
	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	\$ 244,832,379	1	2.60%	\$ -		
Delek Refining Ltd	221,723,259	2	2.36%	161,082,376	1	2.35%
Brookshire Grocery	119,936,360	3	1.28%	81,566,084	3	1.19%
Trane Co / American Standard Inc	111,882,903	4	1.19%	-		0.00%
Oncor Electric Delivery	90,887,682	5	0.97%	54,299,816	6	0.79%
Wal-Mart Stores / Wal-Mart Rel Esta	85,892,973	6	0.91%	65,871,062	5	0.96%
Tyler Broadway / Centennial LP	73,075,656	7	0.78%	-		0.00%
Genecov Investments LTD	58,636,489	8	0.62%	81,218,440	4	1.19%
BR CWS Cascades	52,754,011	9	0.56%	-		
Cebridge Acquisitions LP	45,207,303	10	0.48%	48,052,832	7	0.70%
Carrier Corporation	-		0.00%	44,952,878	8	0.66%
Simon Property Group	-		0.00%	43,368,340	9	0.63%
Roosth Steven C Trustee	-		0.00%	25,620,548	10	0.37%
Trane Co / American Standard Inc	-		0.00%	108,486,777	2	1.58%
Total	\$ 1,104,829,015		11.75%	\$ 714,519,153		10.44%

Source: Smith County Appraisal District

Note:

* Total taxable value including real and personal property for tax year 2020 (fiscal year 2021) is--

\$ 9,399,389,779

^b Total taxable value including real and personal property for tax year 2011 (fiscal year 2012) is --

6,844,787,944

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
2012	13,989,361	13,799,246	98.6%	173,792	13,973,038	99.9%
2013	14,159,255	13,990,275	98.8%	150,395	14,140,670	99.9%
2014	15,308,284	15,114,733	98.7%	171,014	15,285,747	99.9%
2015	15,668,435	15,498,266	98.9%	143,885	15,642,151	99.8%
2016	16,342,661	16,109,924	98.6%	201,497	16,311,421	99.8%
2017	17,589,933	17,391,772	98.9%	156,315	17,548,087	99.8%
2018	18,942,816	18,728,538	98.9%	159,472	18,888,010	99.7%
2019	20,582,774	20,493,070	99.6%	77,793	20,570,864	99.9%
2020	22,545,337	22,384,533	99.3%	92,884	22,477,417	99.7%
2021	23,372,081	23,110,215	98.9%	-	23,110,215	98.9%

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***			
2012	-	-	68,125,000	-	68,125,000	2.56%	655
2013	-	5,372,972	64,864,840	-	70,237,812	2.49%	673
2014	-	5,265,104	62,983,762	-	68,248,866	2.35%	656
2015	-	4,240,385	63,740,000	-	67,980,385	2.27%	670
2016	-	-	62,685,000	249,044	62,934,044	2.04%	607
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	73,645,000	51,691	75,318,192	2.24%	701
2021	-	10,053,218	96,940,000	-	106,993,218	3.52%	1,021

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 Capital Leases 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		
2012	-	-	-	n/a	-
2013	-	-	-	n/a	-
2014	-	-	-	n/a	-
2015	-	-	-	n/a	-
2016	-	-	-	n/a	-
2017	-	-	-	n/a	-
2018	-	-	-	n/a	-
2019	-	-	-	n/a	-
2020	-	-	-	n/a	-
2021	-	-	-	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, 2021**

<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	\$ 39,955,000	50.08%	\$ 20,009,464
Tyler Independent School District	386,023,453	71.04%	274,231,061
Tyler Junior College	107,476,218	65.00%	69,859,542
Chapel Hill Independent School District	15,039,000	19.15%	2,879,969
Whitehouse Independent School District	104,315,000	27.37%	28,551,016
Subtotal, overlapping debt			<u>395,531,051</u>
City of Tyler (direct debt)**	1,621,501	100%	<u>10,053,218</u>
Total direct and overlapping debt			<u><u>\$ 405,584,269</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 of Tyler does not have any general obligation debt. Direct debt includes capital leases and revenue bonds for governmental activities.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 673,058,081	\$ 684,478,799	\$ 700,076,148	\$ 719,052,728	\$ 751,851,746	\$ 780,639,560	\$ 811,788,083	\$ 852,123,086	\$ 906,410,582	\$ 939,938,978
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 673,058,081</u>	<u>\$ 684,478,799</u>	<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>
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 2021

Assessed value	\$ 9,399,389,779
Add back: exempt real property	-
Total assessed value	<u>9,399,389,779</u>
Debt limit (10% of total assessed value)	<u>939,938,978</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>\$ 939,938,978</u>

Note: The City of Tyler 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
PLEGDED-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
2012	32,316,843	21,214,236	11,102,607	6,158,805	1.803
2013	34,657,192	22,038,340	12,618,852	5,439,152	2.320
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

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>
2012	104,083	2,736,131	26,288	34.1	13.6	18,336	7.8%
2013	104,426	2,818,215	26,988	32.8	13.6	18,403	6.9%
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%

Data sources:

¹City of Tyler 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	2021			2012		
	Employees	Rank	Percentage of Total City Employment (1)	Employees	Rank	Percentage of Total City Employment (2)
CHRISTUS Trinity Mother Frances *	3,872	1	7.6%	4,000	1	8.3%
UT Health East Texas *	3,559	2	7.0%	3,238	2	6.7%
Tyler Independent School District	2,563	3	5.1%	2,449	4	5.1%
Sanderson Farms	1,845	4	3.6%	**		0.0%
Walmart	1,521	5	3.0%	1,711	5	3.5%
Trane Technologies	1,473	6	2.9%	1,500	6	3.1%
UT Health Science Center at Tyler	1,460	7	2.9%	865	9	1.8%
Brookshire Grocery Company	1,455	8	2.9%	2,552	3	5.3%
The University of Texas at Tyler	1,201	9	2.4%	1,094	8	2.3%
Altice USA	1,150	10	2.3%	1,500	7	3.1%
Tyler Junior College	1,033	11	2.0%	811	10	1.7%
Target Distribution Center	1,000	12	2.0%	700	13	1.4%
John Soules Foods	895	13	1.8%	**		0.0%
Smith County	887	14	1.8%	776	11	1.6%
Total	23,914		47.3%	21,196		43.9%

Source: Tyler Economic Development Council Community Profile 2021

* Headquarters located in Tyler

(1) total city employment of 50,674

(2) total city employment of 48,349

** Not part of top 10 in 2012

TABLE 19

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	60	63	60	64	84	77	98	96	97	99
Public safety	436	437	436	440	428	422	425	439	432	429
Highways and streets	53	52	53	51	53	47	53	51	55	58
Public Services	37	33	37	47	28	36	16	16	16	17
Culture and Recreation	66	75	66	68	76	64	68	75	73	75
Water & sewer	101	106	101	111	120	123	114	122	123	129
Sanitation	39	41	39	44	44	48	45	49	45	46
Airport	10	9	10	11	10	10	9	10	9	10
All Others	29	30	29	48	43	39	37	40	47	57
Total	831	846	831	884	886	866	865	898	897	920

Source: City of Tyler Finance Department

TABLE 20

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Accounting										
Dollar value of accounts payable	\$ 77,395,157	\$ 76,966,097	\$ 88,038,170	\$ 92,771,122	\$ 93,396,592	\$ 88,948,885	\$ 90,615,261	\$ 95,296,379	\$ 107,598,733	\$ 103,307,589
Legal										
Number of ordinances prepared and adopted	104	121	112	93	113	107	88	110	129	106
Number of resolutions prepared and adopted	34	31	30	26	45	51	41	69	105	60
Public Safety										
Police										
Number of sworn officers authorized	191	193	194	194	194	188	191	198	200	200
Fire										
Number of structure fires	114	105	107	84	98	103	124	107	121	136
Highways and Streets										
Streets										
Percentage of city streets graded A condition	78.0%	**	**	**	**	**	**	**	**	**
Traffic										
Number of traffic signals maintained	147	153	152	156	148	158	158	150	149	151
Public Services										
Planning										
Number of historic building designations awarded	17	95	102	113	117	124	130	132	134	134
Culture and Recreation										
Parks										
Amount of park acreage	757.99	757.99	1216	1216	1216	1216	1207	1207	1207	1207
Number of rose bushes planted	536	2563	600	2785	1337	205	300	362	308	700
Library *										
Total number of volumes owned	188,856	175,402	183,154	180,136	179,668	208,838	215,431	228,019	216,411	235,184
Water & sewer										
Average volume of wastewater treated daily (gallons)	14.03 million	14.27 million	15.67 million	17.26 million	17.89 million	15.36 million	15.37 million	18.87 million	17.1 million	19.56 million
Average monthly volume of water production (gallons)	768.76 million	746.22 million	719.54 million	748.92 million	733.87 million	691.83 million	807.63 million	716.36 million	717.77 million	662.38 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	74.7 million
Average monthly revenue billed	\$ 2,701,842	\$ 2,844,007	\$ 2,819,163	\$ 2,883,216	\$ 3,098,527	\$ 2,924,870	\$ 3,414,080	\$ 3,299,543.00	\$ 3,613,526.78	\$ 3,663,945.00
Sanitation										
Number of residential customers	28,743	27,399	27,778	28,745	35,681	35,916	36,209	36,479	36,952	37,504
Number of curbside garbage carts in use	29,067	28,374	30,516	34,959	29,261	29,488	29,928	30,123	30,463	30,793
Airport										
Annual gallons of fuel flowage	1,029,059	1,370,092	1,480,379	1,327,585	1,249,362	1,108,054	1,244,805	1,396,406	995,136	1,237,943
Number of annual enplanements	73,343	85,069	85,069	66,951	55,693	49,226	48,505	60,038	26,430	40,179

Source: City Departments

n/a - Data not available.

* E-books are included.

** In 2013 the streets department no longer graded the roads in an A, B, C system, converted to PCI grading system.

TABLE 21

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police Stations	2	2	2	2	3	3	3	2	2	2
Police Patrol Units	61	80	56	68	70	68	78	81	92	92
Police Motorcycle Units	16	17	16	16	15	10	9	7	6	5
Fire Stations	10	10	10	10	10	10	10	10	10	10
Highways and Streets										
City Maintained Paved Streets- (miles)***	570	1120	1120	1120	1120	1169	1169	1169	1169	1169
Annual Street Overlays- (miles)***	16	27	28	32	32	39	11	35	44	56
Public Services										
Transit Buses	20	14	13	15	16	17	16	16	16	16
Culture and Recreation										
Parks (acres)	1,207.40	1,207.40	1,216.40	1,216.40	1,216.40	1,216.80	1,207.40	1,207.40	1,207.40	1,207.40
Playgrounds	22	22	23	22	22	22	22	19	19	21
Splash Pads	*	*	*	*	*	*	*	*	*	4
Swimming Pools	2	2	2	2	2	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)	693	693	727	734	745	734	734	734.24	734.24	734.24
Fire Hydrants	4220	4219	4118	4279	4310	4351	4379	4428	4434	4467
Water Plants	2	2	2	2	2	2	2	2	2	2
Sanitary Sewers (miles)	621	631	658	688	718	694	699	709.44	711.21	716.1
Sanitation										
Garbage Trucks	45	36	29	34	47	45	45	45	45	45
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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 the City of Tyler, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Tyler's basic financial statements, and have issued our report thereon dated March 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Tyler'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 the City of Tyler'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Tyler'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 of Tyler's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Prothro, Wilhelmi & Company, PLLC".

PROTHRO, WILHELMI AND COMPANY, PLLC

Tyler, Texas
March 16, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Tyler's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Tyler's major federal programs for the year ended September 30, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Tyler's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Tyler's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Tyler's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Tyler complied, in all material respects, with the types of 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, 2021.

Report on Internal Control over Compliance

Management of the City of Tyler is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Tyler's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Tyler's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



PROTHRO, WILHELMI AND COMPANY, PLLC

Tyler, Texas

March 16, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

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

Report on Compliance for Each Major State Program

We have audited City of Tyler's compliance with the types of compliance requirements described in the State of Texas Uniform Grant Management Standards (UGMS) that could have a direct and material effect on each of the City of Tyler's major state programs for the year ended September 30, 2021. The City of Tyler's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Tyler's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and UGMS. Those standards and UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Tyler's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City of Tyler's compliance.

Opinion on Each Major State Program

In our opinion, the City of Tyler complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City of Tyler is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Tyler's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Tyler's 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 state 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 state 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 state 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 UGMS. Accordingly, this report is not suitable for any other purpose.



PROTHRO, WILHELMI AND COMPANY, PLLC
Tyler, Texas
March 16, 2022

CITY OF TYLER, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTORS NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<u>Community Development Block Grant - Entitlement Grants Cluster</u>				
CDBG Entitlement Grants	14.218	B04MC480028		\$ 455,150
HOME Investment Partnerships Program	14.239	-		10,085
<u>Housing Voucher Cluster</u>				
Section 8 Housing Choice Voucher Program	14.871	TX456VO		7,909,423 +
Family Self Sufficiency Coordinator Grant	14.871	FSS8-TX456-5106		57,511 +
Total Housing Voucher Cluster:				<u>7,966,934</u>
Total U.S. Department of Housing and Urban Development				<u>8,432,169</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through Federal Aviation Administration:				
Airport Improvement Program	20.106	3-48-0215-037-2016		-
Airport Improvement Program	20.106	3-48-0215-038-2017		65,645
Airport Improvement Program	20.106	3-48-0215-039-2018		8,323
Airport Improvement Program	20.106	3-48-0215-040-2018		39,284
Airport Improvement Program	20.106	3-48-0215-041-2018		236,403
Airport Improvement Program	20.106	3-48-0215-042-2019		207,344
Airport Improvement Program - CARES Act	20.106	3-48-0215-044-2020		344,720
Airport Improvement Program	20.106	3-48-0215-045-2020		760,642
Airport Improvement Program	20.106	3-48-0215-046-2021		13,166
Airport Improvement Program	20.106	3-48-0215-047-2021		100,533
Airport Improvement Program	20.106	3-48-0215-051-2021		1,158
Total Airport Improvement Program:				<u>1,777,218</u>
Passed Through Federal Transit Administration:				
<u>Federal Transit Cluster</u>				
Federal Transit Capital and Operating Assistance Formula - CARES Act	20.507	TX-2020-074-00		2,169,473 +
Federal Transit Capital and Operating Assistance Formula	20.507	TX-2020-039-00		450,154 +
Federal Transit Capital and Operating Assistance Formula	20.507	TX2021-002		106,690 +
Total Federal Transit Cluster:				<u>2,726,317</u>
Passed Through Texas Department of Highways and Public Transportation:				
Comprehensive Traffic Enforcement Grant Program	20.600	0910-16-124		35,548
Comprehensive Traffic Enforcement Grant Program	20.205	0910-16-124		319,737
Section 104F Grant MPO	20.505	50-XXXXF0016		356,661
Total U.S. Department of Transportation				<u>5,215,481</u>
U.S. DEPARTMENT OF JUSTICE				
Passed through Smith County:				
Edward Byrne Memorial Justice Assistance Grant	16.738	2015-DJ-BX-1118		20,911
Total U.S. Department of Justice				<u>20,911</u>
DEPARTMENT OF HOMELAND SECURITY				
Passed Through Transportation Security Administration:				
Law Enforcement Officer Reimbursement Agreement	97.090	HSTS02-13-H-SLR721		25,240
Passed through Texas Office of the Governor:				
Homeland Security Grant Program	97.067	EMW-2020-SS-00054		81,161
Total U.S. Department of Homeland Security				<u>106,401</u>
TOTAL FEDERAL ASSISTANCE				<u>\$ 13,774,962</u>

+ - Denotes Major Program

**CITY OF TYLER, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021**

<u>STATE GRANTOR</u>	<u>STATE NUMBER</u>	<u>STATE EXPENDITURES</u>
<u>TEXAS DEPARTMENT OF TRANSPORTATION</u>		
RAMP	M1910TYLE	\$ 49,836
Public Transportation Grant 1902	51910F7066	570,184 +
Total Texas Department of Transportation		620,020
<u>TEXAS CRIMINAL JUSTICE DIVISION</u>		
East Texas Auto Theft Task Force	-	123,578
Total Texas Criminal Justice Division		123,578
<u>TEXAS HISTORICAL COMMISSION</u>		
Texas Historical Commission CLG Grant	TX-13-021	11,458
Total Texas Historical Commission		11,458
TOTAL STATE ASSISTANCE		\$ 755,056

+ - Denotes Major Program

CITY OF TYLER
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE A – GENERAL

The accompanying schedule of expenditures of federal and state awards (the schedules) presents the activity of all federal and state award programs of the City of Tyler, Texas for the year ended September 30, 2021.

NOTE B – BASIS OF ACCOUNTING

The Schedules were prepared using the modified accrual basis of accounting. The information in the Schedule of Expenditures of Federal Awards 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). The information in the Schedule of Expenditures of State Awards is presented in accordance with the requirements of the Uniform Grant Management Standards, which are issued by the Texas Comptroller of Public Accounts. Because the schedules present only a selected portion of the operations of the City of Tyler, Texas, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the City of Tyler, Texas.

NOTE C – 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, 2021. 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:

<u>Type of Coverage</u>	<u>Liability Limit</u>
Property	\$ 326,266,983
Inland Marine (EDP/Hardware)	6,308,970
Contractor's Equipment	5,504,049
Motorcycle Equipment	2,677,617
Airport Equipment	249,044
General Liability	2,000,000
Employee Benefits Liability	2,000,000
Law Enforcement Liability	2,000,000
Management Liability	2,000,000
Employment Practices Liability	4,000,000
Automobile Liability	1,000,000
Garagekeepers Legal Liability	1,000,000
Crime	500,000
Airport Liability	5,000,000
Pollution Liability (Underground Storage Tanks)	1,000,000
Pollution Liability (Water Utilities)	1,000,000
Cyber Liability	1,000,000
Umbrella Liability	2,000,000
Tenant Users General Liability	1,000,000

CITY OF TYLER
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE D – INDIRECT COST RATES

The City of Tyler, Texas has elected not to use the 10% de minimis cost rate for federal awards.

**CITY OF TYLER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? None reported

Noncompliance material to financial statements 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 weakness(es)? None reported

Type of auditors’ report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(1)? No

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Voucher Cluster
20.507	Federal Transit Cluster

The dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee Yes

**CITY OF TYLER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section I – Summary of Auditors’ Results -continued

State Awards

Internal Control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? None reported

Type of auditors’ report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with UGMS?

No

Identification of major program:

- Public Transportation Grant 1902 - #51910F7066

The dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee

No

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV- Summary Schedule of Prior Audit Findings

None.

**CITY OF TYLER, TEXAS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2021**

None.