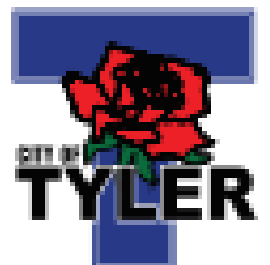


# FISCAL YEAR 2021-22

Annual Comprehensive Financial Report  
for Fiscal Year Ending September 30,  
2022 - City of Tyler, Texas



Called to **SERVE** and Protect

**City of Tyler**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ending September 30, 2022**

**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, 2022**

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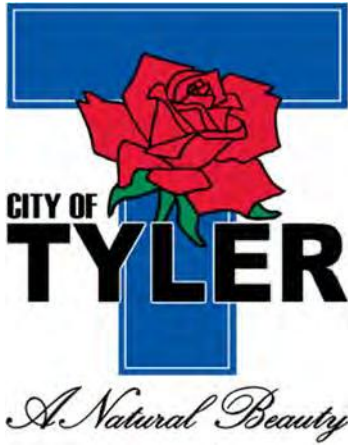
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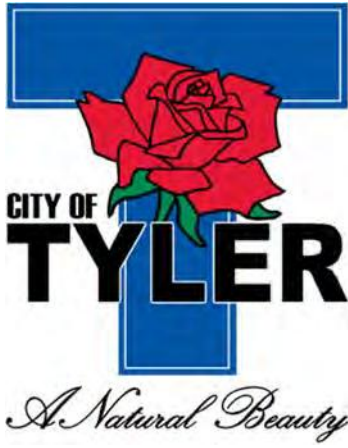
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## **INTRODUCTORY SECTION**







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March 22, 2023

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, 2022.

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, 2022. 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 105,719. 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 executive team members and department leaders. 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 2.58% 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.

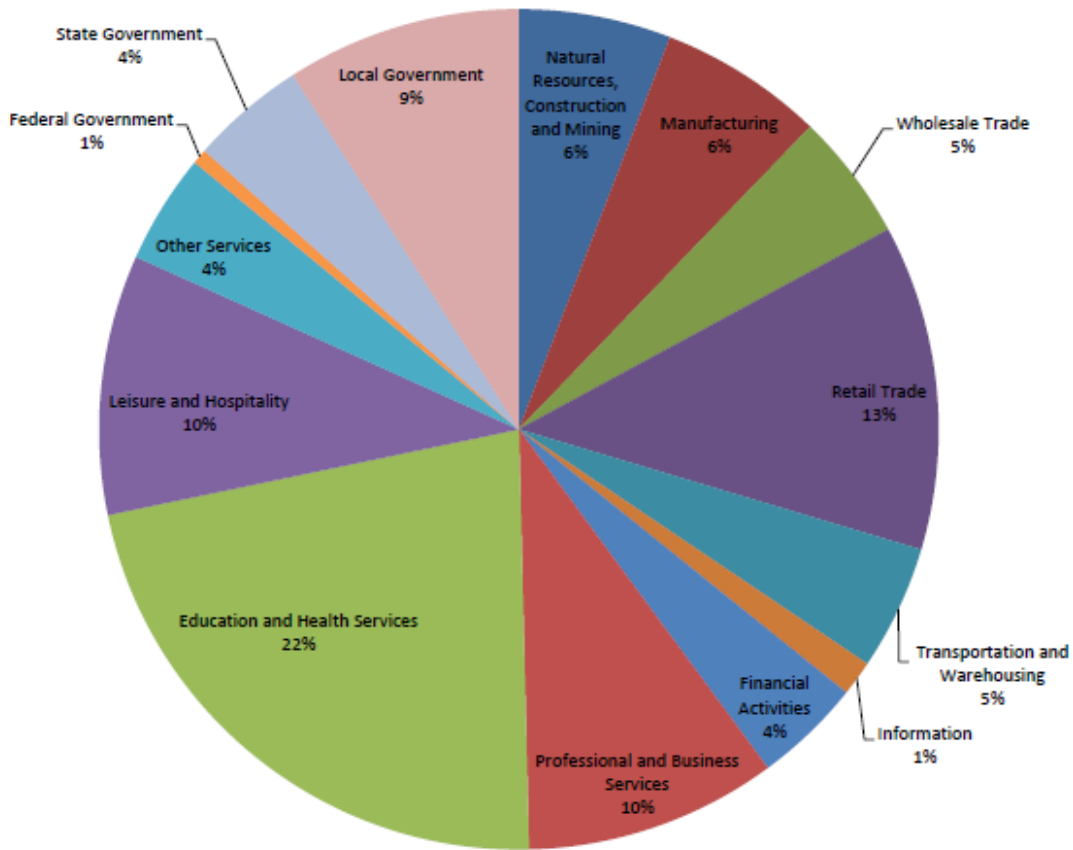
Tyler is also the medical center of East Texas with three hospitals and numerous other supporting clinics, practices and specialty hospitals. Additionally, Tyler has many tourist attractions. The Texas Rose Festival includes the crowning of the Rose Queen attracting a large number of visitors each year. 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 6.9 percent (2013), only to end at the current rate of 4.2 percent. This figure indicates a increase of 0.9 % over the prior year while remaining in line with the State and National trends. The total workforce for the Tyler region has increased from 48,106 in 2010 to 50,674 in 2020

# Workforce Breakdown

Smith County/Tyler MSA

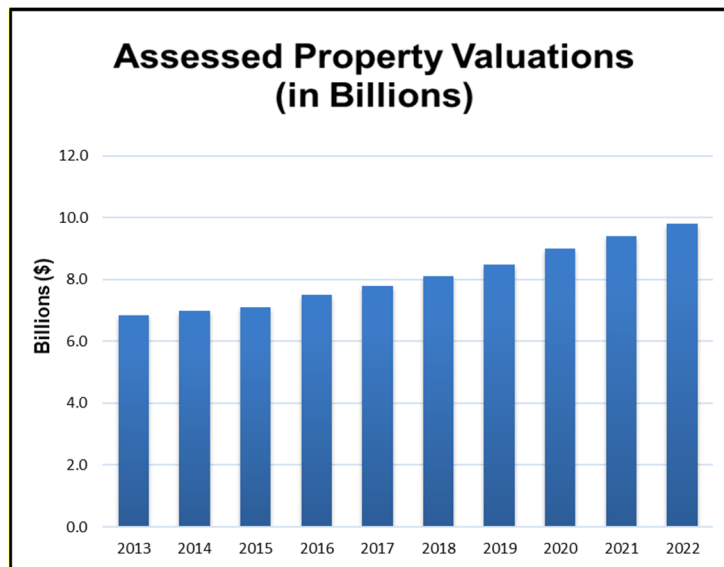
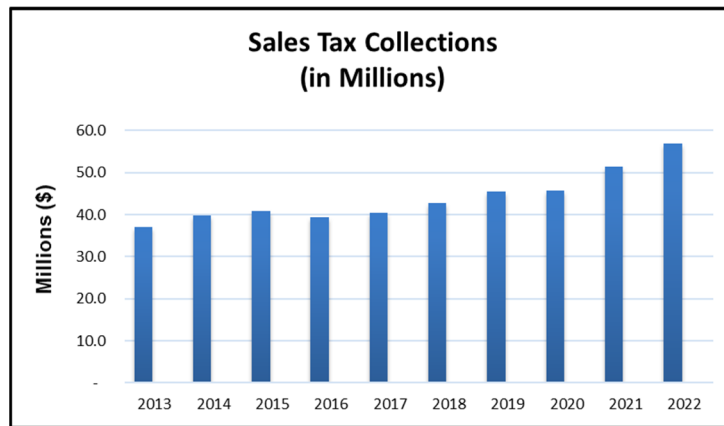


Population growth in the last five years has outpaced previous periods. The population grew 10 percent from 1990 to the year 2000. From the year 2000 to 2010 the population grew 16 percent. From the year 2010 to 2020 the population grew 6 percent. From 2020 to the current year, the growth has been 1 percent. Market and economic analysts estimate that as many as 270,000 people come to Tyler 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 40,707 in 2022. 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 10.72%. 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 4.26% in 2022. 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 5.06 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 Initiative – Tyler Rose Complex***

The Tyler Rose Complex is an approximately \$28 million dollar project with a master plan that began in 2016. The plans for the complex were revealed in 2019. Despite delays such as COVID-19 pandemic and financial issues, the plans for the Tyler Rose Complex have pressed onward. The Tyler Rose Complex is expected to be finished in April 2023.

For an appealing entrance, the new complex’s lawn will feature a 3.3 acre park and an event area. The entire complex will consist of the new W.T. Brookshire Conference Center, the Rose Garden Center, the old Mayfair building and the surrounding areas.



The Place: Rose Complex  
Total Usable Square Footage: 45,000  
Usable square footage including Mayfair and Rose Garden Center: 60,000  
Main Room Chair Only Seating Capacity: 1,920  
Banquet Seating Capacity: 1,330  
Commercial Catering Kitchen with warmers, stainless steel counters, and a walk-in refrigerator

#### *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, 2021. This is the thirty-sixth 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 seven 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.

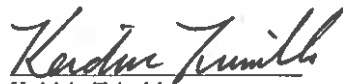
For sixteen years in a row, the City of Tyler has been presented with the Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada. This award assures that state and local governments prepare budget documents of the very highest quality 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**

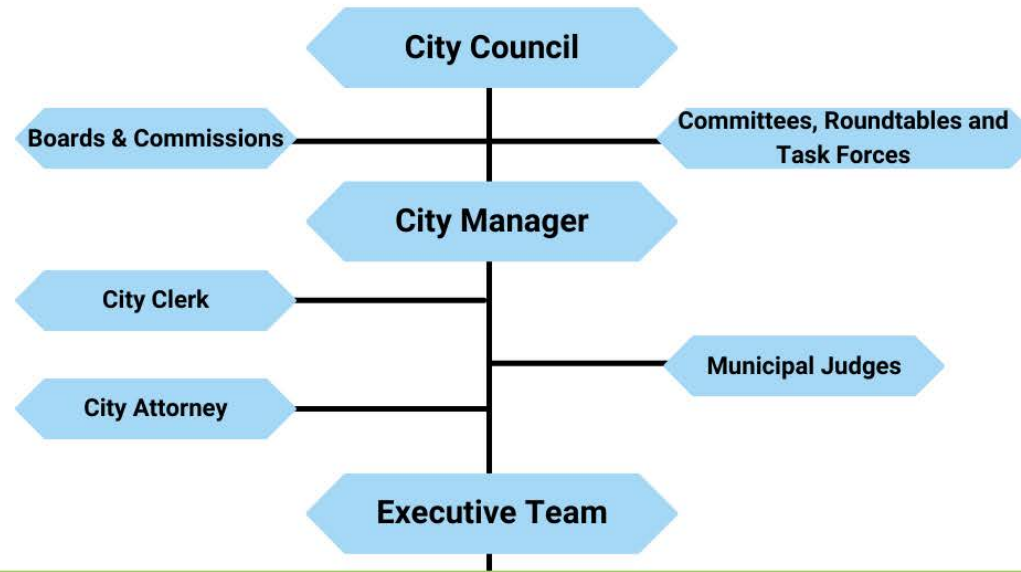
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO





**David Coble**  
Fire Chief

**Strategic Planning Priorities:**  
Public Safety and Emergency Management

- Areas of Responsibility:**
- Fire
  - Emergency Management
  - Emergency Medical Services Liaison
  - Catalyst 100 Executive Committee

**Heather Nick**  
Assistant City Manager

**Strategic Planning Priorities:**  
Development and Growth

- Areas of Responsibility:**
- Planning and Development Services
  - Metropolitan Planning Organization
  - Geographic Information Systems
  - Historic Preservation
  - Tyler 1st Comprehensive Plan
  - Permit Center
  - Economic Development (TIRZ Liaison)
  - Engineering

**Stephanie Franklin**  
Deputy City Manager

**Strategic Planning Priorities:**  
Quality of Life and Places

- Areas of Responsibility:**
- Organizational Strategic Planning
  - Visitor & Convention Facilities
  - Library
  - Main Street
  - Liberty Hall
  - Cultural Affairs Board
  - Building Inspections
  - Facility Services
  - Visit Tyler
  - Innovations Pipeline Liaison

**Jimmy Toler**  
Police Chief

**Strategic Planning Priorities:**  
Public Safety and Emergency Management

- Areas of Responsibility:**
- Police
  - Centralized Dispatch
  - 911 Liaison
  - Code Enforcement
  - Animal Services
  - Homeless Roundtable Liaison
  - Human Needs Network Liaison

**Keidric Trimble**  
Chief Financial Officer

**Strategic Planning Priorities:**  
Fiscal, Tech and Human Resources

- Areas of Responsibility:**
- Finance
  - Budget
  - Purchasing
  - Municipal Court
  - Internal Audit Services
  - Utility Billing

**Leroy Sparrow**  
Director of Solid Waste, Transit and VES

- Solid Waste
- 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
- Lean Six Sigma

**Julie Goodgame**  
Director of Marketing & Communication

- Marketing
- Internal/External Communication
- Legislative Affairs
- Liberty Hall
- Film Friendly Program

**Kate Dietz**  
Director of Utilities

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

**Benny Yazdanpanahi**  
Chief Information Officer

- Information Technology

**CITY OF TYLER, TEXAS**  
**LIST OF PRINCIPAL OFFICIALS**  
**SEPTEMBER 30, 2022**

**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

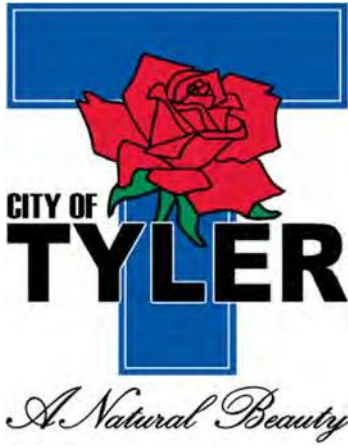
Brad Curtis, District 6

**City Manager – Edward Broussard**

**Chief Financial Officer – Keidric Trimble**

**City Attorney – Deborah Pullum**

## **FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

To the Honorable City Council,  
City of Tyler, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tyler, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Tyler, Texas's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the City of Tyler, Texas, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

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

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

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

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

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

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tyler, Texas’s basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Emphasis of Matter – Change in Accounting Principle**

As described in Note 1E:20 to the financial statements, the City of Tyler, Texas adopted new accounting guidance, *GASB Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

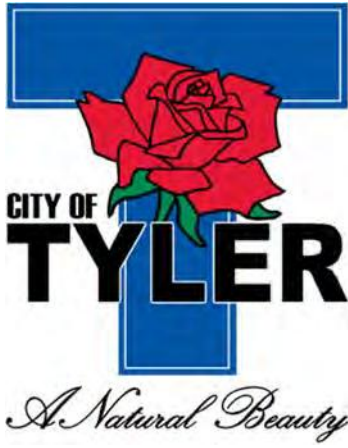
**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2023, on our consideration of the City of Tyler, Texas’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Tyler, Texas’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Tyler, Texas’s internal control over financial reporting and compliance.



PROTHRO, WILHELMI AND COMPANY, PLLC

Tyler, Texas  
March 22, 2023





## CITY OF TYLER, TEXAS

Management's Discussion and Analysis  
For Year Ended September 30, 2022  
(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, 2022. 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

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- The assets and deferred outflows of resources of the City of Tyler exceeded its liabilities and deferred inflows of resources at September 30, 2022 by \$570,001,889 (net position).
- The City's total net position increased by \$35,056,833 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 \$74,992,389. \$10,636,825 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 \$10,641,688. The general fund operating reserve targeted amount was \$11,961,069 (fifteen percent of general fund expenditures).
- The City's revenue bond payable had a net increase of 36,540,000. The City has no general obligation bond payable.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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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 twenty-five 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 twenty-three 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 65-72. The Fireman's Relief and Retirement Fund as of 2012 is reported in the City's financial statements as a blended component unit. This information is included in the basic fiduciary fund statement on pages 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 62-64.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-73.

**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 74-80 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 81-141 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 \$570,001,889 as of September 30, 2022.

The largest portion of the City's net position, eighty-six percent, or \$490,346,713, 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 2022

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$136,868,334	\$128,925,724	\$77,186,161	\$67,517,649	\$214,054,495	\$196,443,373
Capital assets	296,940,391	273,929,378	344,760,233	311,896,645	641,700,624	585,826,023
Total Assets	433,808,725	402,855,102	421,946,394	379,414,294	855,755,119	782,269,396
Deferred Outflow of Resources	20,459,452	12,922,476	785,987	1,495,416	21,245,439	14,417,892
Non-current liabilities	83,893,042	97,193,878	150,901,148	116,233,517	234,794,190	213,427,395
Other liabilities	27,705,652	20,122,620	10,090,301	5,707,353	37,795,953	25,829,973
Total Liabilities	111,598,694	117,316,498	160,991,449	121,940,870	272,590,143	239,257,368
Deferred Inflows of Resources	29,403,543	18,393,706	5,004,983	4,091,158	34,408,526	22,484,864
Net Position:						
Net Investment in Capital Assets	286,947,161	262,616,982	203,399,552	209,627,651	490,346,713	472,244,633
Restricted	57,958,272	47,018,449	51,496,593	41,650,116	109,454,865	88,668,565
Unrestricted	(31,639,493)	(29,568,057)	1,839,804	3,599,915	(29,799,689)	(25,968,142)
Total Net Position	\$313,265,940	\$280,067,374	\$256,735,949	\$254,877,682	\$570,001,889	\$534,945,056

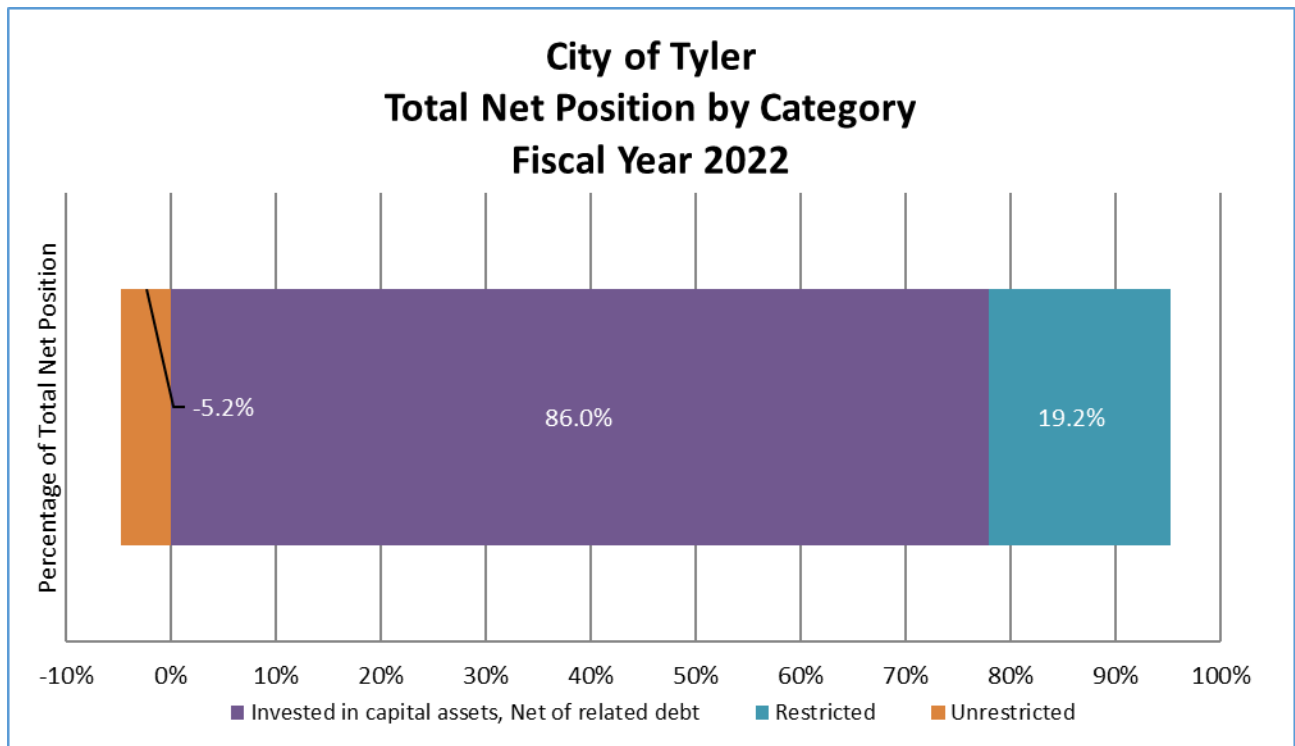
An additional portion of the City's net position, 19.2% or \$109,454,865 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is (5.2%) at \$(29,799,689).

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 one-hundred percent funded in 2036. One-hundred percent 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.

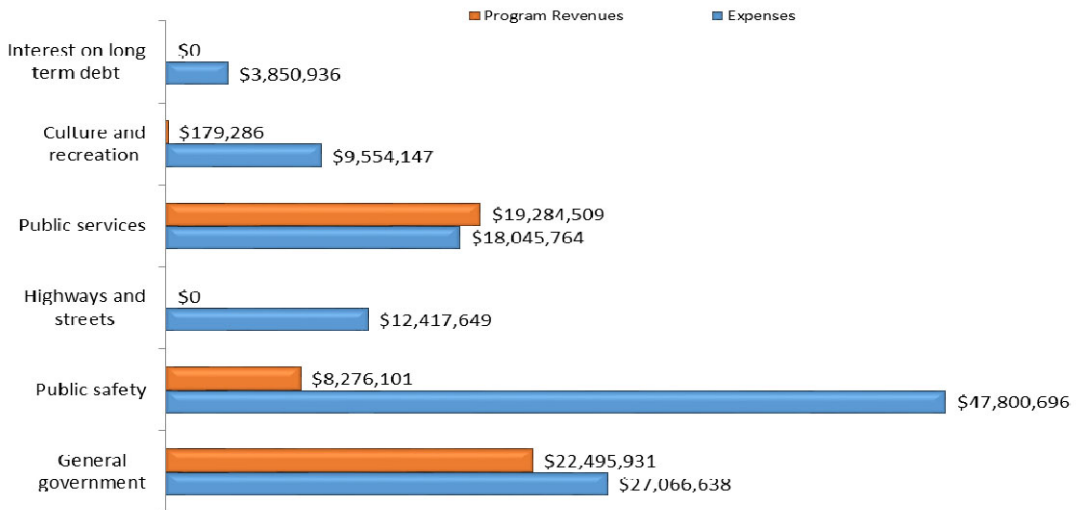
As of September 30, 2022 the City is able to report positive balances in two of the three categories of net position. The prior fiscal year also had positive balances in two of the three categories. The following chart illustrates for the current fiscal year the percentage of total net position each category encompasses.



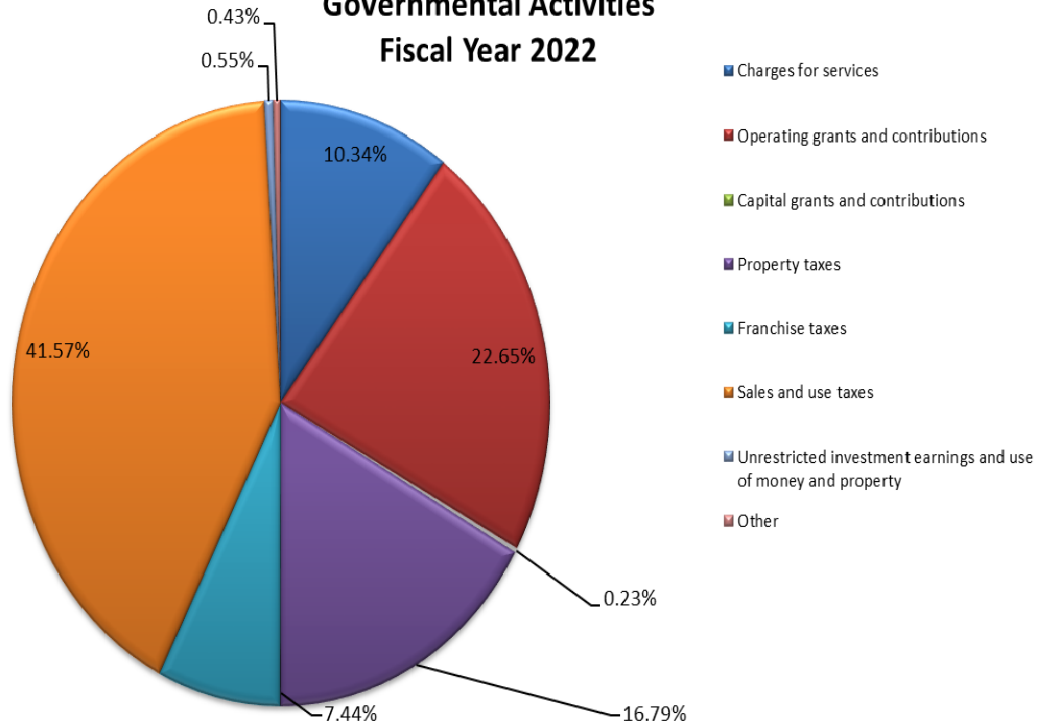
**Analysis of the City’s Operations** – Overall, the City’s total net position increased by \$35,056,833 for the current year.

**Governmental Activities:** Governmental activities increased total net position by \$33,198,566. Net position invested in capital assets, net of related debt increased by \$24,330,179 addition of assets. Restricted net position increased by \$10,939,823.

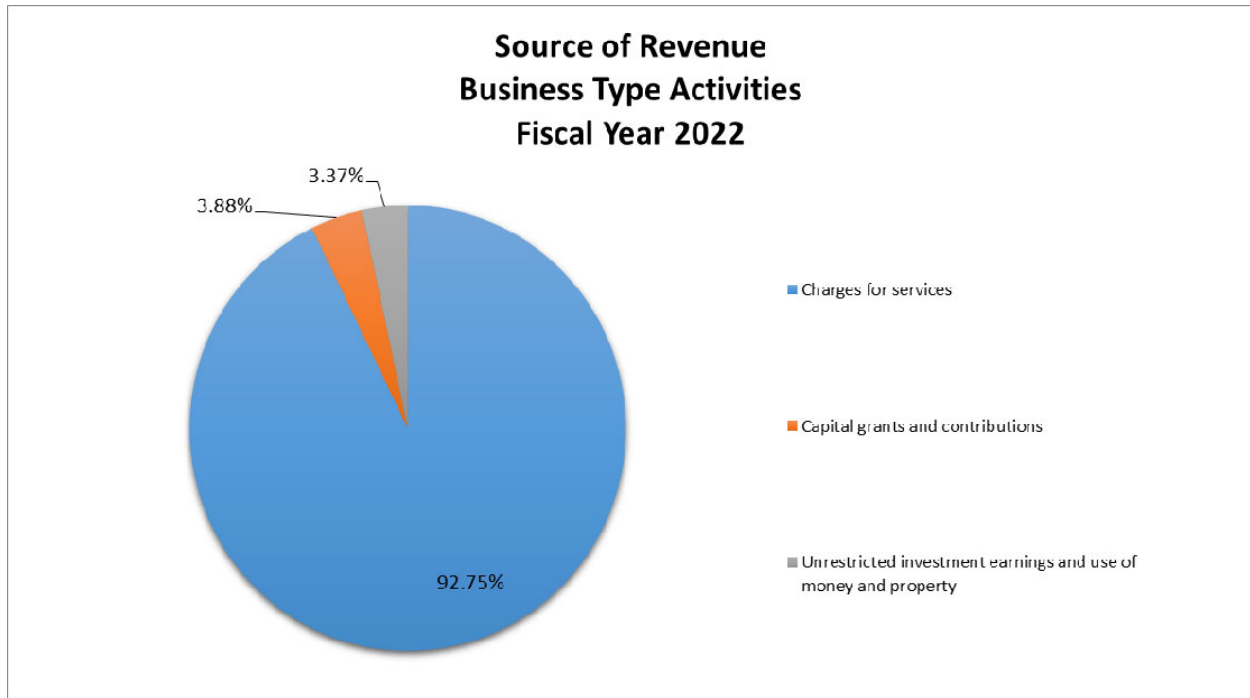
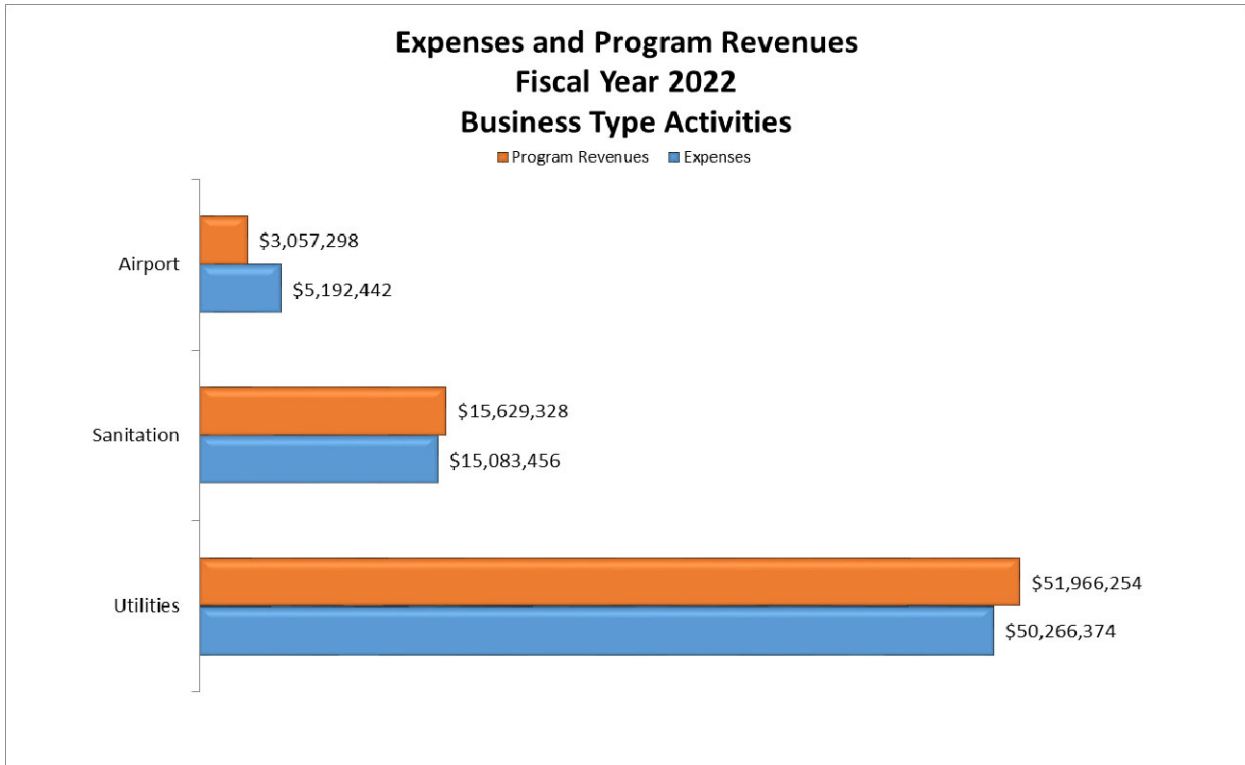
### Expenses and Program Revenues Fiscal Year 2022 Governmental Activities



### Source of Revenue Governmental Activities Fiscal Year 2022



**Business-type Activities:** Net Position from business-type activities increased by \$1,858,267. 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, 2022 with comparative totals for the year ended September 30, 2021.

**CITY OF TYLER'S CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$15,632,970	\$12,866,247	\$67,843,449	\$63,040,900	\$83,476,419	\$75,907,147
Operating grants and contributions	34,247,902	12,606,998	-	-	34,247,902	12,606,998
Capital grants and contributions	354,955	463,061	2,839,431	1,797,054	3,194,386	2,260,115
<b>General revenues:</b>						
Property taxes	25,387,943	23,485,458	-	-	25,387,943	23,485,458
Franchise taxes	11,243,225	10,896,182	-	-	11,243,225	10,896,182
Sales and use taxes	62,847,166	57,065,720	-	-	62,847,166	57,065,720
Investment earnings and use of money and property	829,440	855,460	2,461,694	1,919,575	3,291,134	2,775,035
Gain on sale of assets	646,760	(886,629)	-	154,966	646,760	(731,663)
Donations	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total revenues</b>	<b>151,190,361</b>	<b>117,352,497</b>	<b>73,144,574</b>	<b>66,912,495</b>	<b>224,334,935</b>	<b>184,264,992</b>
<b>Expenses:</b>						
General government	27,066,638	12,525,483	-	-	27,066,638	12,525,483
Public safety	47,800,696	47,833,820	-	-	47,800,696	47,833,820
Streets	12,417,649	14,403,381	-	-	12,417,649	14,403,381
Public services	18,045,764	16,021,187	-	-	18,045,764	16,021,187
Culture and recreation	9,554,147	8,130,411	-	-	9,554,147	8,130,411
Interest on long-term debt	3,850,936	500,109	-	-	3,850,936	500,109
Water and sewer	-	-	50,266,374	40,830,853	50,266,374	40,830,853
Sanitation	-	-	15,083,456	13,347,311	15,083,456	13,347,311
Airport	-	-	5,192,442	4,184,540	5,192,442	4,184,540
<b>Total Expenses</b>	<b>118,735,830</b>	<b>99,414,391</b>	<b>70,542,272</b>	<b>58,362,704</b>	<b>189,278,102</b>	<b>157,777,095</b>
Increases (decreases) in net position before transfers	32,454,531	17,938,106	2,602,302	8,549,791	35,056,833	26,487,897
Transfers	744,035	2,164,862	(744,035)	(2,164,862)	-	-
<b>Change in net position</b>	<b>33,198,566</b>	<b>20,102,968</b>	<b>1,858,267</b>	<b>6,384,929</b>	<b>35,056,833</b>	<b>26,487,897</b>
<b>Net position – October 1</b>	<b>280,067,374</b>	<b>259,964,406</b>	<b>254,877,682</b>	<b>248,492,753</b>	<b>534,945,056</b>	<b>508,457,159</b>
Prior Period Adjustment	-	-	-	-	-	-
<b>Net position – September 30</b>	<b>\$ 313,265,940</b>	<b>\$ 280,067,374</b>	<b>\$ 256,735,949</b>	<b>\$ 254,877,682</b>	<b>\$ 570,001,889</b>	<b>\$ 534,945,056</b>

**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 \$74,992,389. Approximately fourteen percent of this total amount, \$10,636,825, 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, \$30,505,360; 2) to pay for the perpetual care of city cemeteries, \$3,242,218; 3) to purchase items restricted under grant and donation terms, \$20,211,468; 4) to purchase items restricted under tourism and conventions, \$6,393,110 and 5) to pay for other miscellaneous restrictions, \$4,003,408. The City of Tyler also self imposes an operating designation in the general fund equivalent to approximately 15 percent of total expenditures, \$11,961,069.

In the general fund, the City’s original budget planned to decrease the fund balance on a budget basis by \$2,974,161. Additional amendments were made to fund various expenses required for operations for a net budgeted decrease in fund balance of \$3,432,777. Due to both revenue and expenditure budget variances the actual net increase in fund balance for fiscal year 2022 was \$1,925,709. Capital Projects Half Cent Sales Tax Fund balance increased in 2022 by \$472,351. Other non-major governmental fund balances decreased in 2022 by \$5,382,555, from \$24,410,513 to \$19,027,958.

**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 - \$5,970,584, Sanitation – \$(740,084) and Airport – \$402,335. The following funds had a net position increase/(decrease) in 2022 as follows: Utilities \$6,730,588, Sanitation \$1,218,266, and Airport- \$(851,103).

**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 \$458,616. Actual revenues were above the final budgeted amounts by a total of \$6,695,918. Actual expenditures including transfers were over the final budgeted amounts by a total of \$1,337,432.

### CAPITAL ASSETS

The City of Tyler’s investment in capital assets for its governmental and business-type activities as of September 30, 2022 amounts to \$641,700,624, (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 \$55,874,601.

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

- \$12,838,535 Roadway improvement projects
- \$ 2,093,091 Airport capital projects
- \$18,179,025 Water and Sewer capital projects
- \$14,886,243 Rose Complex Convention Center
- \$ 3,847,817 Drainage Capital Projects

	Capital Assets at Year End					
	Net of Accumulated Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$17,138,642	\$17,138,642	\$12,063,799	\$11,792,909	\$29,202,441	\$28,931,551
Water rights	-	-	12,526,700	12,526,700	12,526,700	12,526,700
Building	49,241,223	50,291,929	24,979,091	26,261,201	74,220,314	76,553,130
Improvements	38,408,886	40,987,045	259,941,775	229,241,001	298,350,661	270,228,046
Machinery & equipment	22,144,980	20,955,844	6,343,325	5,667,267	28,488,305	26,623,111
Infrastructure	140,490,558	129,646,459	15,953,386	16,410,001	156,443,944	146,056,460
Right-to-use lease assets	833,394	-	-	-	833,394	-
Construction in progress	28,682,708	14,909,459	12,952,157	9,997,566	41,634,865	24,907,025
<b>Total</b>	<b>\$296,940,391</b>	<b>\$273,929,378</b>	<b>\$344,760,233</b>	<b>\$311,896,645</b>	<b>\$641,700,624</b>	<b>\$585,826,023</b>



Additional information on the City of Tyler’s capital assets can be found in Note 4 on pages 44-46 of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City of Tyler had a total bonded debt of \$142,680,000 comprised of bonds secured by water and sewer revenues \$133,060,000, airport customer facility revenue \$550,000, and hotel bond revenue \$9,070,000.

	Outstanding Debt at Year End					
	Bonds and Notes Payable					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital leases	\$893,210	\$1,658,936	-	-	\$893,210	\$1,658,936
Revenue bonds payable	-	-	142,680,000	106,140,000	142,680,000	106,140,000
<b>Total</b>	<b>\$893,210</b>	<b>\$1,658,936</b>	<b>\$142,680,000</b>	<b>\$106,140,000</b>	<b>\$143,573,210</b>	<b>\$107,798,936</b>

During the fiscal year, the City’s revenue bond debt increased by \$36,540,000 or 34.4%. The City’s General Obligation and Revenue Bond ratings are listed below.

Standard & Poor’s

General Obligation Bonds	AAA
Revenue Bonds	AA+
Revenue Bonds (Rose Complex)	A+

Please see Note 4 on page 52 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 ten percent of its total assessed valuation. The current debt limitation for the City of Tyler is \$977,080,791. 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 51-53 of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

- The unemployment rate for the City of Tyler is currently 4.2%, which is an increase from 0.9% a year ago. This compares to the state’s average unemployment rate of 3.9% and the national average rate of 3.6%.
- Sales tax receipt growth over a ten year average increased slightly to 5.03%. Property values have grown at an average of 3.81% 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 2022-2023 and the City of Tyler anticipates that total net position will remain at similar levels by September 30, 2023.

**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](mailto:cfo@tylertexas.com).



## **BASIC FINANCIAL STATEMENTS**

**CITY OF TYLER, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

**EXHIBIT 1**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 54,427,268	\$ 18,528,237	\$ 72,955,505
Receivables (net of allowance for doubtful accounts)	27,719,062	11,567,616	39,286,678
Lease receivable	127,051	128,719	255,770
Internal balances	3,793,031	(3,793,031)	-
Inventory	425,950	1,197,526	1,623,476
Prepaid items	179,375	62,792	242,167
Restricted Assets:			
Temporarily restricted			
Cash and cash equivalents	43,335,761	49,494,302	92,830,063
Permanently restricted			
Cash and cash equivalents	3,239,007	-	3,239,007
Other post employment benefits asset	24,190	-	24,190
Investment in joint venture	3,597,639	-	3,597,639
Capital assets not being depreciated:			
Land	17,138,642	12,063,799	29,202,441
Water rights	-	12,526,700	12,526,700
Construction in progress	28,682,708	12,952,157	41,634,865
Capital Assets net of accumulated depreciation and amortization:			
Buildings	49,241,223	24,979,091	74,220,314
Improvements, other than buildings	38,408,886	259,941,775	298,350,661
Machinery and equipment	22,144,980	6,343,325	28,488,305
Infrastructure	140,490,558	15,953,386	156,443,944
Right-to-use lease assets	833,394	-	833,394
<b>Total assets</b>	<b>433,808,725</b>	<b>421,946,394</b>	<b>855,755,119</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	19,392,857	511,821	19,904,678
Deferred outflows related to OPEB	1,066,595	274,166	1,340,761
<b>Total deferred outflows of resources</b>	<b>20,459,452</b>	<b>785,987</b>	<b>21,245,439</b>
<b>LIABILITIES</b>			
Accounts payable	7,217,073	9,781,495	16,998,568
Deposits and other refundable balances	636,136	68,523	704,659
Insurance claims payable	1,688,230	-	1,688,230
Accrued interest payable	26,832	240,283	267,115
Unearned revenues	18,137,381	-	18,137,381
Non-current liabilities:			
Due within one year	1,130,380	5,955,881	7,086,261
Due in more than one year	82,762,662	144,945,267	227,707,929
<b>Total liabilities</b>	<b>111,598,694</b>	<b>160,991,449</b>	<b>272,590,143</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to leases	126,966	125,024	251,990
Deferred inflows related to OPEB	7,512,685	2,587,712	10,100,397
Deferred inflows related to pensions	21,763,892	2,292,247	24,056,139
<b>Total deferred inflows of resources</b>	<b>29,403,543</b>	<b>5,004,983</b>	<b>34,408,526</b>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	286,947,161	203,399,552	490,346,713
Restricted for:			
Inventory	71,664	-	71,664
Prepaid items	104,463	-	104,463
Perpetual care - nonexpendable	3,242,218	-	3,242,218
Storm water management	-	2,002,291	2,002,291
Public Safety	737,692	-	737,692
Capital improvements	1,385,092	-	1,385,092
Tourism and convention	6,027,963	-	6,027,963
Donor restrictions	742,168	-	742,168
Capital projects	24,771,087	47,568,996	72,340,083
Airport improvements	214,400	-	214,400
Communications	1,187,062	-	1,187,062
Housing assistance	911,760	-	911,760
Grant restrictions	440,108	-	440,108
COVID fiscal recovery	18,117,432	-	18,117,432
Debt service	5,163	1,925,306	1,930,469
Unrestricted net position (deficit)	(31,639,493)	1,839,804	(29,799,689)
<b>Total net position (deficit)</b>	<b>\$ 313,265,940</b>	<b>\$ 256,735,949</b>	<b>\$ 570,001,889</b>

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, 2022**

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	\$ 27,066,638	\$ 4,719,311	\$ 17,776,620	\$ -	\$ (4,570,707)	\$ -	\$ (4,570,707)
Public safety	47,800,696	7,250,359	670,787	354,955	(39,524,595)	-	(39,524,595)
Highways and streets	12,417,649	-	-	-	(12,417,649)	-	(12,417,649)
Public services	18,045,764	3,484,014	15,800,495	-	1,238,745	-	1,238,745
Culture and recreation	9,554,147	179,286	-	-	(9,374,861)	-	(9,374,861)
Interest on long term debt	3,850,936	-	-	-	(3,850,936)	-	(3,850,936)
Total governmental activities	<u>118,735,830</u>	<u>15,632,970</u>	<u>34,247,902</u>	<u>354,955</u>	<u>(68,500,003)</u>	<u>-</u>	<u>(68,500,003)</u>
Business-type activities:							
Utilities	50,266,374	51,996,254	-	-	-	1,729,880	1,729,880
Sanitation	15,083,456	15,629,328	-	-	-	545,872	545,872
Airport	5,192,442	217,867	-	2,839,431	-	(2,135,144)	(2,135,144)
Total business-type activities	<u>70,542,272</u>	<u>67,843,449</u>	<u>-</u>	<u>2,839,431</u>	<u>-</u>	<u>140,608</u>	<u>140,608</u>
Total primary government	<u>\$ 189,278,102</u>	<u>\$ 83,476,419</u>	<u>\$ 34,247,902</u>	<u>\$ 3,194,386</u>	<u>(68,500,003)</u>	<u>140,608</u>	<u>(68,359,395)</u>
General revenues:							
Property taxes					25,387,943	-	25,387,943
Franchise taxes					11,243,225	-	11,243,225
Sales and use taxes					62,847,166	-	62,847,166
Unrestricted investment earnings and use of money and property					829,440	2,461,694	3,291,134
Gain on sale of assets					646,760	-	646,760
Transfers					744,035	(744,035)	-
Total general revenues and transfers					<u>101,698,569</u>	<u>1,717,659</u>	<u>103,416,228</u>
Change in net position					33,198,566	1,858,267	35,056,833
Net position - beginning of year					<u>280,067,374</u>	<u>254,877,682</u>	<u>534,945,056</u>
Net position - end of year					<u>\$ 313,265,940</u>	<u>\$ 256,735,949</u>	<u>\$ 570,001,889</u>

**CITY OF TYLER, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	MAJOR FUNDS		OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	ONE-HALF CENT SALES TAX		
<b>ASSETS</b>				
Cash and cash equivalents	\$ 23,831,298	\$ -	\$ 12,994,061	\$ 36,825,359
Receivables (net of allowance for doubtful accounts) :				
Property taxes	755,897	-	-	755,897
Other	21,470,298	3,485,479	1,832,362	26,788,139
Due from other funds	3,001,687	-	-	3,001,687
Inventory	67,214	-	4,450	71,664
Prepaid items	104,463	-	1,274	105,737
Cash and cash equivalents - restricted	18,117,432	22,238,549	6,218,787	46,574,768
	<u>\$ 67,348,289</u>	<u>\$ 25,724,028</u>	<u>\$ 21,050,934</u>	<u>\$ 114,123,251</u>
Total assets				
<b>LIABILITIES</b>				
Accounts payable	3,333,097	952,811	1,207,778	5,493,686
Accrued interest payable	-	-	3,104	3,104
Deposits and other refundable balances	2,038,165	-	256,907	2,295,072
Other liabilities	-	130	-	130
Due to other funds	-	-	554,358	554,358
Unearned revenues	18,136,552	-	829	18,137,381
	<u>23,507,814</u>	<u>952,941</u>	<u>2,022,976</u>	<u>26,483,731</u>
Total liabilities				
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	650,360	-	-	650,360
Unavailable revenue-fines	11,956,658	-	-	11,956,658
Unavailable revenue-permits	40,113	-	-	40,113
	<u>12,647,131</u>	<u>-</u>	<u>-</u>	<u>12,647,131</u>
Total deferred inflows of resources				
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable:				
Inventory	67,214	-	4,450	71,664
Prepaid items	104,463	-	-	104,463
Permanent fund principal	-	-	3,242,218	3,242,218
Restricted for:				
Debt service	-	-	5,163	5,163
Public safety	-	-	737,692	737,692
Capital improvements	-	-	1,385,092	1,385,092
Tourism and convention	-	-	6,027,963	6,027,963
Donor restrictions	-	-	742,168	742,168
Capital projects	-	24,771,087	-	24,771,087
Airport improvements	-	-	214,400	214,400
Communications	-	-	1,187,062	1,187,062
Housing assistance	-	-	911,760	911,760
Grant restrictions	-	-	440,108	440,108
COVID fiscal recovery	18,117,432	-	-	18,117,432
Assigned to:				
Development services	1,897,364	-	-	1,897,364
Capital projects	36	-	4,134,745	4,134,781
Tourism and convention	365,147	-	-	365,147
Unassigned	10,641,688	-	(4,863)	10,636,825
	<u>31,193,344</u>	<u>24,771,087</u>	<u>19,027,958</u>	<u>74,992,389</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 67,348,289</u>	<u>\$ 25,724,028</u>	<u>\$ 21,050,934</u>	<u>\$ 114,123,251</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, 2022**

Total fund balances governmental funds (Exhibit 3)	\$ 74,992,389
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)	24,190
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	275,480,861
Equity in an affiliated joint venture is included in governmental activities in the statement of net assets.	3,597,639
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	12,898,061
Deferred outflows of funds related to pension and OPEB activities	20,459,452
Deferred inflows of funds related to pension and OPEB activities	(29,276,577)
Net pension and OPEB liabilities reflected under GASB 68 and 75 at year end	(55,139,252)
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)	34,223,280
Long term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	<u>(23,994,103)</u>
Net position of governmental activities (Exhibit 1)	<u><u>\$ 313,265,940</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, 2022**

	MAJOR FUNDS		OTHER NON-MAJOR GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	ONE-HALF CENT SALES TAX			
<b>REVENUES</b>					
Taxes:					
Property	\$ 25,175,831	\$ -	\$ 163,947	\$ -	\$ 25,339,778
Franchise	11,027,184	-	216,041	-	11,243,225
Sales and use	39,219,773	19,337,746	4,289,647	-	62,847,166
Licenses and permits	3,214,475	-	3,750	-	3,218,225
Revenues from other agencies	690,704	91,193	16,064,257	-	16,846,154
Fines, forfeitures, and penalties	4,150,874	-	539,131	-	4,690,005
Revenues from use of money or property	536,954	161,615	142,715	-	841,284
Donations	-	-	388,457	-	388,457
Charges for current services	2,553,983	-	1,102,208	-	3,656,191
Miscellaneous	1,478,107	192,191	2,250,713	-	3,921,011
Total revenues	<u>88,047,885</u>	<u>19,782,745</u>	<u>25,160,866</u>	<u>-</u>	<u>132,991,496</u>
<b>EXPENDITURES</b>					
Current:					
General government	7,945,691	339,004	252,258	-	8,536,953
Public safety	53,037,985	-	618,655	-	53,656,640
Public services	3,451,119	-	14,676,876	-	18,127,995
Highways and streets	6,209,923	-	-	-	6,209,923
Culture and recreation	8,609,716	-	404,276	-	9,013,992
Capital outlay	486,029	15,496,562	19,623,673	-	35,606,264
Debt service:					
Principal retirement	-	-	3,500,261	-	3,500,261
Interest and fiscal charges	-	-	469,886	-	469,886
Total expenditures	<u>79,740,463</u>	<u>15,835,566</u>	<u>39,545,885</u>	<u>-</u>	<u>135,121,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,307,422</u>	<u>3,947,179</u>	<u>(14,385,019)</u>	<u>-</u>	<u>(2,130,418)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Right-to-use leases	-	-	236,499	-	236,499
Transfers in	2,325,000	-	11,782,053	(613,302)	13,493,751
Transfers out	(8,706,713)	(3,474,828)	(3,016,088)	613,302	(14,584,327)
Total other financing sources (uses)	<u>(6,381,713)</u>	<u>(3,474,828)</u>	<u>9,002,464</u>	<u>-</u>	<u>(854,077)</u>
Net change in fund balances	1,925,709	472,351	(5,382,555)	-	(2,984,495)
Fund balances - beginning of year	<u>29,267,635</u>	<u>24,298,736</u>	<u>24,410,513</u>	<u>-</u>	<u>77,976,884</u>
Fund balances - end of year	<u>\$ 31,193,344</u>	<u>\$ 24,771,087</u>	<u>\$ 19,027,958</u>	<u>\$ -</u>	<u>\$ 74,992,389</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, 2022**

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

Net change in fund balances - total governmental funds	\$ (2,984,495)
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.	23,625,090
The net decrease of the equity in investment in an affiliated joint venture is reflected on the statement of activities.	(76,938)
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	-
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.	(295,102)
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.	(46,737)
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.	12,830,632
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>146,116</u>
Change in net assets of governmental activities (Exhibit 2)	<u><u>\$ 33,198,566</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, 2022**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Property tax collections	\$ 25,238,387	\$ 25,238,387	\$ 25,175,831	\$ (62,556)
Franchise fees	11,038,781	11,038,781	11,027,184	(11,597)
Sales and use taxes	34,305,369	34,305,369	39,219,773	4,914,404
Licenses and permits	2,356,724	2,356,724	3,214,475	857,751
Fines, forfeitures, and penalties	3,791,590	3,791,590	4,150,874	359,284
Revenues from use of money or property	506,800	491,900	536,954	45,054
Charges for current services	2,554,439	2,568,939	2,553,983	(14,956)
Revenues from other agencies	607,365	607,365	690,704	83,339
Miscellaneous	952,512	952,912	1,478,107	525,195
<b>Total revenues</b>	<b>81,351,967</b>	<b>81,351,967</b>	<b>88,047,885</b>	<b>6,695,918</b>
<b>EXPENDITURES</b>				
GENERAL GOVERNMENT:				
General Government Services	4,661,872	4,333,085	4,161,970	171,115
Communications	493,061	493,061	546,122	(53,061)
Finance	1,534,935	1,534,935	1,484,119	50,816
Human Resources	578,459	578,459	512,585	65,874
Legal	1,229,398	1,264,398	1,202,787	61,611
Parking Garage	30,550	30,550	30,282	268
Innovation Pipeline	6,220	6,220	7,826	(1,606)
<b>Total General Government</b>	<b>8,534,495</b>	<b>8,240,708</b>	<b>7,945,691</b>	<b>295,017</b>
PUBLIC SAFETY				
Police	30,835,844	30,858,081	30,780,968	77,113
Fire	20,474,404	20,474,404	20,346,198	128,206
Municipal Court	2,073,172	2,073,172	1,910,819	162,353
<b>Total Public Safety</b>	<b>53,383,420</b>	<b>53,405,657</b>	<b>53,037,985</b>	<b>367,672</b>
PUBLIC SERVICES				
Animal Services	1,306,802	1,306,802	1,215,646	91,156
Planning and Zoning Services	878,055	878,055	808,096	69,959
Building Services	1,412,012	1,412,012	1,427,377	(15,365)
<b>Total Public Services</b>	<b>3,596,869</b>	<b>3,596,869</b>	<b>3,451,119</b>	<b>145,750</b>

(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, 2022**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
<b>EXPENDITURES (continued)</b>				
<b>HIGHWAYS AND STREETS</b>				
Engineering	\$ 646,334	\$ 646,334	\$ 645,784	\$ 550
Street administration	3,066,303	3,100,923	3,029,684	71,239
Traffic operations	2,676,080	2,676,080	2,534,455	141,625
Total Highways and Streets	<u>6,388,717</u>	<u>6,423,337</u>	<u>6,209,923</u>	<u>213,414</u>
<b>CULTURE AND RECREATION</b>				
Library	1,886,310	1,886,310	1,754,824	131,486
Parks administration	2,890,987	2,890,987	2,979,918	(88,931)
Indoor recreation	650,500	778,520	740,839	37,681
Outdoor recreation	264,191	264,191	213,228	50,963
Median maintenance and arborist	427,856	515,156	487,069	28,087
Rose Garden center	288,967	288,967	289,200	(233)
Rose Garden maintenance	610,088	610,088	555,337	54,751
Visitor facilities	856,057	856,057	892,462	(36,405)
Main Street	471,323	512,289	500,706	11,583
Liberty Hall	258,768	256,761	196,133	60,628
Total Culture and Recreation	<u>8,605,047</u>	<u>8,859,326</u>	<u>8,609,716</u>	<u>249,610</u>
Capital Outlay	<u>274,056</u>	<u>465,323</u>	<u>486,029</u>	<u>(20,706)</u>
Total expenditures	<u>80,782,604</u>	<u>80,991,220</u>	<u>79,740,463</u>	<u>1,250,757</u>
Excess of revenues over expenditures	<u>569,363</u>	<u>360,747</u>	<u>8,307,422</u>	<u>7,946,675</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,325,000	2,325,000	2,325,000	-
Transfers out	(5,868,524)	(6,118,524)	(8,706,713)	(2,588,189)
Total other financing sources (uses)	<u>(3,543,524)</u>	<u>(3,793,524)</u>	<u>(6,381,713)</u>	<u>(2,588,189)</u>
Net change in fund balance	(2,974,161)	(3,432,777)	1,925,709	5,358,486
Fund balance - beginning of year	<u>16,295,654</u>	<u>14,742,019</u>	<u>29,267,635</u>	<u>14,525,616</u>
Fund balance - end of year	<u>\$ 13,321,493</u>	<u>\$ 11,309,242</u>	<u>\$ 31,193,344</u>	<u>\$ 19,884,102</u>

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

**CITY OF TYLER, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2022**

	BUSINESS-TYPE ACTIVITIES			TOTAL ENTERPRISE FUNDS	GOVERNMENTAL
	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
ASSETS	UTILITIES	SANITATION	AIRPORT		
Current assets:					
Unrestricted current assets:					
Cash and cash equivalents	\$ 16,497,462	\$ 1,367,814	\$ 662,961	\$ 18,528,237	\$ 17,601,909
Prepaid expenses	45,609	17,183	-	62,792	73,638
Accounts receivable (net of allowance for doubtful accounts)	6,740,304	2,474,428	2,327,570	11,542,302	175,026
Accrued interest receivable	24,661	-	653	25,314	-
Inventory - at average cost	1,197,526	-	-	1,197,526	354,286
Lease receivable	18,899	-	1,999	20,898	4,691
Total unrestricted current assets	<u>24,524,461</u>	<u>3,859,425</u>	<u>2,993,183</u>	<u>31,377,069</u>	<u>18,209,550</u>
Restricted Current assets:					
Temporarily restricted:					
Cash and cash equivalents for payment of current maturities of revenue bond principal and interest	1,821,126	-	104,180	1,925,306	-
Total restricted current assets	<u>1,821,126</u>	<u>-</u>	<u>104,180</u>	<u>1,925,306</u>	<u>-</u>
Total current assets	<u>26,345,587</u>	<u>3,859,425</u>	<u>3,097,363</u>	<u>33,302,375</u>	<u>18,209,550</u>
Noncurrent assets:					
Restricted assets:					
Temporarily restricted					
Cash and cash equivalents	47,432,485	136,511	-	47,568,996	-
Total restricted assets	<u>47,432,485</u>	<u>136,511</u>	<u>-</u>	<u>47,568,996</u>	<u>-</u>
Other post employment benefits asset					24,190
Lease receivable	107,821	-	-	107,821	122,360
Capital assets:					
Land	6,842,055	3,285,312	1,936,432	12,063,799	104,249
Water rights	12,526,700	-	-	12,526,700	-
Buildings and infrastructure	41,380,122	727,319	42,144,225	84,251,666	1,807,761
Improvements other than buildings	331,821,514	605,496	80,268,890	412,695,900	2,213,640
Machinery and equipment	6,704,539	8,961,256	2,366,868	18,032,663	53,021,355
Construction in progress	10,418,799	54,280	2,479,078	12,952,157	1,790,080
Right-to-use lease asset	-	-	-	-	1,009,616
Less: accumulated depreciation and amortization	(168,254,682)	(6,366,656)	(33,141,314)	(207,762,652)	(38,487,171)
Total capital assets net of accumulated depreciation and amortization	<u>241,439,047</u>	<u>7,267,007</u>	<u>96,054,179</u>	<u>344,760,233</u>	<u>21,459,530</u>
Total noncurrent assets	<u>288,979,353</u>	<u>7,403,518</u>	<u>96,054,179</u>	<u>392,437,050</u>	<u>21,606,080</u>
Total assets	<u>315,324,940</u>	<u>11,262,943</u>	<u>99,151,542</u>	<u>425,739,425</u>	<u>39,815,630</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	202,557	232,442	76,822	511,821	193,136
Deferred outflows related to OPEB	194,294	69,383	10,489	274,166	(143,309)
Total deferred outflows of resources	<u>396,851</u>	<u>301,825</u>	<u>87,311</u>	<u>785,987</u>	<u>49,827</u>
<b>LIABILITIES</b>					
Current liabilities:					
Unrestricted current liabilities					
Accounts and contracts payable	7,283,874	613,763	207,663	8,105,300	1,723,257
Due to other funds	-	-	1,676,195	1,676,195	-
Insurance claims payable	-	-	-	-	1,688,230
Current portion of capital lease payable	-	-	-	-	-
Current portion of compensated absences payable	27,912	11,351	1,618	40,881	12,362
Current portion of lease liability	-	-	-	-	6,810
Total unrestricted current liabilities	<u>7,311,786</u>	<u>625,114</u>	<u>1,885,476</u>	<u>9,822,376</u>	<u>3,430,659</u>
Current liabilities payable from restricted assets					
Revenue bonds payable	5,830,000	-	85,000	5,915,000	-
Customer deposits	68,523	-	-	68,523	-
Accrued interest	240,283	-	-	240,283	23,728
Total current liabilities payable from restricted assets	<u>6,138,806</u>	<u>-</u>	<u>85,000</u>	<u>6,223,806</u>	<u>23,728</u>
Total current liabilities	<u>13,450,592</u>	<u>625,114</u>	<u>1,970,476</u>	<u>16,046,182</u>	<u>3,454,387</u>
Noncurrent liabilities					
Revenue bonds payable	134,980,681	-	465,000	135,445,681	-
Lease liability	-	-	-	-	739,683
Net pension obligation	3,408,368	1,770,782	425,295	5,604,445	1,508,446
Net OPEB obligation	1,885,747	880,681	147,570	2,913,998	536,758
Compensated absences	669,885	272,424	38,834	981,143	296,692
Total noncurrent liabilities	<u>140,944,681</u>	<u>2,923,887</u>	<u>1,076,699</u>	<u>144,945,267</u>	<u>3,081,579</u>
Total liabilities	<u>154,395,273</u>	<u>3,549,001</u>	<u>3,047,175</u>	<u>160,991,449</u>	<u>6,535,966</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to leases	123,025	-	1,999	125,024	126,966
Deferred inflows related to OPEB	1,782,418	712,083	93,211	2,587,712	251,675
Deferred inflows related to pensions	1,566,223	640,250	85,774	2,292,247	379,575
Total deferred inflows of resources	<u>3,471,666</u>	<u>1,352,333</u>	<u>180,984</u>	<u>5,004,983</u>	<u>758,216</u>
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	100,628,366	7,267,007	95,504,179	203,399,552	20,713,037
Restricted for:					
Debt service	1,821,126	-	104,180	1,925,306	-
Storm water management	2,002,291	-	-	2,002,291	-
Capital projects	47,432,485	136,511	-	47,568,996	-
Unrestricted net position (deficit)	<u>5,970,584</u>	<u>(740,084)</u>	<u>402,335</u>	<u>5,632,835</u>	<u>11,858,238</u>
Total net position	<u>\$ 157,854,852</u>	<u>\$ 6,663,434</u>	<u>\$ 96,010,694</u>	<u>260,528,980</u>	<u>\$ 32,571,275</u>
Reconciliation to government-wide statements of net assets					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(3,793,031)	
Net position of business-type activities				<u>\$ 256,735,949</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, 2022**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES
	UTILITIES	SANITATION	AIRPORT		INTERNAL SERVICE FUNDS
<b>OPERATING REVENUES</b>					
Water and sewer operations	\$ 48,330,010	\$ -	\$ -	\$ 48,330,010	\$ -
Trash and garbage	-	15,597,216	-	15,597,216	-
Airport services	-	-	197,482	197,482	-
Charges for services	-	-	-	-	20,346,795
Contributions	-	-	-	-	13,264,222
Miscellaneous	3,666,244	32,112	20,385	3,718,741	4,492,481
Total operating revenues	<u>51,996,254</u>	<u>15,629,328</u>	<u>217,867</u>	<u>67,843,449</u>	<u>38,103,498</u>
<b>OPERATING EXPENSES</b>					
Water and sewer operations	32,258,250	-	-	32,258,250	-
Sanitation operations	-	14,398,300	-	14,398,300	-
Municipal airport operations	-	-	1,919,275	1,919,275	-
Garage operations	-	-	-	-	8,048,917
Depreciation and amortization	8,696,241	616,818	3,249,479	12,562,538	4,531,734
Insurance claims	-	-	-	-	18,734,064
Administrative	-	-	-	-	8,180,265
Special services	-	-	-	-	681,160
Maintenance	-	-	-	-	419,266
Total operating expenses	<u>40,954,491</u>	<u>15,015,118</u>	<u>5,168,754</u>	<u>61,138,363</u>	<u>40,595,406</u>
Operating income (loss)	<u>11,041,763</u>	<u>614,210</u>	<u>(4,950,887)</u>	<u>6,705,086</u>	<u>(2,491,908)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Revenues from use of money and property	636,877	800,604	1,024,213	2,461,694	167,442
Gain (loss) on sale of assets	-	(68,338)	-	(68,338)	646,760
Interest expense	(4,072,399)	-	(23,688)	(4,096,087)	(10,789)
Total non-operating revenues (expenses)	<u>(3,435,522)</u>	<u>732,266</u>	<u>1,000,525</u>	<u>(1,702,731)</u>	<u>803,413</u>
Income (loss) before income from other agencies and transfers	<u>7,606,241</u>	<u>1,346,476</u>	<u>(3,950,362)</u>	<u>5,002,355</u>	<u>(1,688,495)</u>
Income from other agencies	-	-	2,839,431	2,839,431	-
Transfers in	-	-	296,828	296,828	1,834,611
Transfers out	(875,653)	(128,210)	(37,000)	(1,040,863)	-
Net transfers and income from other agencies	<u>(875,653)</u>	<u>(128,210)</u>	<u>3,099,259</u>	<u>2,095,396</u>	<u>1,834,611</u>
Change in net position	6,730,588	1,218,266	(851,103)	7,097,751	146,116
Net position - beginning of year	<u>151,124,264</u>	<u>5,445,168</u>	<u>96,861,797</u>		<u>32,425,159</u>
Net position - end of year	<u>\$ 157,854,852</u>	<u>\$ 6,663,434</u>	<u>\$ 96,010,694</u>		<u>\$ 32,571,275</u>
Reconciliation to government-wide statements of net assets					
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				(3,793,031)	
Change in net position of business-type activities				<u>\$ 3,304,720</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, 2022**

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL	
	ENTERPRISE FUNDS			ACTIVITIES	
	UTILITIES	SANITATION	AIRPORT	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 51,755,321	\$ 15,669,403	\$ 217,867	\$ 67,642,591	\$ 37,940,909
Cash paid to suppliers for goods and services	(18,419,659)	(9,928,627)	(1,344,570)	(29,692,856)	(12,602,372)
Cash paid to employees for services	(13,390,717)	(5,370,058)	(777,737)	(19,538,512)	(3,607,074)
Cash paid for principal of leases	-	-	-	-	(185,443)
Interest paid for leases	-	-	-	-	(9,711)
Insurance claims paid	-	-	-	-	(18,599,499)
Net cash provided by (used in) operating activities	<u>19,944,945</u>	<u>370,718</u>	<u>(1,904,440)</u>	<u>18,411,223</u>	<u>2,936,810</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Advances from other funds	-	-	1,541,546	1,541,546	-
Transfers in from other funds	-	-	296,828	296,828	1,834,611
Transfers out to other funds	(875,653)	(128,210)	(37,000)	(1,040,863)	-
Net cash (used in) provided by non-capital financing activities	<u>(875,653)</u>	<u>(128,210)</u>	<u>1,801,374</u>	<u>797,511</u>	<u>1,834,611</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(40,310,215)	(664,681)	(2,070,679)	(43,045,575)	(6,462,227)
Bond proceeds	41,360,100	-	-	41,360,100	-
Proceeds from grants for capital purposes	-	-	1,080,374	1,080,374	-
Proceeds from sale of assets	-	-	-	-	640,090
Principal paid on debt	(4,610,000)	-	(80,000)	(4,690,000)	-
Interest paid	(4,072,399)	-	(23,688)	(4,096,087)	-
Net cash (used in) capital and related financing activities	<u>(7,632,514)</u>	<u>(664,681)</u>	<u>(1,093,993)</u>	<u>(9,391,188)</u>	<u>(5,822,137)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends on investments	617,705	800,604	1,023,785	2,442,094	167,442
Net cash (used in) provided by investing activities	<u>617,705</u>	<u>800,604</u>	<u>1,023,785</u>	<u>2,442,094</u>	<u>167,442</u>
Net increase (decrease) in cash and cash equivalents	12,054,483	378,431	(173,274)	12,259,640	(883,274)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>53,696,590</u>	<u>1,125,894</u>	<u>940,415</u>	<u>55,762,899</u>	<u>18,485,183</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 65,751,073</u>	<u>\$ 1,504,325</u>	<u>\$ 767,141</u>	<u>\$ 68,022,539</u>	<u>\$ 17,601,909</u>
<b>Reconciliation to Exhibit 8:</b>					
Unrestricted cash and cash equivalents	\$ 16,497,462	\$ 1,367,814	\$ 662,961	\$ 18,528,237	\$ 17,601,909
Restricted cash - current asset	1,821,126	-	104,180	1,925,306	-
Restricted cash - noncurrent asset	47,432,485	136,511	-	47,568,996	-
Total Cash and Cash Equivalents at End of Year	<u>\$ 65,751,073</u>	<u>\$ 1,504,325</u>	<u>\$ 767,141</u>	<u>\$ 68,022,539</u>	<u>\$ 17,601,909</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 11,041,763	\$ 614,210	\$ (4,950,887)	\$ 6,705,086	\$ (2,491,908)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expense	8,696,241	616,818	3,249,479	12,562,538	4,531,734
(Increase) decrease in accounts receivable	(266,582)	40,075	-	(226,507)	(35,560)
(Increase) decrease in lease receivable	(126,720)	-	(1,999)	(128,719)	(127,051)
(Increase) decrease in prepaid expenses	844	(9,959)	-	(9,115)	(2,091)
(Increase) decrease in inventory	(370,708)	-	-	(370,708)	(18,845)
(Increase) decrease in deferred outflows related to pensions	651,625	258,509	37,709	947,843	178,848
(Increase) decrease in deferred outflows related to OPEB	(189,980)	(66,183)	(9,554)	(265,717)	(43,926)
Increase (decrease) in accounts payable	2,901,790	(130,776)	(93,605)	2,677,409	1,032,381
Increase (decrease) in claims payable	-	-	-	-	147,030
Increase (decrease) in customer deposits	29,344	-	-	29,344	-
Increase (decrease) in compensated absences payable	70,313	56,111	10,459	136,883	36,735
Increase (decrease) in lease liability	-	-	-	-	300,638
Increase (decrease) in post employment benefits liability	(894,367)	(311,259)	(46,245)	(1,251,871)	(228,429)
Increase (decrease) in deferred inflows related to pensions	273,693	108,578	15,839	398,110	67,999
Increase (decrease) in deferred inflows related to OPEB	279,587	97,090	14,014	390,691	67,931
Increase (decrease) in deferred inflows related to leases	123,025	-	1,999	125,024	126,966
Increase (decrease) in net pension obligation	(2,274,923)	(902,496)	(131,649)	(3,309,068)	(605,642)
Total adjustments	<u>8,903,182</u>	<u>(243,492)</u>	<u>3,046,447</u>	<u>11,706,137</u>	<u>5,428,718</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ 19,944,945</u>	<u>\$ 370,718</u>	<u>\$ (1,904,440)</u>	<u>\$ 18,411,223</u>	<u>\$ 2,936,810</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
Acquisition of equipment through financed purchase	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2022**

	EMPLOYEE BENEFIT TRUST FUNDS	PRIVATE- PURPOSE TRUST FUNDS	TOTAL
<b>ASSETS</b>			
Equity in pooled cash	\$ 2,255,725	\$ 2,956,590	\$ 5,212,315
Investments, at fair value			
Equities	43,949,337	77,206	44,026,543
Mutual funds	15,064,501	-	15,064,501
Fixed income	23,331,519	-	23,331,519
Real estate investment trust	2,024,958	-	2,024,958
Total investments	<u>84,370,315</u>	<u>77,206</u>	<u>84,447,521</u>
Receivables			
Contributions receivable	160,127	-	160,127
Interest receivable	69,550	2,922	72,472
Total receivables	<u>229,677</u>	<u>2,922</u>	<u>232,599</u>
Total assets	<u>86,855,717</u>	<u>3,036,718</u>	<u>89,892,435</u>
<b>LIABILITIES</b>			
Accounts payable	<u>937,157</u>	<u>-</u>	<u>937,157</u>
Total liabilities	<u>937,157</u>	<u>-</u>	<u>937,157</u>
<b>FIDUCIARY NET POSITION</b>			
Restricted for OPEB	15,217,612	-	15,217,612
Restricted for pensions	70,455,372	-	70,455,372
Held in trust for other purposes	245,576	3,036,718	3,282,294
Total fiduciary net position	<u>\$ 85,918,560</u>	<u>\$ 3,036,718</u>	<u>\$ 88,955,278</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, 2022**

	EMPLOYEE BENEFIT TRUST FUNDS	PRIVATE- PURPOSE TRUST FUNDS	TOTAL
<b>ADDITIONS</b>			
Contributions:			
Employees	\$ 1,925,240	\$ -	\$ 1,925,240
Employer	6,235,489	-	6,235,489
Other	-	42,000	42,000
Total contributions	<u>8,160,729</u>	<u>42,000</u>	<u>8,202,729</u>
Investment income:			
Interest and dividend income	(459,141)	22,502	(436,639)
Net appreciation (depreciation) in fair value of investments	(17,370,007)	(20,126)	(17,390,133)
Less investment expense	<u>(328,677)</u>	<u>(3,477)</u>	<u>(332,154)</u>
Total investment income	<u>(18,157,825)</u>	<u>(1,101)</u>	<u>(18,158,926)</u>
Other income	628,001	-	628,001
Total additions	<u>(9,369,095)</u>	<u>40,899</u>	<u>(9,328,196)</u>
<b>DEDUCTIONS</b>			
Reimbursement for benefit claims	2,233,643	-	2,233,643
Benefits	<u>6,629,781</u>	<u>-</u>	<u>6,629,781</u>
Total deductions	<u>8,863,424</u>	<u>-</u>	<u>8,863,424</u>
Change in fiduciary net position	(18,232,519)	40,899	(18,191,620)
Fiduciary net position - beginning of year	<u>104,151,079</u>	<u>2,995,819</u>	<u>107,146,898</u>
Fiduciary net position - end of year	<u>\$ 85,918,560</u>	<u>\$ 3,036,718</u>	<u>\$ 88,955,278</u>

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





**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**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, 2023 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, 2022**

**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, 2022**

**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 (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 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 reports the following Fiduciary Funds:

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

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

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 for outstanding service and providing aid to those injured in the line of duty.

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**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, 2022**

**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](http://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, 2022**

**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, 2022, was \$0.2699 per \$100, which means that the City has a tax margin of \$1.4901 per \$100 and could raise up to \$146,533,709 additional taxes a year from the present valuation of \$9,833,817,127 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, 2022**

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

7. Construction-in-Progress

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

8. Leases

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

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

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

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

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

9. 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.



**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

10. 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.

11. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

12. Bond Premiums, Discounts, and Issuance Costs

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

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

13. Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet and statement of net 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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

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

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

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

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

14. Fund Equity

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

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

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

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

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

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

15. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net invested in capital assets consists of the City’s capital assets, net of accumulated depreciation, reduced by any outstanding debt used for the acquisition or construction of those assets less unspent cash acquired through debt at year-end. Net position reported as restricted are those amounts which have limitations imposed by creditors, grantors or other laws and regulations. The government-wide statement of net position reports \$109,454,865 of restricted net position.

In the City’s governmental activities, there is a deficit unrestricted net position of \$31,639,493 as a result of long-term liabilities for items such as bonds, compensated absences, net pension liability, and OPEB. Because of the focus on current assets and liabilities, the City’s budget is developed to address the needs of current operations. The City plans to fund long-term liabilities in future budgets as those liabilities consume current assets.

16. Tax Abatements

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

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

17. Pensions and OPEBs

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, 2022, the City recognized total net pension expense of \$3,798,251, \$2,358,668 of which was for the Texas Municipal Retirement System (TMRS) Plan and \$1,439,583 for the TFRRF Plan. For the fiscal year ended September 30, 2022, the City recognized total net OPEB income of \$1,087,667, of which \$1,463,783 of OPEB income was for the Health Plan and \$376,116 of OPEB expense was for the TMRS Supplemental Death Benefits Fund (SDBF).

18. Estimates

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

19. Encumbrances

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

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

20. Newly Implemented Standards

In June 2017, the GASB issued Statement No. 87, *Leases*, which increases 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 and was implemented by the City for its year ended September 31, 2022. The implementation of the statement resulted in an additional \$127,051 in lease receivables and \$833,394 in right-to-use assets being recorded as part of governmental activities. Further, the implementation of the statement resulted in an additional \$128,719 in business-type lease receivables.

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period* which (1) enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplifies 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. Due to postponements from GASB Statement No. 95, this statement is effective for reporting periods beginning after December 15, 2020. The City has implemented this statement into its annual report. The implementation of this statement did not result in any changes to the financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus*, which enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement has certain topics that are effective for the City's fiscal year ending September 30, 2022. The City's implementation of this statement for the year ended September 30, 2022, did not result in any changes to the financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, which addresses 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's implementation of this statement for the year ended September 30, 2022, did not result in any changes to the 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 (1) increases 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) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary financial statements; and (3) enhances 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's implementation of this statement for the year ended September 30, 2022, did not result in any changes to the financial statements.

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.

**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

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

21. Future Implementation of New Standards

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

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.

**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 \$12,898,061 difference are as follows:

Unavailable property tax revenues	\$ 650,360
Unavailable fines	12,207,588
Unavailable permits	40,113
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 12,898,061

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 \$(23,994,103) difference are as follows:

Claims and judgements	\$ (100,000)
Compensated absences	(14,647,366)
Lease liability outstanding	(176,737)
Revenue bond outstanding	(9,070,000)
Net adjustment to reduce fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ (23,994,103)

**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**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 \$23,625,090 difference are as follows:

Capital outlay	\$ 38,589,773
Depreciation expense	<u>(14,964,683)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in position - governmental activities	<u>\$ 23,625,090</u>

**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, Community Development Block Grant (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 \$87,109,744. Appropriations, which are not expended or encumbered at year-end, must be re-budgeted in the succeeding year.

**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**A. Budgetary Information - continued**

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, 2022, neither the general fund nor any major special revenue fund had expenditures in excess of appropriations.

**NOTE 4: DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal bonds, and managed public funds investment pools. The City's cash and investments for the year ended September 30, 2022, are as follows:

Statement of net position:

Primary government	
Cash and cash equivalents	\$ 72,955,505
Temporarily restricted cash and cash equivalents	92,830,063
Permanently restricted cash and cash equivalents	3,239,007
Fiduciary funds	
Cash and cash equivalents	5,212,315
Investments	<u>84,447,521</u>
Total cash and investments	<u>\$ 258,684,411</u>
Cash on hand	\$ 13,282
Savings and checking accounts	94,913,874
Cash and cash equivalents held in investment accounts	920,683
Investments	<u>162,836,572</u>
Total cash and investments	<u>\$ 258,684,411</u>

Custodial Credit Risk – Deposits – At September 30, 2022, the City held several bank accounts, including a NOW interest bearing account, at one financial institution. The City's bank balances totaled \$55,078,768. 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, 2022**

**A. Deposits and Investments – continued**

Investments are stated at fair value or amortized costs, which approximates fair value. As of September 30, 2022, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Risk
Primary Government			
Certificates of deposit	\$ 72,852,114	0.49	N/A
Texas government investment pool	<u>5,536,937</u>	0.04	AAAm
Total Primary Government	<u>78,389,051</u>		
Fiduciary Funds			
Equities	44,026,543	N/A	N/A
Mutual Funds	15,064,501	N/A	N/A
Fixed income	23,331,519	N/A	N/A
Real estate investment trust	<u>2,024,958</u>	N/A	N/A
Total Fiduciary Funds	<u>84,447,521</u>		
Total Reporting Entity	<u>\$ 162,836,572</u>		
Portfolio weighted average maturity (years)		0.46	

**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, 2022**

**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, 2022 are as follows:

	Assets at fair value as of September 30, 2022			
	Level 1	Level 2	Level 3	Total
Primary government:				
Certificates of deposit	\$ -	\$ 72,852,114	\$ -	\$ 72,852,114
Texas government investment pool	-	5,536,937	-	5,536,937
Total Primary Government	-	78,389,051	-	78,389,051
Fiduciary funds:				
Equities	44,026,543	-	-	44,026,543
Mutual funds	15,064,501	-	-	15,064,501
Fixed income	-	2,024,958	-	2,024,958
Real estate investment trust	-	23,331,519	-	23,331,519
Total Fiduciary Funds	59,091,044	25,356,477	-	84,447,521
Total reporting entity	<u>\$ 59,091,044</u>	<u>\$ 103,745,528</u>	<u>\$ -</u>	<u>\$ 162,836,572</u>

**B. Receivables**

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

Receivables:	General Fund	One-Half Cent Sales Tax Fund	Utilities Fund	Sanitation Fund	Airport Fund	Non-Major Governmental Funds	Internal Service Funds	Total
Accounts	\$ 22,047,529	\$ -	\$ 6,938,901	\$ 2,538,637	\$ 2,327,570	\$ 821,625	\$ 175,026	\$ 34,849,288
Interest	-	-	24,661	-	653	-	-	25,314
Grants	6,416	-	-	-	-	1,010,737	-	1,017,153
Taxes	9,970,063	3,463,130	-	-	-	-	-	13,433,193
Leases	-	-	126,720	-	1,999	-	127,051	255,770
Miscellaneous	50,536	22,349	-	-	-	-	-	72,885
Gross receivables	32,074,544	3,485,479	7,090,282	2,538,637	2,330,222	1,832,362	302,077	49,653,603
Less: Allowance for uncollectibles	(9,848,349)	-	(198,597)	(64,209)	-	-	-	(10,111,155)
Net total receivables	<u>\$ 22,226,195</u>	<u>\$ 3,485,479</u>	<u>\$ 6,891,685</u>	<u>\$ 2,474,428</u>	<u>\$ 2,330,222</u>	<u>\$ 1,832,362</u>	<u>\$ 302,077</u>	<u>\$ 39,542,448</u>

**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 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, 2022**

**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. Ordinary distributions to the City shall be made from the Fund once per calendar year in the amount requested by the City up to a cumulative limit of five percent (5%) of the value of the Fund determined as of the preceding December 31. Any portion of the net appreciation available for distribution which is not withdrawn by the City in one year may be withdrawn in a subsequent year. No additional distributions shall be made from the Fund. To the extent possible, the Donor intends to preserve the permanent portion or corpus of the Fund by limiting distributions to 5% per year. At September 30, 2022, the net appreciation on investments of the Fund was \$(20,126).

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’s Investment Fund policy.

**D. Capital Assets**

Governmental and business-type capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 17,138,642	\$ -	\$ -	\$ 17,138,642
Construction in progress	12,370,974	31,384,997	(15,073,263)	28,682,708
Total capital assets, not being depreciated or amortized	29,509,616	31,384,997	(15,073,263)	45,821,350
Capital assets, being depreciated and amortized:				
Buildings	76,071,316	1,485,513	-	77,556,829
Improvements other than buildings	123,522,018	155,452	-	123,677,470
Machinery and equipment	80,517,128	7,066,679	(3,523,782)	84,060,025
Infrastructure	366,203,383	19,272,966	-	385,476,349
Right-to-use lease assets	-	1,245,515	-	1,245,515
Total capital assets being depreciated and amortized	646,313,845	29,226,125	(3,523,782)	672,016,188
Less accumulated depreciation and amortization for:				
Buildings	(25,779,387)	(2,536,219)	-	(28,315,606)
Improvements other than buildings	(82,534,973)	(2,733,611)	-	(85,268,584)
Machinery and equipment	(59,561,284)	(5,388,248)	3,034,487	(61,915,045)
Infrastructure	(236,556,924)	(8,428,867)	-	(244,985,791)
Right-to-use lease assets	-	(412,121)	-	(412,121)
Total accumulated depreciation and amortization	(404,432,568)	(19,499,066)	3,034,487	(420,897,147)
Total capital assets, being depreciated and amortized, net	241,881,277	9,727,059	(489,295)	251,119,041
Governmental activities capital assets, net	\$ 271,390,893	\$ 41,112,056	\$ (15,562,558)	\$ 296,940,391

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**D. Capital Assets – continued**

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 11,792,909	\$ 270,890	\$ -	\$ 12,063,799
Water rights	12,526,700	-	-	12,526,700
Construction in progress	9,997,566	3,975,688	(1,021,097)	12,952,157
Total capital assets, not being depreciated	<u>34,317,175</u>	<u>4,246,578</u>	<u>(1,021,097)</u>	<u>37,542,656</u>
Capital assets, being depreciated:				
Buildings	63,500,219	-	-	63,500,219
Improvements other than buildings	372,058,925	40,636,975	-	412,695,900
Machinery and equipment	16,607,202	2,617,081	(1,191,620)	18,032,663
Infrastructure	20,751,447	-	-	20,751,447
Total capital assets being depreciated	<u>472,917,793</u>	<u>43,254,056</u>	<u>(1,191,620)</u>	<u>514,980,229</u>
Less accumulated depreciation for:				
Buildings	(37,239,018)	(1,282,110)	-	(38,521,128)
Improvements other than buildings	(142,817,924)	(9,936,201)	-	(152,754,125)
Machinery and equipment	(10,939,935)	(1,282,911)	533,508	(11,689,338)
Infrastructure	(4,341,446)	(456,615)	-	(4,798,061)
Total accumulated depreciation	<u>(195,338,323)</u>	<u>(12,957,837)</u>	<u>533,508</u>	<u>(207,762,652)</u>
Total capital assets, being depreciated, net	<u>277,579,470</u>	<u>30,296,219</u>	<u>(658,112)</u>	<u>307,217,577</u>
Business-type activities capital assets, net	<u>\$ 311,896,645</u>	<u>\$ 34,542,797</u>	<u>\$ (1,679,209)</u>	<u>\$ 344,760,233</u>

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

Governmental activities:	
General government	\$ 768,207
Public safety	2,085,441
Highways and streets, including depreciation of general infrastructure assets	9,642,140
Public services	919,415
Culture and recreation	1,549,480
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>4,534,383</u>
Total depreciation expense - governmental activities	<u>\$ 19,499,066</u>
Business-type activities:	
Utilities	\$ 9,091,540
Sanitation	616,818
Airport	<u>3,249,479</u>
Total depreciation expense - business-type activities	<u>\$ 12,957,837</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, 2022, total water rights were \$12,526,700. Management believes there is no impairment in the value of the water rights at September 30, 2022.

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**D. Capital Assets – continued**

**Construction Commitments**

As of September 30, 2022, 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
Runway 4/22 Rehab	\$ 18,890,946	\$ 294,166
WT Brookshire Convention Center	14,895,781	21,683,637
RW 4-22 Project 4	10,710,656	396,180
Charlie Foxtrot Taxiway	8,302,398	75,152
2020 Asphalt Enhancement (Overlay)	4,038,354	265,243
Southside WWTP Improvements	2,938,445	1,856,355
Runway 4/22 ILS	2,555,086	(297,756)
Point Repairs	2,520,198	275,354
Fun Forest ADA Renovations	2,329,214	(73,829)
2" Water Line Replacement	2,117,093	(203,093)
Cambridge Road Drainage	2,089,242	6,407,596
Golden Road Filter Rehab	2,071,998	369,319
Group 2 Traditional Pipe Rehabilitation	2,010,782	2,327,322
2021 Asphalt Enhancement (Overlay)	1,627,352	2,520,583
Group 2: Specialty Manhole and Pipe Rehab	1,596,231	(28,825)
Pipe Bursting	1,551,105	568,406
Arbor Oaks Drainage & Street Improvements	1,530,481	185,692
Group 1 Open Cut--phase 2	1,256,309	(197,902)
Troup Hwy Standpipe Rehab	1,224,015	(287,508)
Robert E Lee Drive Drainage Improvements	1,026,386	(23,515)
Martin Luther King, Jr Blvd Improvements	978,305	550,190
Woldert Park ADA Renovation	837,412	43,732
Hidden Palace Construction	808,932	425,471
Three Lakes Parkway Extension	802,926	118,074
College Ave Utility Improvements	778,082	136,027
Security Fencing Construction	718,430	1,260,367
Group 3: Pipe Rehabilitation (IPR)	714,804	1,777,209
Bascom Road Waterline Project	710,663	155,659
Eastern Seal Package	652,582	365,810
Flat Rock Creek Drainage	557,264	23,895
Melinda/Donna Street Reconstruction	498,761	798,934
Brynmar Court Drainage Improvements	421,274	5,992
Pabst-Bow Storm Sewer	371,176	3,421
Group 3: Remedial Measures	271,485	11,701,436
Briarwood Drainage	92,408	47,268
Group 3: Pipe Rehab (Lopez)	39,064	1,885,206
Cloverdale Drainage	-	3,356,266
Holly Park Drainage	-	434,761

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

**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of September 30, 2022, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Utilities Fund	\$ 3,793,031

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, 2022, is as follows:

	Transfer In				Total
	General Fund	Nonmajor Governmental Funds	Airport Enterprise Funds	Internal Service Funds	
Transfers Out:					
General Fund	\$ -	\$ 7,735,408	\$ -	\$ 971,305	\$ 8,706,713
One-Half Cent Sales Tax Fund	-	3,250,000	224,828	-	3,474,828
Nonmajor Governmental Funds	2,325,000	-	72,000	25,000	2,422,000
Utilities Enterprise Funds	-	175,000	-	700,653	875,653
Airport Enterprise Funds	-	-	-	37,000	37,000
Sanitation Enterprise Funds	-	27,557	-	100,653	128,210
Totals	\$2,325,000	\$ 11,187,965	\$ 296,828	\$ 1,834,611	\$ 15,644,404

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**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**F. Leases**

City as Lessee

The City has obtained various equipment and infrastructure through long-term operating leases. The terms and conditions for these leases vary. The leases contain fixed, periodic payments over the lease terms, which range between 1-20 years. The interest rates for the leases vary between 0.5120% and 3.0161%. At September 30, 2022, operating leases consisted of the following:

<b>GOVERNMENTAL ACTIVITIES:</b>	Balance as of			Balance as of
	October 1, 2021	Additions	Reductions	September 30, 2022
<b>Lease Assets</b>				
<u>Equipment</u>				
Pitney Bowes Lease-SLA Equipment	\$ 19,294	\$ -	\$ -	\$ 19,294
Pitney Bowes Lease-Send Pro P Series	28,759	-	-	28,759
Xerox Copiers	-	348,249	-	348,249
PD Body Cams	451,480	-	-	451,480
Breathing Apparatus	236,499	-	-	236,499
<b>Total Equipment Lease Assets</b>	<b>736,032</b>	<b>348,249</b>	<b>-</b>	<b>1,084,281</b>
<u>Infrastructure</u>				
702 West Cumberland Rd. - Radio Tower	161,241	-	-	161,241
<b>Total Infrastructure Lease Assets</b>	<b>161,241</b>	<b>-</b>	<b>-</b>	<b>161,241</b>
<b>Total Lease Assets</b>	<b>897,273</b>	<b>348,249</b>	<b>-</b>	<b>1,245,522</b>
<b>Lease Accumulated Amortization</b>				
<u>Equipment</u>				
Pitney Bowes Lease-SLA Equipment	87	3,940	-	4,027
Pitney Bowes Lease-Send Pro P Series	136	5,866	-	6,002
Xerox Copiers	-	65,297	-	65,297
PD Body Cams	180,510	90,294	-	270,804
Breathing Apparatus	-	59,125	-	59,125
<b>Total Equipment Lease Accumulated Amortization</b>	<b>180,733</b>	<b>224,522</b>	<b>-</b>	<b>405,255</b>
<u>Infrastructure</u>				
702 West Cumberland Rd. - Radio Tower	-	6,873	-	6,873
<b>Total Infrastructure Lease Accumulated Amortization</b>	<b>-</b>	<b>6,873</b>	<b>-</b>	<b>6,873</b>
<b>Total Lease Accumulated Amortization</b>	<b>180,733</b>	<b>231,395</b>	<b>-</b>	<b>412,128</b>
<b>Total Governmental Lease Assets, Net</b>	<b>\$ 716,540</b>	<b>\$ 116,854</b>	<b>\$ -</b>	<b>\$ 833,394</b>

**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**F. Leases - continued**

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 247,506	\$ 17,084	\$ 264,590
2024	252,357	12,234	264,591
2025	167,497	7,254	174,751
2026	35,823	2,255	38,078
2027	6,287	2,113	8,400
2028 - 2032	32,998	9,002	42,000
2033 - 2037	35,764	6,236	42,000
2038 - 2042	38,762	3,238	42,000
2043 - 2044	16,400	400	16,800
<b>Total</b>	<b>\$ 833,394</b>	<b>\$ 59,816</b>	<b>\$ 893,210</b>

City as Lessor

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

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

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

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**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**F. Leases - continued**

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

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 6,775	\$ 2,165	\$ 8,940
2024	4,776	2,098	6,874
2025	4,776	2,032	6,808
2026	4,776	1,964	6,740
2027	4,776	1,896	6,672
2028 - 2032	23,881	8,405	32,286
2033 - 2037	23,881	6,503	30,384
2038 - 2042	23,881	4,433	28,314
2043 - 2047	23,881	2,149	26,030
2048 - 2049	7,316	-	7,316
<b>Total</b>	<b>\$ 128,719</b>	<b>\$ 31,645</b>	<b>\$ 160,364</b>

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 21,897	\$ 870	\$ 22,767
2024	23,888	704	24,592
2025	23,888	531	24,419
2026	23,888	358	24,246
2027	23,888	183	24,071
2028 - 2032	9,602	26	9,628
<b>Total</b>	<b>\$ 127,051</b>	<b>\$ 2,672</b>	<b>\$ 129,723</b>

The balance of the deferred inflows of resources related to lease payments receivable as of September 30, 2022 were as follows:

	Deferred Inflows of Resources	Balance, September 30, 2022
Governmental Activities		\$ 126,966
Business-Type Activities		125,024
<b>Total</b>		<b>\$ 251,990</b>

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

Inflows of Resources	Governmental Activities	Business-Type Activities	Total
Lease Revenue	\$ 22,678	\$ 10,769	\$ 33,447
Interest Revenue	2,771	1,231	4,002

Regulated Leases

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

**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**F. Leases - continued**

The City has regulated leases for the following City property:

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

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

<u>Fiscal Year</u>	<u>Future Minimum Expected Receipts</u>
2023	\$ 217,325
2024	197,869
2025	195,222
2026	137,697
2027	115,334
2028 - 2032	534,473
2033 - 2037	481,630
2038 - 2042	366,626
2043 - 2047	353,522
2048 - 2052	245,212
2053	6,714
	<u>\$ 2,851,624</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 \$163,590,000 with maturities ranging from 2027 to 2052.

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	2.00 to 2.62%	670,000
Series 2013	Customer facility use	3.76%	550,000
Series 2015A	Water refunding and improvements	3.00 to 4.00%	6,595,000
Series 2015B	Water and sewer refunding	3.00 to 5.00%	10,940,000
Series 2017A	Water and sewer refunding	3.00 to 4.00%	2,945,000
Series 2017B	Water and sewer refunding	3.00 to 3.50%	7,950,000
Series 2018A	Water and sewer revenue	3.00 to 4.00%	7,240,000
Series 2018B	Water and sewer revenue	3.00%	5,745,000
Series 2019A	Water and sewer revenue	2.00 to 5.00%	18,685,000
Series 2020	Water and sewer revenue	2.00 to 3.00%	4,410,000
Series 2021	Water and sewer revenue	2.00 to 5.00%	26,520,000
Series 2021	Rose Complex revenue	4.00%	9,070,000
Series 2022	Water and sewer revenue	2.00 to 5.00%	41,360,000
Total outstanding bonds			<u>\$ 142,680,000</u>

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**G. Long-term debt – continued**

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

Year ending September 30	Principal	Interest	Total
2023	\$ 6,145,000	\$ 4,722,841	\$ 10,867,841
2024	6,355,000	4,498,595	10,853,595
2025	6,600,000	4,264,609	10,864,609
2026	6,855,000	4,010,635	10,865,635
2027	7,125,000	3,720,187	10,845,187
2028-2032	32,095,000	14,372,337	46,467,337
2033-2037	22,705,000	9,568,955	32,273,955
2038-2042	18,960,000	6,566,485	25,526,485
Thereafter	35,840,000	4,987,894	40,827,894
	<u>\$ 142,680,000</u>	<u>\$ 56,712,538</u>	<u>\$ 199,392,538</u>

Cash in the amount of \$1,930,469 is restricted at September 30, 2022 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, 2022, was as follows:

	Beginning Balance 10/1/2021	Additions	Reductions	Ending Balance 9/30/2022	Due Within One Year	Due in More Than One Year
<b>Governmental Activities:</b>						
Revenue bonds payable	\$ 9,200,000	\$ -	\$ 130,000	\$ 9,070,000	\$ 230,000	\$ 8,840,000
ADD: bond premium/(discount)	1,658,936	-	-	1,658,936	-	1,658,936
Claims and judgements	100,000	-	-	100,000	100,000	-
Lease liability	853,220	70,010	-	923,230	67,362	855,868
Net pension liability	57,381,837	-	8,218,704	49,163,133	-	49,163,133
Net OPEB liability	11,400,524	-	3,379,201	8,021,323	-	8,021,323
Compensated absences	16,599,361	-	1,642,941	14,956,420	733,018	14,223,402
<b>Governmental activities</b>						
Long-term liabilities	<u>\$ 97,193,878</u>	<u>\$ 70,010</u>	<u>\$ 13,370,846</u>	<u>\$ 83,893,042</u>	<u>\$ 1,130,380</u>	<u>\$ 82,762,662</u>
<b>Business-Type Activities:</b>						
Revenue bonds payable	\$ 96,940,000	\$ 41,360,000	\$ 4,690,000	\$ 133,610,000	\$ 5,915,000	\$ 127,695,000
ADD: bond premium/(discount)	5,328,236	-	(2,422,445)	7,750,681	-	7,750,681
Net pension liability	8,913,513	-	3,309,068	5,604,445	-	5,604,445
Net OPEB liability	4,166,627	-	1,252,629	2,913,998	-	2,913,998
Compensated absences	885,141	16,224	(120,659)	1,022,024	40,881	981,143
<b>Business-Type Activities</b>						
Long-Term Liabilities	<u>\$ 116,233,517</u>	<u>\$ 41,376,224</u>	<u>\$ 6,708,593</u>	<u>\$ 150,901,148</u>	<u>\$ 5,955,881</u>	<u>\$ 144,945,267</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 OPEB obligations are liquidated primarily by the General Fund, the remaining obligations are liquidated across other funds on a pro rata basis calculated by historical pension and OPEB expenses in each fund.

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**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, 2022, \$21,050,000 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	\$ 2,945,000
Series 2017B Water and Sewer System Refunding Bonds	2009	7,950,000
Series 2018B Water and Sewer System Refunding Bonds	2009	5,745,000
Series 2020A Water and Sewer System Refunding Bonds	2011	4,410,000
Total Bonds Defeased		<u>\$ 21,050,000</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, 2022**

**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, 2022, 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, 2022**

**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, 2022 and 2021:

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 2021	\$ 620,137	\$ 10,280,254	\$ 10,483,951	\$ 416,440
FYE 2022	416,440	13,114,036	12,857,196	673,280
Retiree Benefits Fund				
FYE 2021	\$ 52,800	\$ 1,438,425	\$ 1,451,124	\$ 40,101
FYE 2022	40,101	1,871,320	1,768,789	142,632

**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, 2022, the City budgeted funding of \$200,000 for the District. The City's equity interest in the District at September 30, 2022 is \$3,597,639. The District's total fund balance at September 30, 2022 was approximately \$6.3 million. Financial statements for the 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 \$28,693,962 as of September 30, 2022.

**E. Pension Plans**

**1. TMRS Plan**

**TMRS Plan Description**

The City 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, 2022**

**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](http://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 2021</u>	<u>Plan Year 2020</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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Inactive employees or beneficiaries currently receiving benefits	613	600
Inactive employees entitled to but not yet receiving benefits	340	316
Active employees	<u>710</u>	<u>701</u>
	<u><u>1,663</u></u>	<u><u>1,617</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 were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 21.37% and 20.95% in calendar years 2020 and 2021, respectively.

**CITY OF TYLER, TEXAS**  
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**E. Pension Plans - continued**

The City's contributions to TMRS for the year ended September 30, 2022, were \$9,404,910, and were equal to the required contributions.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 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, 2022**

**E. Pension Plans - continued**

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	6.00%	3.91%
Non-Core Fixed Income	20.00%	5.93%
Global Public Equity	35.00%	13.66%
Real Estate	12.00%	9.46%
Other Public and Private Markets	12.00%	6.77%
Hedge Funds	5.00%	6.27%
Private Equity	10.00%	24.13%
Cash Equivalents	0.00%	1.02%
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, 2020	\$ 271,329,618	\$ 228,030,578	\$ 43,299,040
Changes for the year:			
Service cost	7,005,071	-	7,005,071
Interest	18,090,098	-	18,090,098
Change of benefit terms	-	-	-
Difference between expected and actual experience	4,626,384	-	4,626,384
Changes of assumptions	-	-	-
Contributions - employer	-	8,969,352	(8,969,352)
Contributions - employee	-	2,982,695	(2,982,695)
Net investment income	-	29,723,296	(29,723,296)
Benefit payments, including refunds of employee contributions	(13,661,415)	(13,661,415)	-
Administrative expense	-	(137,546)	137,546
Other changes	-	942	(942)
Net changes	16,060,138	27,877,324	(11,817,186)
Balance as of December 31, 2021	<u>\$ 287,389,756</u>	<u>\$ 255,907,902</u>	<u>\$ 31,481,854</u>

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**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	\$ 71,388,245	\$ 31,481,855	\$ (1,271,438)

**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](http://www.tmr.com).

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

For the year ended September 30, 2022, the City recognized pension expense of \$2,358,668.

At September 30, 2022, 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	\$ 3,107,712	\$ -
Changes in actuarial assumptions	59,434	-
Difference between projected and actual investment earnings	-	15,261,710
Contributions subsequent to the measurement date	6,705,166	-
Total	\$ 9,872,312	\$ 15,261,710

\$6,705,166 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, 2023. 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
2022	\$ (1,621,841)
2023	(5,257,255)
2024	(2,349,224)
2025	(2,866,244)
2026	-
Thereafter	-
	<u>\$ (12,094,564)</u>

**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**E. Pension Plans - continued**

**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, 2021 actuarial valuation, the following numbers of members were covered by TFRRF:

	12/31/2021	12/31/2020
Retirees and beneficiaries currently receiving benefits	119	114
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	161	159
	280	273

**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**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, 2021 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, 2021, the money-weighted rate of return on pension plan investments was 12.60%. 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’s total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of December 31, 2021.

Total pension liability	\$ 112,583,614
Plan fiduciary net position	89,297,890
City's net pension liability	<u>\$ 23,285,724</u>
Plan fiduciary net position as a percentage of the total pension liability	79.3%

**Actuarial Method and Assumptions**

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	2.75%, plus promotion, step and longevity increases that vary by service
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 (2.75%). In addition, the final 7.00% 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%	5.89%
Small cap domestic	6.00%	5.97%
International developed	7.00%	6.52%
International developing	5.00%	7.25%
Alternatives		
Real estate	5.00%	4.14%
Commodities	5.50%	1.11%
Fixed income		
Domestic core plus	19.30%	1.98%
Domestic high yield	4.00%	2.77%
Global	5.00%	1.70%
Domestic bank loan	3.70%	2.15%
Cash	1.50%	0.00%
Total	100.00%	
Weighted Average		4.31%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. No projection of cash flows was used to determine the discount rate because the December 31, 2021 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 27 years. Because of the 27-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.00% 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, calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**E. Pension Plans - continued**

	1% Decrease in Discount Rate (6%)	Current Discount Rate (7%)	1% Increase in Discount Rate (8%)
City's net pension liability	\$ 36,763,574	\$ 23,285,724	\$ 11,976,606

**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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance as of September 30, 2021	\$ 104,050,966	\$ 81,054,656	\$ 22,996,310
Changes for the year:			
Service cost	2,624,920	-	2,624,920
Interest	7,506,525	-	7,506,525
Difference between expected and actual experience	1,726,837	-	1,726,837
Contributions by the City	-	2,739,984	(2,739,984)
Firefighter contributions	-	1,730,935	(1,730,935)
Net investment income	-	10,095,696	(10,095,696)
Benefit payments	(6,275,210)	(6,275,210)	-
Administrative expenses	-	(48,171)	48,171
Assumption changes	2,949,576	-	2,949,576
Other changes	-	-	-
Net changes	8,532,648	8,243,234	289,414
Balance as of September 30, 2022	\$ 112,583,614	\$ 89,297,890	\$ 23,285,724

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

For the year ended September 30, 2022, the city's GASB 68 pension expense was \$1,439,583. 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, 2022**

**E. Pension Plans - continued**

**Components of Pension Expense for the Fiscal Year Ended September 30, 2022:**

Components of Pension Expense	
Service cost	\$ 2,624,920
Interest	7,506,525
Firefighter contributions	(1,730,935)
Projected earnings on pension plan investments	(5,809,311)
Amortization of differences between projected and actual earnings on plan investments	(2,240,892)
Amortization of changes of assumptions	1,152,428
Amortization of differences between expected and actual experience	(111,323)
Pension plan administrative expenses	48,171
Changes in benefit provisions	-
Total pension expense	\$ 1,439,583

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,560,267	\$ 1,630,685
Changes in actuarial assumptions	6,406,559	-
Difference between projected and actual investment earnings	-	7,163,744
Contributions subsequent to the measurement date	2,065,540	-
Total	\$ 10,032,366	\$ 8,794,429

\$2,065,540 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, 2023. 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	\$ (246,088)
2023	(2,261,979)
2024	(851,284)
2025	59,510
2026	902,643
Thereafter	1,569,595
Total	\$ (827,603)

**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
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**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 TFRRF) 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 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, 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, 2021 measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Inactive employees currently receiving benefits	521	486
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	860	823
	1,381	1,309



**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**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, 2021. 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	39.11	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, 2021, 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, 2021 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: 2.75% to 8.92%, including inflation
Healthcare cost trend rates	Initial rates of 7.00% declining to ultimate rates of 4.15% after 13 years

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**  
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**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, 2021.

**Discount Rate**

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

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 4.25%; 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 6.25%.

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

**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, 2021	\$ 28,207,341	\$ 16,196,149	\$ 12,011,192
Changes for the year:			
Service cost	578,751	-	578,751
Interest on the total OPEB liability	1,791,868	-	1,791,868
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(3,838,670)	-	(3,838,670)
Changes in assumptions	316,309	-	316,309
Employer contributions	-	1,862,790	(1,862,790)
Net investment income	-	1,869,730	(1,869,730)
Benefit payments	(1,859,031)	(1,859,031)	-
Administrative expenses	-	(44,114)	44,114
Other	-	-	-
Net Changes	(3,010,773)	1,829,375	(4,840,148)
Balances as of September 30, 2022	\$ 25,196,568	\$ 18,025,524	\$ 7,171,044

**Sensitivity Analysis**

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

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**F. Post-Employment Benefits Other Than Pensions - continued**

	1% Decrease in Discount Rate (5.25%)	Current Discount Rate (6.25%)	1% Increase in Discount Rate (7.25%)
Net OPEB Liability	\$ 9,034,908	\$ 7,171,044	\$ 5,492,780

The following presents the Net OPEB liability of the City, calculated using the assumed trend rates (6.25% 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 (5.25% declining to the ultimate rate of 3.25% after 15 years) or 1-percentage-point higher (7.25% 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	\$ 5,656,401	\$ 7,171,044	\$ 8,892,914

**OPEB Expense (Income)**

For the year ended September 30, 2022, the City recognized OPEB income of \$1,463,783.

Components of OPEB Expense (Income)	
Service cost	\$ 578,751
Interest on total OPEB liability	1,791,868
Current-period benefit changes	-
Employee contributions	-
Projected earnings on OPEB plan investments	(1,051,438)
OPEB plan administrative expenses	44,114
Other changes in plan fiduciary net position	-
Recognition of current year outflow/(inflow) due to liabilities	(586,942)
Recognition of current year outflow/(inflow) due to assets	(163,658)
Amortization of prior year outflow/(inflow) due to liabilities	(1,810,409)
Amortization of prior year outflow/(inflow) due to assets	(266,069)
Total OPEB expense (income)	<u>\$ (1,463,783)</u>

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

At September 30, 2022, 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	\$ -	\$ 8,363,420
Changes in actuarial assumptions	263,601	238,179
Difference between projected and actual investment earnings	-	1,389,466
Contributions subsequent to the measurement date	533,440	-
Total	<u>\$ 797,041</u>	<u>\$ 9,991,065</u>

**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**F. Post-Employment Benefits Other Than Pensions - continued**

The City had \$533,440 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, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2022	\$ (2,724,605)
2023	(2,974,840)
2024	(2,600,670)
2025	(836,315)
2026	(590,325)
Thereafter	(709)
	\$ (9,727,464)

**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.tmrs.com](http://www.tmrs.com).

**Benefits Provided**

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

**Employees Covered by Benefit Terms**

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Inactive employees currently receiving benefits	487	474
Inactive employees entitled to but not yet receiving benefits	75	69
Active employees	710	701
	1,272	1,244

**CITY OF TYLER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**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 2022, the total SDB contributions rate for the City was 0.31%, while the retiree portion of the SDB contribution was 0.23%. The City's contributions for the year ended September 30, 2022, were \$102,689 for the retiree portion, and \$140,839 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, 2021 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.50% to 11.50% including inflation
Discount rate *	1.84%
Retiree's share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements 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 of 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.

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**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, 2020	\$ 3,555,959
Changes for the year:	
Service cost	144,874
Interest	71,588
Change of benefit terms	-
Difference between expected and actual experience	(18,292)
Changes of assumptions or other inputs	108,151
Benefit payments	(98,003)
Net changes	208,318
Balance as of December 31, 2021	\$ 3,764,277

**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 1.84%, would be if it were calculated using a discount rate that is 1-percentage-point lowers (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

	1% Decrease in	Current	1% Increase in
	Discount Rate (0.84%)	Discount Rate (1.84%)	Discount Rate (2.84%)
Total OPEB Liability	\$ 4,548,567	\$ 3,764,277	\$ 3,152,695

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**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, 2022, the City recognized OPEB expense of \$376,116.

Components of OPEB Expense	
Service cost	\$ 144,874
Interest on total OPEB liability	71,588
Changes in benefit terms	-
Employer administrative costs	-
Recognition of deferred outflows/inflows of resources:	
Differences between expected and actual experience	(51,301)
Changes in assumptions or other inputs	210,955
Total OPEB expense	<u>\$ 376,116</u>

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

At September 30, 2022, 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	\$ -	\$ 109,332
Changes in actuarial assumptions	475,499	-
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	68,221	-
Total	<u>\$ 543,720</u>	<u>\$ 109,332</u>

The City had \$68,221 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, 2023 .Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2021	\$ 131,629
2022	143,825
2023	75,738
2024	14,975
2025	-
Thereafter	-
	<u>\$ 366,167</u>

**CITY OF TYLER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**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, 2022.

The City invested in other projects and contracts with outside parties. The more significant of these at September 30, 2022, 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.

As disclosed in Note 1E:19, *Encumbrances*, encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed in Governmental Funds. However, encumbrances in the Governmental Funds lapse at the end of each year and are re-budgeted during the next fiscal year. Accordingly, as of September 30, 2022, there are no encumbrance amounts expected to be honored upon performance by the vendor in the subsequent year.

Further, 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.

**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 and established for the future closure and post-closure costs of the Greenwood Landfill.

**I. Subsequent Events**

Subsequent events were evaluated through March 22, 2023, 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, 2022**

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
<b>Total pension liability</b>								
Service Cost	\$ 4,665,697	\$ 5,126,201	\$ 5,561,888	\$ 5,616,579	\$ 5,645,418	\$ 5,888,461	\$ 6,538,350	\$ 7,005,071
Interest (on the Total Pension Liability)	14,108,492	14,704,123	14,812,165	15,456,387	16,127,408	16,704,156	17,359,476	18,090,098
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual results	(1,004,139)	(331,903)	(473,353)	(196,987)	(1,686,661)	(1,141,178)	(159,058)	4,626,384
Change of assumptions	-	(478,359)	-	-	-	347,014	-	-
Benefit payments, including refunds of employee contributions	(9,268,702)	(9,713,879)	(10,000,772)	(10,767,252)	(11,131,440)	(12,195,107)	(12,634,794)	(13,661,415)
Net Change in Total Pension Liability	8,501,348	9,306,183	9,899,928	10,108,727	8,954,725	9,603,346	11,103,974	16,060,138
Total Pension Liability - Beginning	203,851,387	212,352,735	221,658,918	231,558,846	241,667,573	250,622,298	260,225,644	271,329,618
Total Pension Liability - Ending (a)	<u>\$ 212,352,735</u>	<u>\$ 221,658,918</u>	<u>\$ 231,558,846</u>	<u>\$ 241,667,573</u>	<u>\$ 250,622,298</u>	<u>\$ 260,225,644</u>	<u>\$ 271,329,618</u>	<u>\$ 287,389,756</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 6,710,788	\$ 7,010,794	\$ 7,040,230	\$ 7,170,297	\$ 7,214,614	\$ 7,579,707	\$ 8,375,887	\$ 8,969,352
Contributions - Employee	2,227,512	2,327,022	2,388,648	2,420,194	2,438,458	2,539,876	2,801,479	2,982,695
Net Investment Income	8,776,879	238,696	10,912,920	23,797,094	(5,816,547)	28,874,055	16,195,750	29,723,296
Benefit payments, including refunds of employee contributions	(9,268,702)	(9,713,879)	(10,000,772)	(10,767,252)	(11,131,440)	(12,195,107)	(12,634,794)	(13,661,415)
Administrative Expense	(91,634)	(145,395)	(123,252)	(123,321)	(112,418)	(163,154)	(104,816)	(137,546)
Other	(7,534)	(7,181)	(6,641)	(6,250)	(5,873)	(4,901)	(4,089)	942
Net Change in Plan Fiduciary Net Position	8,347,309	(289,943)	10,211,133	22,490,762	(7,413,206)	26,630,476	14,629,417	27,877,324
Plan Fiduciary Net Position - Beginning	153,424,630	161,771,939	161,481,996	171,693,129	194,183,891	186,770,685	213,401,161	228,030,578
Plan Fiduciary Net Position - Ending (b)	<u>\$ 161,771,939</u>	<u>\$ 161,481,996</u>	<u>\$ 171,693,129</u>	<u>\$ 194,183,891</u>	<u>\$ 186,770,685</u>	<u>\$ 213,401,161</u>	<u>\$ 228,030,578</u>	<u>\$ 255,907,902</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 50,580,796</u>	<u>\$ 60,176,922</u>	<u>\$ 59,865,717</u>	<u>\$ 47,483,682</u>	<u>\$ 63,851,613</u>	<u>\$ 46,824,483</u>	<u>\$ 43,299,040</u>	<u>\$ 31,481,854</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.18%	72.85%	74.15%	80.35%	74.52%	82.01%	84.04%	89.05%
Covered-Employee Payroll	\$ 33,222,301	\$ 33,222,301	\$ 34,080,198	\$ 34,542,306	\$ 34,783,842	\$ 36,281,338	\$ 39,817,416	\$ 42,609,922
Net Pension Liability as a Percentage of Covered-Employee Payroll	152.25%	181.13%	175.66%	137.47%	183.57%	129.06%	108.74%	73.88%

## 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, 2022**

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

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	23 Years (longest amortization ladder)
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:

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

**CITY OF TYLER, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**FIREFIIGHTERS' RELIEF AND RETIREMENT FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

## 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, 2022**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</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	\$ 2,838,333
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>	<u>2,838,333</u>
Contribution deficiency (overpayment)	\$ -	\$ -	\$ 66,093	\$ 55,011	\$ 20,003	\$ 38,742	\$ -	\$ (1,865)	\$ -
Covered-Employee payroll	\$ 11,272,803	\$ 11,506,705	\$ 11,963,428	\$ 10,721,551	\$ 12,616,845	\$ 11,985,380	\$ 12,160,729	\$ 12,634,170	\$ 13,219,703
Contributions as a percentage of Covered-Employee Payroll	21.31%	21.28%	20.42%	20.42%	20.77%	20.75%	21.20%	21.35%	21.47%

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: 27 years
  - Inflation: 2.75%
  - Salary Increases: 2.75%, plus promotion, step and longevity increases that vary by service
  - Investment Rate of Return: 7%, net of pension plan investment expense, including inflation
  - Retirement Age: Firefighters become eligible for normal service retirement at age 50 with 25 years of service or at age 55 with 20 years of service.
  - Mortality: 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:
- (1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
  - (2) There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

**CITY OF TYLER, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**HEALTH PLAN**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
<b>Total OPEB liability</b>					
Service Cost	\$ 617,273	\$ 656,975	\$ 660,205	\$ 597,389	\$ 578,751
Interest (on the Total OPEB Liability)	2,303,993	2,317,569	2,329,351	1,780,085	1,791,868
Difference between expected and actual experience	-	(736,059)	(9,134,915)	(517,661)	(3,838,670)
Change of assumptions	-	-	(477,666)	-	316,309
Benefit payments	(3,459,056)	(2,005,477)	(2,112,205)	(1,479,405)	(1,859,031)
Net Change in Total OPEB Liability	(537,790)	233,008	(8,735,230)	380,408	(3,010,773)
Total OPEB Liability - Beginning	36,866,945	36,329,155	36,562,163	27,826,933	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>	<u>\$ 24,816,160</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 6,125,793	\$ 2,880,184	\$ 3,188,005	\$ 2,119,542	\$ 1,862,790
OPEB plan net investment income	1,042,478	(539,956)	2,019,451	1,709,041	1,869,730
Benefit payments	(3,459,056)	(2,005,477)	(2,112,205)	(1,479,405)	(1,859,031)
OPEB plan administrative Expense	(23,966)	(29,550)	(37,313)	(35,395)	(44,114)
Net Change in Plan Fiduciary Net Position	3,685,249	305,201	3,057,938	2,313,783	1,829,375
Plan Fiduciary Net Position - Beginning	6,833,978	10,519,227	10,824,428	13,882,366	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>	<u>\$ 15,711,741</u>
Net OPEB Liability (Asset) - Ending (a)-(b)	<u>\$ 25,809,928</u>	<u>\$ 25,737,735</u>	<u>\$ 13,944,567</u>	<u>\$ 12,011,192</u>	<u>\$ 9,104,419</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	28.96%	29.61%	49.89%	57.42%	63.31%
Covered-Employee Payroll	\$ 45,211,468	\$ 45,363,280	\$ 48,419,528	\$ 52,976,140	\$ 55,515,984
Net OPEB Liability as a Percentage of Covered-Employee Payroll	57.09%	56.74%	28.80%	22.67%	16.40%

## 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, 2022**

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

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: The actuarially determined contribution for fiscal year ending September 30, 2022 was developed in the December 31, 2021 valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Closed, 20 years as of FYE22
Asset Valuation Method	Market Value
Investment Rate of Return	6.50%, net of investment expenses, including inflation
Inflation	2.50%
Salary Increases	TMRS: 3.50% to 11.50%, including inflation FIRE: 3.50% to 9.71%, including inflation
Demographic Assumptions	TMRS: Based on the experience study covering the four-year period ending December 31, 2018 as conducted by the Texas Municipal Retirement System. FIRE: Based on the pension valuation report for the Tyler Firefighters' Relief and Retirement Fund as of December 31, 2017.
Mortality	TMRS: For healthy retirees, the gender-distinct RP-2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements. FIRE: 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 4.15% after 15 years.

Notes to Schedule:

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

**CITY OF TYLER, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**SUPPLEMENTAL DEATH BENEFITS PLAN**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
<b>Total OPEB liability</b>					
Service Cost	\$ 72,539	\$ 86,960	\$ 79,819	\$ 115,476	\$ 144,874
Interest	86,877	86,971	95,473	84,548	71,588
Difference between expected and actual experience	-	(27,611)	(111,448)	(85,897)	(18,292)
Change of assumptions and other inputs	190,285	(168,451)	451,855	442,998	108,151
Benefit payments	(27,634)	(27,827)	(29,025)	(35,837)	(98,003)
Net Change in Total OPEB Liability	322,067	(49,958)	486,674	521,288	208,318
Total OPEB Liability - Beginning	2,275,888	2,597,955	2,597,955	3,084,629	3,605,917
Total OPEB Liability - Ending (a)	<u>\$ 2,597,955</u>	<u>\$ 2,547,997</u>	<u>\$ 3,084,629</u>	<u>\$ 3,605,917</u>	<u>\$ 3,814,235</u>
Covered-Employee Payroll	\$ 34,542,306	\$ 34,783,842	\$ 36,281,338	\$ 39,819,429	\$ 42,609,992
Net OPEB Liability as a Percentage of Covered-Employee Payroll	7.52%	7.33%	8.50%	9.06%	8.95%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Summary of Actuarial Assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount Rate*	1.84%
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.
<b>Other Information:</b>	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, 2021.

Notes to Schedule:

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



**ADDITIONAL SUPPLEMENTARY INFORMATION**

**CITY OF TYLER, TEXAS  
COMBINING BALANCE SHEET  
GENERAL GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	GENERAL	DEVELOPMENT SERVICES	TOURISM AND CONVENTION	RAINY DAY	FAIR PARKING GARAGE	ELIMINATIONS	TOTAL GENERAL GOVERNMENTAL FUNDS
<b>ASSETS</b>							
Cash and cash equivalents	\$ 11,051,906	\$ 3,999,729	\$ 472,165	\$ 8,307,340	\$ 158	\$ -	\$ 23,831,298
Receivables (net of allowance for doubtful accounts) :							
Property taxes	755,897	-	-	-	-	-	755,897
Other	21,411,304	43,908	572	14,514	-	-	21,470,298
Due from other funds	3,001,687	-	-	-	-	-	3,001,687
Inventory	67,214	-	-	-	-	-	67,214
Prepaid items	103,149	861	453	-	-	-	104,463
Cash and cash equivalents - restricted	18,117,432	-	-	-	-	-	18,117,432
<b>Total assets</b>	<b>\$ 54,508,589</b>	<b>\$ 4,044,498</b>	<b>\$ 473,190</b>	<b>\$ 8,321,854</b>	<b>\$ 158</b>	<b>\$ -</b>	<b>\$ 67,348,289</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 3,107,990	\$ 122,318	\$ 102,667	\$ -	\$ 122	\$ -	\$ 3,333,097
Due to other funds	-	-	-	-	-	-	-
Deposits and other refundable balances	44,400	1,983,842	4,923	5,000	-	-	2,038,165
Unearned revenue	18,136,552	-	-	-	-	-	18,136,552
<b>Total liabilities</b>	<b>21,288,942</b>	<b>2,106,160</b>	<b>107,590</b>	<b>5,000</b>	<b>122</b>	<b>-</b>	<b>23,507,814</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	650,360	-	-	-	-	-	650,360
Unavailable revenue - fines	11,956,658	-	-	-	-	-	11,956,658
Unavailable revenue - permits	-	40,113	-	-	-	-	40,113
<b>Total deferred inflows of resources</b>	<b>12,607,018</b>	<b>40,113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,647,131</b>
<b>FUND BALANCES (DEFICITS)</b>							
Restricted	18,117,432	-	-	-	-	-	18,117,432
Nonspendable:							
Inventory	67,214	-	-	-	-	-	67,214
Prepaid items	103,149	861	453	-	-	-	104,463
Assigned to:							
Development services	-	1,897,364	-	-	-	-	1,897,364
Capital improvements	-	-	-	-	36	-	36
Tourism and convention	-	-	365,147	-	-	-	365,147
Unassigned	2,324,834	-	-	8,316,854	-	-	10,641,688
<b>Total fund balances (deficits)</b>	<b>20,612,629</b>	<b>1,898,225</b>	<b>365,600</b>	<b>8,316,854</b>	<b>36</b>	<b>-</b>	<b>31,193,344</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 54,508,589</b>	<b>\$ 4,044,498</b>	<b>\$ 473,190</b>	<b>\$ 8,321,854</b>	<b>\$ 158</b>	<b>\$ -</b>	<b>\$ 67,348,289</b>

**CITY OF TYLER, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GENERAL GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	GENERAL	DEVELOPMENT SERVICES	TOURISM AND CONVENTION	RAINY DAY	FAIR PARKING GARAGE	ELIMINATIONS	TOTAL GENERAL GOVERNMENTAL FUNDS
<b>REVENUES</b>							
Taxes:							
Property	\$ 25,175,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,175,831
Franchise	11,027,184	-	-	-	-	-	11,027,184
Sales and use	39,219,773	-	-	-	-	-	39,219,773
Licenses and permits	486,781	2,727,694	-	-	-	-	3,214,475
Revenues from other agencies	690,704	-	-	-	-	-	690,704
Fines, forfeitures and penalties	4,150,874	-	-	-	-	-	4,150,874
Revenues from use of money or property	321,497	20,215	130,934	64,308	-	-	536,954
Charges for current services	2,378,056	97,941	77,986	-	-	-	2,553,983
Miscellaneous	955,619	435,304	10,326	76,858	-	-	1,478,107
<b>Total revenues</b>	<b>84,406,319</b>	<b>3,281,154</b>	<b>219,246</b>	<b>141,166</b>	<b>-</b>	<b>-</b>	<b>88,047,885</b>
<b>EXPENDITURES</b>							
Current:							
General government	7,945,727	-	-	-	(36)	-	7,945,691
Public safety	53,037,985	-	-	-	-	-	53,037,985
Public services	1,215,646	2,235,473	-	-	-	-	3,451,119
Highways and streets	6,209,923	-	-	-	-	-	6,209,923
Culture and recreations	6,175,878	-	2,433,838	-	-	-	8,609,716
Capital outlay	474,220	-	11,809	-	-	-	486,029
<b>Total expenditures</b>	<b>75,059,379</b>	<b>2,235,473</b>	<b>2,445,647</b>	<b>-</b>	<b>(36)</b>	<b>-</b>	<b>79,740,463</b>
Excess (deficiency) of revenues over (under) expenditures	9,346,940	1,045,681	(2,226,401)	141,166	36	-	8,307,422
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	2,325,000	-	38,926	(38,926)	2,325,000
Transfers out	(5,725,639)	-	(20,000)	(3,000,000)	-	38,926	(8,706,713)
<b>Total other financing sources (uses)</b>	<b>(5,725,639)</b>	<b>-</b>	<b>2,305,000</b>	<b>(3,000,000)</b>	<b>38,926</b>	<b>-</b>	<b>(6,381,713)</b>
<b>Net change in fund balances</b>	<b>3,621,301</b>	<b>1,045,681</b>	<b>78,599</b>	<b>(2,858,834)</b>	<b>38,962</b>	<b>-</b>	<b>1,925,709</b>
Fund balances - beginning of year	16,991,328	852,544	287,001	11,175,688	(38,926)	-	29,267,635
<b>Fund balances - end of year</b>	<b>\$ 20,612,629</b>	<b>\$ 1,898,225</b>	<b>\$ 365,600</b>	<b>\$ 8,316,854</b>	<b>\$ 36</b>	<b>\$ -</b>	<b>\$ 31,193,344</b>

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

## **SPECIAL REVENUE FUNDS, CONTINUED**

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

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

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

## **CAPITAL PROJECTS FUND**

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

The *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, 2022

SPECIAL REVENUE FUND												
	POLICE FORFEITURE	PARK IMPROVEMENT	COURT SPECIAL FEE	ECONOMIC DEVELOPMENT	HOTEL-MOTEL OCCUPANCY TAX	DONATIONS	PASSENGER FACILITY CHARGE	PEG FEE	CDBG	HOME GRANT	HOMEOWNERSHIP AND HOUSING	HOUSING ASSISTANCE PAYMENT
<b>ASSETS</b>												
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ 359,919	\$ 6,001,565	\$ -	\$ 214,304	\$ 1,142,147	\$ -	\$ 325,954	\$ 430	\$ -
Accounts and grants receivable	463	-	55	356	723,425	-	96	52,227	327,871	36,728	-	1,749
Inventory	-	-	-	-	-	-	-	-	-	4,450	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	-
Cash - restricted	462,691	567,474	59,739	-	-	772,144	-	-	-	-	-	1,069,017
<b>Total assets</b>	<b>463,154</b>	<b>567,474</b>	<b>59,794</b>	<b>360,275</b>	<b>6,724,990</b>	<b>772,144</b>	<b>214,400</b>	<b>1,194,374</b>	<b>327,871</b>	<b>367,132</b>	<b>430</b>	<b>1,070,766</b>
<b>LIABILITIES</b>												
Accounts payable	453	28,450	15,323	-	697,027	29,976	-	7,312	141,945	5,770	-	32,284
Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other refundable balances	129,755	-	-	-	-	-	-	-	-	-	-	127,152
Due to other funds	-	-	-	-	-	-	-	-	90,290	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>130,208</b>	<b>28,450</b>	<b>15,323</b>	<b>-</b>	<b>697,027</b>	<b>29,976</b>	<b>-</b>	<b>7,312</b>	<b>232,235</b>	<b>5,770</b>	<b>-</b>	<b>159,436</b>
<b>FUND BALANCES</b>												
Nonspendable:												
Inventory	-	-	-	-	-	-	-	-	-	4,450	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for:												
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	332,946	-	44,471	360,275	-	-	-	-	-	-	-	-
Capital improvements	-	539,024	-	-	-	-	-	-	-	-	-	-
Tourism and convention	-	-	-	-	6,027,963	-	-	-	-	-	-	-
Donor restrictions	-	-	-	-	-	742,168	-	-	-	-	-	-
Airport improvements	-	-	-	-	-	-	214,400	-	-	-	-	-
Communications	-	-	-	-	-	-	-	1,187,062	-	-	-	-
Housing assistance	-	-	-	-	-	-	-	-	-	-	430	911,330
Grant restrictions	-	-	-	-	-	-	-	-	95,636	356,912	-	-
Assign to:												
Capital projects	-	-	-	-	-	-	-	-	-	-	-	-
Cemetery maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>332,946</b>	<b>539,024</b>	<b>44,471</b>	<b>360,275</b>	<b>6,027,963</b>	<b>742,168</b>	<b>214,400</b>	<b>1,187,062</b>	<b>95,636</b>	<b>361,362</b>	<b>430</b>	<b>911,330</b>
<b>Total liabilities and fund balances</b>	<b>\$ 463,154</b>	<b>\$ 567,474</b>	<b>\$ 59,794</b>	<b>\$ 360,275</b>	<b>\$ 6,724,990</b>	<b>\$ 772,144</b>	<b>\$ 214,400</b>	<b>\$ 1,194,374</b>	<b>\$ 327,871</b>	<b>\$ 367,132</b>	<b>\$ 430</b>	<b>\$ 1,070,766</b>

**CITY OF TYLER, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2022**

	<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
<b>ASSETS</b>										
Equity in pooled cash and investments	\$ -	\$ -	\$ 737,892	\$ 68,700	\$ 8,850,911	\$ 2,950,424	\$ 1,186,414	\$ 5,163	\$ 1,149	\$ 12,994,061
Accounts and grants receivable	43,393	639,472	740	308	1,826,883	798	1,470	-	3,211	1,832,362
Inventory	-	-	-	-	4,450	-	-	-	-	4,450
Prepaid items	1,274	-	-	-	1,274	-	-	-	-	1,274
Cash - restricted	-	250	-	-	2,931,315	48,465	-	-	3,239,007	6,218,787
<b>Total assets</b>	<u>44,667</u>	<u>639,722</u>	<u>738,632</u>	<u>69,008</u>	<u>13,614,833</u>	<u>2,999,687</u>	<u>1,187,884</u>	<u>5,163</u>	<u>3,243,367</u>	<u>21,050,934</u>
<b>LIABILITIES</b>										
Accounts payable	23,394	208,538	10,037	-	1,200,509	1,257	-	-	6,012	1,207,778
Accrued interest payable	-	-	-	-	-	3,104	-	-	-	3,104
Deposits and other refundable balances	-	-	-	-	256,907	-	-	-	-	256,907
Due to other funds	20,443	443,625	-	-	554,358	-	-	-	-	554,358
Unearned revenue	829	-	-	-	829	-	-	-	-	829
<b>Total Liabilities</b>	<u>44,666</u>	<u>652,163</u>	<u>10,037</u>	<u>-</u>	<u>2,012,603</u>	<u>4,361</u>	<u>-</u>	<u>-</u>	<u>6,012</u>	<u>2,022,976</u>
<b>FUND BALANCES</b>										
Nonspendable:										
Inventory	-	-	-	-	4,450	-	-	-	-	4,450
Permanent fund principal	-	-	-	-	-	-	-	-	3,242,218	3,242,218
Restricted for:										
Debt service	-	-	-	-	-	-	-	5,163	-	5,163
Public safety	-	-	-	-	737,692	-	-	-	-	737,692
Capital improvements	-	-	728,595	69,008	1,336,627	48,465	-	-	-	1,385,092
Tourism and convention	-	-	-	-	6,027,963	-	-	-	-	6,027,963
Donor restrictions	-	-	-	-	742,168	-	-	-	-	742,168
Airport improvements	-	-	-	-	214,400	-	-	-	-	214,400
Communications	-	-	-	-	1,187,062	-	-	-	-	1,187,062
Housing assistance	-	-	-	-	911,760	-	-	-	-	911,760
Grant restrictions	1	(12,441)	-	-	440,108	-	-	-	-	440,108
Assign to:										
Capital projects	-	-	-	-	-	2,946,861	1,187,884	-	-	4,134,745
Unassigned	-	-	-	-	-	-	-	-	(4,863)	(4,863)
<b>Total fund balances</b>	<u>1</u>	<u>(12,441)</u>	<u>728,595</u>	<u>69,008</u>	<u>11,602,230</u>	<u>2,995,326</u>	<u>1,187,884</u>	<u>5,163</u>	<u>3,237,355</u>	<u>19,027,958</u>
<b>Total liabilities and fund balances</b>	<u>\$ 44,667</u>	<u>\$ 639,722</u>	<u>\$ 738,632</u>	<u>\$ 69,008</u>	<u>\$ 13,614,833</u>	<u>\$ 2,999,687</u>	<u>\$ 1,187,884</u>	<u>\$ 5,163</u>	<u>\$ 3,243,367</u>	<u>\$ 21,050,934</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, 2022**

**SPECIAL REVENUE FUND**

	POLICE FORFEITURE	PARK IMPROVEMENT	COURT SPECIAL FEE	ECONOMIC DEVELOPMENT	HOTEL- MOTEL OCCUPANCY TAX	DONATIONS	PASSENGER FACILITY CHARGE	PEG FEE	CDBG	HOME GRANT	HOME- OWNERSHIP AND HOUSING	HOUSING ASSISTANCE PAYMENT
<b>REVENUES</b>												
Taxes:												
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise	-	-	-	-	-	-	-	216,041	-	-	-	-
Sales and use	-	-	-	-	4,289,647	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-	-	-	1,165,107	888,601	-	9,928,243
Fines, forfeitures and penalties	40,109	-	499,022	-	-	-	-	-	-	-	-	-
Revenues from use of money and property	3,352	-	377	2,391	48,063	-	1,362	7,645	-	-	3	17,543
Donations	-	-	-	-	-	388,457	-	-	-	-	-	-
Charges for services	-	696,120	-	-	-	-	161,289	-	-	-	-	-
Miscellaneous	(51,100)	-	-	-	-	-	-	8,753	399,674	-	-	-
<b>Total revenues</b>	<b>(7,639)</b>	<b>696,120</b>	<b>499,399</b>	<b>2,391</b>	<b>4,337,710</b>	<b>388,457</b>	<b>162,651</b>	<b>223,686</b>	<b>1,173,860</b>	<b>1,288,275</b>	<b>3</b>	<b>9,945,786</b>
<b>EXPENDITURES</b>												
Current:												
General government	-	-	-	165,000	-	1,235	-	75,987	-	-	-	-
Public safety	20,961	-	500,371	-	-	97,323	-	-	-	-	-	-
Public services	41,685	-	-	-	964,319	54,682	-	120,380	12,088	-	-	9,791,501
Culture and recreation	-	-	-	-	-	106,735	-	-	-	-	-	-
Capital outlay	61,469	157,096	-	-	6,875,117	933	-	4,529	1,044,727	961,680	-	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	201	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>124,316</b>	<b>157,096</b>	<b>500,371</b>	<b>165,000</b>	<b>7,839,436</b>	<b>260,908</b>	<b>-</b>	<b>80,516</b>	<b>1,165,107</b>	<b>973,768</b>	<b>-</b>	<b>9,791,501</b>
Excess (deficiency) of revenues over (under) expenditures	(131,955)	539,024	(972)	(162,609)	(3,501,726)	127,549	162,651	143,170	8,753	314,507	3	154,285
<b>OTHER FINANCING SOURCES (USES)</b>												
Right-to-use leases	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	175,000	6,250,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(2,944,088)	-	(72,000)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,000</b>	<b>3,305,912</b>	<b>-</b>	<b>(72,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Change in net assets	(131,955)	539,024	(972)	12,391	(195,814)	127,549	90,651	143,170	8,753	314,507	3	154,285
Fund balances - beginning of year	464,901	-	45,443	347,884	6,223,777	614,619	123,749	1,043,892	86,883	46,855	427	757,045
Fund balances - end of year	\$ 332,946	\$ 539,024	\$ 44,471	\$ 360,275	\$ 6,027,963	\$ 742,168	\$ 214,400	\$ 1,187,062	\$ 95,636	\$ 361,362	\$ 430	\$ 911,330



**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, 2022**

	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	
<b>REVENUES</b>										
Taxes:										
Property	\$ -	\$ -	\$ 110,447	\$ 53,500	\$ 163,947	\$ -	\$ -	\$ -	\$ -	\$ 163,947
Franchise	-	-	-	-	216,041	-	-	-	-	216,041
Sales and use	-	-	-	-	4,289,647	-	-	-	-	4,289,647
Licenses and permits	-	-	-	-	-	-	-	-	3,750	3,750
Revenues from other agencies	354,955	3,727,351	-	-	16,064,257	-	-	-	-	16,064,257
Fines, forfeitures and penalties	-	-	-	-	539,131	-	-	-	-	539,131
Revenues from use of money and property	-	14,500	4,957	395	100,588	10,466	9,240	-	22,421	142,715
Donations	-	-	-	-	388,457	-	-	-	-	388,457
Charges for services	-	123,824	-	-	981,233	-	-	-	120,975	1,102,208
Miscellaneous	-	29,101	-	-	386,428	1,861,558	-	2,727	-	2,250,713
<b>Total revenues</b>	<b>354,955</b>	<b>3,894,776</b>	<b>115,404</b>	<b>53,895</b>	<b>23,129,729</b>	<b>1,872,024</b>	<b>9,240</b>	<b>2,727</b>	<b>147,146</b>	<b>25,160,866</b>
<b>EXPENDITURES</b>										
Current:										
General government	-	-	10,036	-	252,258	-	-	-	-	252,258
Public safety	-	-	-	-	618,655	-	-	-	-	618,655
Public services	219,362	3,472,859	-	-	14,676,876	-	-	-	-	14,676,876
Culture and recreation	-	-	-	-	106,735	-	-	-	297,541	404,276
Capital outlay	135,592	489,552	-	-	9,730,695	8,654,294	1,238,684	-	-	19,623,673
Debt service:										
Principal	-	-	-	-	-	3,370,261	-	130,000	-	3,500,261
Interest and fiscal charges	-	-	-	-	201	5,596	-	464,089	-	469,886
<b>Total expenditures</b>	<b>354,954</b>	<b>3,962,411</b>	<b>10,036</b>	<b>-</b>	<b>25,385,420</b>	<b>12,030,151</b>	<b>1,238,684</b>	<b>594,089</b>	<b>297,541</b>	<b>39,545,885</b>
Excess (deficiency) of revenues over (under) expenditures	1	(67,635)	105,368	53,895	(2,255,691)	(10,158,127)	(1,229,444)	(591,362)	(150,395)	(14,385,019)
<b>OTHER FINANCING SOURCES (USES)</b>										
Right-to-use leases	-	-	-	-	-	236,499	-	-	-	236,499
Transfers in	-	-	-	-	6,425,000	2,609,557	1,953,408	594,088	200,000	11,782,053
Transfers out	-	-	-	-	(3,016,088)	-	-	-	-	(3,016,088)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,408,912</b>	<b>2,846,056</b>	<b>1,953,408</b>	<b>594,088</b>	<b>200,000</b>	<b>9,002,464</b>
Change in net assets	1	(67,635)	105,368	53,895	1,153,221	(7,312,071)	723,964	2,726	49,605	(5,382,555)
Fund balances - beginning of year	-	55,194	623,227	15,113	10,449,009	10,307,397	463,920	2,437	3,187,750	24,410,513
Fund balances - end of year	\$ 1	\$ (12,441)	\$ 728,595	\$ 69,008	\$ 11,602,230	\$ 2,995,326	\$ 1,187,884	\$ 5,163	\$ 3,237,355	\$ 19,027,958

**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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Fines, forfeitures and penalties	\$ 41,000	\$ 40,109	\$ (891)
Revenues from use of money and property	<u>22,233</u>	<u>(47,748)</u>	<u>(69,981)</u>
Total revenues	<u>63,233</u>	<u>(7,639)</u>	<u>(70,872)</u>
<b>EXPENDITURES</b>			
Public safety:			
Supplies and services	7,000	20,961	(13,961)
Public services:			
Supplies and services	-	41,685	(41,685)
Capital outlay	260,500	61,469	199,031
Debt service:			
Interest	<u>-</u>	<u>201</u>	<u>(201)</u>
Total expenditures	<u>267,500</u>	<u>124,316</u>	<u>143,184</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(204,267)</u>	<u>(131,955)</u>	<u>72,312</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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>\$ (204,267)</u>	<u>(131,955)</u>	<u>\$ 72,312</u>
Fund balance - beginning of year		<u>464,901</u>	
Fund balance - end of year		<u>\$ 332,946</u>	

**CITY OF TYLER, TEXAS  
PARK IMPROVEMENT FUND  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Charges for services	\$ 642,525	\$ 696,120	\$ 53,595
Total revenues	642,525	696,120	53,595
<b>EXPENDITURES</b>			
Capital outlay:	514,020	157,096	356,924
Total expenditures	514,020	157,096	356,924
Excess of revenues over (under) expenditures - GAAP basis	128,505	539,024	410,519
<b>OTHER FINANCING SOURCES (USES)</b>			
Total other financing sources (uses)	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	\$ 128,505	539,024	\$ 410,519
Fund balance - beginning of year		-	
Fund balance - end of year		\$ 539,024	

**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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Fines, forfeitures and penalties	\$ 502,157	\$ 499,022	\$ (3,135)
Revenues from use of money and property	4,019	377	(3,642)
Total revenues	<u>506,176</u>	<u>499,399</u>	<u>(6,777)</u>
<b>EXPENDITURES</b>			
Public safety:			
Salaries and benefits	205,830	180,777	25,053
Supplies and services	247,000	249,177	(2,177)
Maintenance	73,866	70,417	3,449
Total expenditures	<u>526,696</u>	<u>500,371</u>	<u>26,325</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(20,520)</u>	<u>(972)</u>	<u>19,548</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Principal paid on debt	-	-	-
Interest and fiscal charges	-	-	-
Transfer out	-	-	-
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>\$ (20,520)</u>	<u>(972)</u>	<u>\$ 19,548</u>
Fund balance - beginning of year		<u>45,443</u>	
Fund balance - end of year		<u>\$ 44,471</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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Revenues from use of money and property	\$ 1,921	\$ 2,391	\$ 470
Total revenues	<u>1,921</u>	<u>2,391</u>	<u>470</u>
<b>EXPENDITURES</b>			
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>(328,479)</u>	<u>(162,609)</u>	<u>165,870</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	<u>325,000</u>	<u>175,000</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>325,000</u>	<u>175,000</u>	<u>(150,000)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (3,479)</u>	12,391	<u>\$ 15,870</u>
Fund balance - beginning of year		<u>347,884</u>	
Fund balance - end of year		<u>\$ 360,275</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Taxes	\$ 3,701,097	\$ 4,289,647	\$ 588,550
Revenues from use of money and property	75,497	48,063	(27,434)
Miscellaneous	10,000	-	(10,000)
Total revenues	<u>3,786,594</u>	<u>4,337,710</u>	<u>551,116</u>
<b>EXPENDITURES</b>			
Hotel-motel administration:			
Texas Rose Festival	10,000	10,000	-
Discovery Place	32,400	32,400	-
East Texas Symphony	50,000	50,000	-
Tyler Museum of Art	35,000	35,000	-
Historical Museum	13,500	13,500	-
Historic Aviation Museum	13,500	13,500	-
Visitors and Convention Bureau	691,500	691,500	-
McClendon House	4,500	4,500	-
Tyler Civic Theatre	-	-	-
Sports Tyler Award	25,000	25,000	-
Supplies and services	11,420,392	88,919	11,331,473
Contingency	72,000	-	72,000
Capital outlay	<u>(10,458,140)</u>	<u>6,875,117</u>	<u>(17,333,257)</u>
Total expenditures	<u>1,909,652</u>	<u>7,839,436</u>	<u>(5,929,784)</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>1,876,942</u>	<u>(3,501,726)</u>	<u>6,480,900</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(2,944,088)</u>	<u>(2,944,088)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,305,912</u>	<u>3,305,912</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 5,182,854</u>	<u>(195,814)</u>	<u>\$ (5,378,668)</u>
Fund balance - beginning of year		<u>6,223,777</u>	
Fund balance - end of year		<u>\$ 6,027,963</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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Donations	\$ 319,366	\$ 388,457	\$ 69,091
Total revenues	<u>319,366</u>	<u>388,457</u>	<u>69,091</u>
<b>EXPENDITURES</b>			
General government			
Supplies and services	16,518	1,235	15,283
Public safety			
Supplies and services	267,023	97,323	169,700
Public services			
Supplies and services	223,240	54,682	168,558
Culture and recreation			
Supplies and services	374,500	106,735	267,765
Capital outlay	<u>115,171</u>	<u>933</u>	<u>114,238</u>
Total expenditures	<u>996,452</u>	<u>260,908</u>	<u>735,544</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(677,086)</u>	<u>127,549</u>	<u>804,635</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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>\$ (677,086)</u>	<u>127,549</u>	<u>\$ 804,635</u>
Fund balance - beginning of year		<u>614,619</u>	
Fund balance - end of year		<u>\$ 742,168</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Revenues from use of money and property	\$ 2,000	\$ 1,362	\$ (638)
Charges for services	144,000	161,289	17,289
Total revenues	<u>146,000</u>	<u>162,651</u>	<u>16,651</u>
<b>EXPENDITURES</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>146,000</u>	<u>162,651</u>	<u>16,651</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(72,000)</u>	<u>(72,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(72,000)</u>	<u>(72,000)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 74,000</u>	90,651	<u>\$ 16,651</u>
Fund balance - beginning of year		<u>123,749</u>	
Fund balance - end of year		<u>\$ 214,400</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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Franchise fees	\$ 236,293	\$ 216,041	\$ (20,252)
Revenues from use of money and property	7,875	7,645	(230)
Total revenues	<u>244,168</u>	<u>223,686</u>	<u>(20,482)</u>
<b>EXPENDITURES</b>			
General government	123,230	75,987	47,243
Capital outlay	200,000	4,529	195,471
Total expenditures	<u>323,230</u>	<u>80,516</u>	<u>242,714</u>
Excess of revenues over (under) expenditures - GAAP basis	(79,062)	143,170	222,232
<b>OTHER FINANCING SOURCES (USES)</b>			
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>\$ (79,062)</u>	143,170	<u>\$ 222,232</u>
Fund balance - beginning of year		<u>1,043,892</u>	
Fund balance - end of year		<u>\$ 1,187,062</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Revenues from other agencies	\$ 2,781,543	\$ 1,165,107	\$ (1,616,436)
Miscellaneous	10,000	8,753	(1,247)
Total revenues	<u>2,791,543</u>	<u>1,173,860</u>	<u>(1,617,683)</u>
<b>EXPENDITURES</b>			
Public services:			
Salaries and benefits	84,967	61,725	23,242
Supplies and services	109,920	58,589	51,331
Utilities	75	66	9
Maintenance	1,500	-	1,500
Capital outlay	<u>2,604,430</u>	<u>1,044,727</u>	<u>1,559,703</u>
Total expenditures	<u>2,800,892</u>	<u>1,165,107</u>	<u>1,635,785</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(9,349)</u>	<u>8,753</u>	<u>18,102</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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>\$ (9,349)</u>	<u>8,753</u>	<u>\$ 18,102</u>
Fund balance - beginning of year		<u>86,883</u>	
Fund balance - end of year		<u>\$ 95,636</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Revenues from other agencies	\$ 1,967,535	\$ 888,601	\$ (1,078,934)
	39,062	399,674	360,612
Total revenues	<u>2,006,597</u>	<u>1,288,275</u>	<u>(718,322)</u>
<b>EXPENDITURES</b>			
Public services:			
Salaries and benefits	5,628	11,444	(5,816)
Supplies and services	360,532	644	359,888
Capital outlay	<u>1,601,715</u>	<u>961,680</u>	<u>640,035</u>
Total expenditures	<u>1,967,875</u>	<u>973,768</u>	<u>994,107</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>38,722</u>	314,507	<u>275,785</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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>\$ 38,722</u>	314,507	<u>\$ 275,785</u>
Fund balance - beginning of year		<u>46,855</u>	
Fund balance - end of year		<u>\$ 361,362</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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Revenues from use of money and property	\$ 14	\$ 3	\$ (11)
Total revenues	<u>14</u>	<u>3</u>	<u>(11)</u>
<b>EXPENDITURES</b>			
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>
<b>OTHER FINANCING SOURCES (USES)</b>			
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>427</u>	
Fund balance - end of year		<u>\$ 430</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Revenues from other agencies	\$ 8,599,254	\$ 9,928,243	\$ 1,328,989
Revenues from use of money and property	28,000	17,543	(10,457)
Total revenues	<u>8,627,254</u>	<u>9,945,786</u>	<u>1,318,532</u>
<b>EXPENDITURES</b>			
Public services:			
Salaries and benefits	644,908	569,563	75,345
Supplies and services	7,961,011	9,190,504	(1,229,493)
Utilities	15,000	13,522	1,478
Maintenance	35,280	17,912	17,368
Total expenditures	<u>8,656,199</u>	<u>9,791,501</u>	<u>(1,135,302)</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(28,945)</u>	<u>154,285</u>	<u>183,230</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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>\$ (28,945)</u>	<u>154,285</u>	<u>\$ 183,230</u>
Fund balance - beginning of year		<u>757,045</u>	
Fund balance - end of year		<u>\$ 911,330</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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Revenues from other agencies	\$ 579,113	\$ 354,955	\$ (224,158)
Total revenues	<u>579,113</u>	<u>354,955</u>	<u>(224,158)</u>
<b>EXPENDITURES</b>			
Public services:			
Salaries and benefits	107,314	167,907	(60,593)
Supplies and services	471,749	51,454	420,295
Utilities	50	1	49
Capital outlay	<u>-</u>	<u>135,592</u>	<u>(135,592)</u>
Total expenditures	<u>579,113</u>	<u>354,954</u>	<u>224,159</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>-</u>	<u>1</u>	<u>1</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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>1</u>	<u>\$ 1</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ 1</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Revenues from other agencies	\$ 4,449,152	\$ 3,727,351	\$ (721,801)
Revenues from use of money and property	10,000	14,500	4,500
Charges for services	155,000	123,824	(31,176)
Miscellaneous	34,000	29,101	(4,899)
Total revenues	<u>4,648,152</u>	<u>3,894,776</u>	<u>(753,376)</u>
<b>EXPENDITURES</b>			
Public services			
Salaries and benefits	1,754,106	1,754,738	(632)
Supplies and services	1,089,419	1,290,067	(200,648)
Utilities	12,502	16,804	(4,302)
Maintenance	429,500	411,250	18,250
Capital outlay	1,424,250	489,552	934,698
Total expenditures	<u>4,709,777</u>	<u>3,962,411</u>	<u>747,366</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(61,625)</u>	<u>(67,635)</u>	<u>(1,500,742)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	50,000	-	(753,376)
Total other financing sources (uses)	<u>50,000</u>	<u>-</u>	<u>(753,376)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (11,625)</u>	<u>(67,635)</u>	<u>\$ (56,010)</u>
Fund balance - beginning of year		<u>55,194</u>	
Fund balance - end of year		<u>\$ (12,441)</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Taxes	\$ 104,222	\$ 110,447	\$ 6,225
Revenues from use of money and property	6,508	4,957	(1,551)
Total revenues	<u>110,730</u>	<u>115,404</u>	<u>4,674</u>
<b>EXPENDITURES</b>			
Special services	5,000	10,036	(5,036)
Total expenditures	<u>5,000</u>	<u>10,036</u>	<u>(5,036)</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>105,730</u>	<u>105,368</u>	<u>9,710</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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>\$ 105,730</u>	105,368	<u>\$ (362)</u>
Fund balance - beginning of year		<u>623,227</u>	
Fund balance - end of year		<u>\$ 728,595</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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Taxes	\$ 75,719	\$ 53,500	\$ (22,219)
Revenues from use of money and property	<u>-</u>	<u>395</u>	<u>395</u>
Total revenues	<u>75,719</u>	<u>53,895</u>	<u>(21,824)</u>
<b>EXPENDITURES</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>75,719</u>	<u>53,895</u>	<u>(21,824)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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>\$ 75,719</u>	<u>53,895</u>	<u>\$ (21,824)</u>
Fund balance - beginning of year		<u>15,113</u>	
Fund balance - end of year		<u>\$ 69,008</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Revenues from use of money and property	\$ 1,000	\$ 10,466	\$ 9,466
Miscellaneous	1,866,749	1,861,558	(5,191)
Total revenues	<u>1,867,749</u>	<u>1,872,024</u>	<u>4,275</u>
<b>EXPENDITURES</b>			
Capital outlay	12,394,555	8,654,294	3,740,261
Debt service:			
Principal	1,543,963	3,370,261	1,826,298
Interest and fiscal charges	-	5,596	5,596
Total expenditures	<u>13,938,518</u>	<u>12,030,151</u>	<u>5,572,155</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(12,070,769)</u>	<u>(10,158,127)</u>	<u>5,576,430</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Right-to-use leases	-	236,499	236,499
Transfers in	343,811	2,609,557	2,265,746
Total other financing sources (uses)	<u>343,811</u>	<u>2,846,056</u>	<u>2,502,245</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (11,726,958)</u>	<u>(7,312,071)</u>	<u>\$ 8,078,675</u>
Fund balance - beginning of year		<u>10,307,397</u>	
Fund balance - end of year		<u>\$ 2,995,326</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, 2022**

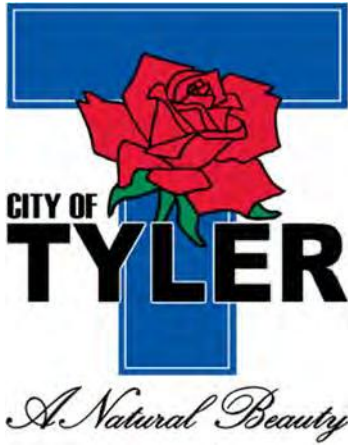
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Revenues from use of money and property	\$ 1,394	\$ 9,240	\$ 7,846
Total revenues	<u>1,394</u>	<u>9,240</u>	<u>7,846</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>2,220,807</u>	<u>1,238,684</u>	<u>982,123</u>
Total expenditures	<u>2,220,807</u>	<u>1,238,684</u>	<u>982,123</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(2,219,413)</u>	<u>(1,229,444)</u>	<u>989,969</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>1,953,407</u>	<u>1,953,408</u>	<u>1</u>
Total other financing sources (uses)	<u>1,953,407</u>	<u>1,953,408</u>	<u>1</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (266,006)</u>	723,964	<u>\$ 989,970</u>
Fund balance - beginning of year		<u>463,920</u>	
Fund balance - end of year		<u>\$ 1,187,884</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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ 2,727	\$ 2,727
Total revenues	<u>-</u>	<u>2,727</u>	<u>2,727</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	-	130,000	(130,000)
Interest and fiscal charges	-	464,089	(464,089)
Total expenditures	<u>-</u>	<u>594,089</u>	<u>(594,089)</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>-</u>	<u>(591,362)</u>	<u>(591,362)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>594,088</u>	<u>594,088</u>	<u>-</u>
Total other financing sources (uses)	<u>594,088</u>	<u>594,088</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 594,088</u>	<u>2,726</u>	<u>\$ (591,362)</u>
Fund balance - beginning of year		<u>2,437</u>	
Fund balance - end of year		<u>\$ 5,163</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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Trust fund:			
Revenues from use of money and property	\$ 19,277	\$ 22,425	\$ 3,148
Charges for services	96,600	67,110	(29,490)
Operations:			
Licenses and permits	13,450	3,750	(9,700)
Revenues from use of money and property	3,369	-	(3,369)
Charges for services	110,400	53,861	(56,539)
Total revenues	<u>243,096</u>	<u>147,146</u>	<u>(95,950)</u>
<b>EXPENDITURES</b>			
Operations:			
Salaries and benefits	162,180	161,014	1,166
Supplies and services	32,941	38,595	(5,654)
Utilities	49,000	51,327	(2,327)
Maintenance	36,279	46,605	(10,326)
Capital outlay	-	-	-
Total expenditures	<u>280,400</u>	<u>297,541</u>	<u>(17,141)</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(37,304)</u>	<u>(150,395)</u>	<u>(78,809)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Total other financing sources (uses)	<u>100,000</u>	<u>200,000</u>	<u>100,000</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 62,696</u>	49,605	<u>\$ (13,091)</u>
Fund balance - beginning of year		<u>3,187,750</u>	
Fund balance - end of year		<u>\$ 3,237,355</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, 2022**

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	TOTAL
<b>ASSETS</b>								
Current assets:								
Equity in pooled cash and investments	\$ 2,253,688	\$ 8,007,212	\$ 1,283,892	\$ 2,355,169	\$ -	\$ 1,171,792	\$ 2,530,156	\$ 17,601,909
Prepaid expenses	611	-	-	-	72,502	-	525	73,638
Accounts receivable (net)	2,488	8,775	1,210	160	158,662	-	3,731	175,026
Due from other funds	-	-	-	-	-	-	-	-
Inventory - at average cost	-	354,286	-	-	-	-	-	354,286
Lease receivable	-	-	-	-	-	-	4,691	4,691
Total current assets	<u>2,256,787</u>	<u>8,370,273</u>	<u>1,285,102</u>	<u>2,355,329</u>	<u>231,164</u>	<u>1,171,792</u>	<u>2,539,103</u>	<u>18,209,550</u>
Noncurrent assets:								
Other post employment benefit assets	-	-	-	24,190	-	-	-	24,190
Lease receivable	-	-	-	-	-	-	122,360	122,360
Capital assets:								
Land	-	104,249	-	-	-	-	-	104,249
Construction in progress	-	1,790,680	-	-	-	-	-	1,790,680
Buildings	-	831,546	-	-	-	778,619	3,267	1,613,432
Improvements other than buildings	-	713,213	-	-	-	1,493,939	6,488	2,213,640
Machinery and equipment	-	40,643,153	-	-	-	456,101	11,922,101	53,021,355
Infrastructure	-	-	-	-	-	194,329	-	194,329
Right-to-use lease asset	-	-	-	-	-	-	1,009,016	1,009,016
Less: accumulated depreciation and amortization	-	(26,218,379)	-	-	-	(1,219,738)	(11,049,054)	(38,487,171)
Total capital assets, net of accumulated depreciation	<u>-</u>	<u>17,864,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,703,250</u>	<u>1,891,818</u>	<u>21,459,530</u>
Total assets	<u>2,256,787</u>	<u>26,234,735</u>	<u>1,285,102</u>	<u>2,379,519</u>	<u>231,164</u>	<u>2,875,042</u>	<u>4,553,281</u>	<u>39,815,630</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred outflows related to pensions	41,761	94,042	(16,198)	(12,925)	(7,224)	23,940	69,740	193,136
Deferred outflows related to OPEB	3,019	21,045	-	1,184	495	3,113	(172,165)	(143,309)
Total deferred outflows of resources	<u>44,780</u>	<u>115,087</u>	<u>(16,198)</u>	<u>(11,741)</u>	<u>(6,729)</u>	<u>27,053</u>	<u>(102,425)</u>	<u>49,827</u>
<b>LIABILITIES</b>								
Current liabilities:								
Accounts and contracts payable	28,247	1,468,978	34,658	32,183	9,614	31,781	117,796	1,723,257
Insurance claims payable	-	-	872,318	673,280	142,632	-	-	1,688,230
Accrued interest payable	-	4,428	-	-	-	-	19,300	23,728
Current portion of compensated absences payable	415	3,272	623	-	-	2,240	5,812	12,362
Current portion of lease liability	-	-	-	-	-	-	6,810	6,810
Total current liabilities	<u>28,662</u>	<u>1,476,678</u>	<u>907,599</u>	<u>705,463</u>	<u>152,246</u>	<u>34,021</u>	<u>149,718</u>	<u>3,454,387</u>
Noncurrent liabilities:								
Compensated absences payable	9,972	78,515	14,959	-	-	53,765	139,481	296,692
Net pension obligation	194,183	589,567	97,778	(22,311)	(18,783)	132,575	535,437	1,508,446
Net OPEB obligation	69,690	185,916	37,803	1,557	(9,280)	34,355	216,717	536,758
Lease liability	-	-	-	-	-	-	739,683	739,683
Total noncurrent liabilities	<u>273,845</u>	<u>853,998</u>	<u>150,540</u>	<u>(20,754)</u>	<u>(28,063)</u>	<u>220,695</u>	<u>1,631,318</u>	<u>3,081,579</u>
Total liabilities	<u>302,507</u>	<u>2,330,676</u>	<u>1,058,139</u>	<u>684,709</u>	<u>124,183</u>	<u>254,716</u>	<u>1,781,036</u>	<u>6,535,966</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred inflows related to pensions	23,385	126,937	-	7,634	3,095	20,228	198,296	379,575
Deferred inflows related to OPEB	19,960	128,915	42,082	10,152	4,602	25,208	20,756	251,675
Deferred inflows related to leases	-	-	-	-	-	-	126,966	126,966
Total deferred inflows of resources	<u>43,345</u>	<u>255,852</u>	<u>42,082</u>	<u>17,786</u>	<u>7,697</u>	<u>45,436</u>	<u>346,018</u>	<u>758,216</u>
<b>NET POSITION</b>								
Net investment in capital assets	-	17,864,462	-	-	-	1,703,250	1,891,818	21,459,530
Unrestricted	1,955,715	5,898,832	168,683	1,665,283	92,555	898,693	431,984	11,111,745
Total net position	<u>\$ 1,955,715</u>	<u>\$ 23,763,294</u>	<u>\$ 168,683</u>	<u>\$ 1,665,283</u>	<u>\$ 92,555</u>	<u>\$ 2,601,943</u>	<u>\$ 2,323,802</u>	<u>\$ 32,571,275</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, 2022**

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	ELIMINATIONS	TOTAL
<b>OPERATING REVENUES</b>									
Charges for services	\$ -	\$ 12,569,343	\$ 2,304,225	\$ 5,949	\$ -	\$ 482,890	\$ 4,984,388	\$ -	\$ 20,346,795
Contributions	-	-	154,449	12,335,623	774,150	-	-	-	13,264,222
Miscellaneous	-	76,202	206,439	1,759,468	2,233,644	-	216,728	-	4,492,481
Total operating revenues	-	12,645,545	2,665,113	14,101,040	3,007,794	482,890	5,201,116	-	38,103,498
<b>OPERATING EXPENSES</b>									
Garage operations	-	8,048,917	-	-	-	-	-	-	8,048,917
Depreciation and amortization	-	3,528,609	-	-	-	170,506	832,619	-	4,531,734
Insurance claims	-	-	2,427,068	14,436,989	1,882,472	(12,465)	-	-	18,734,064
Administrative	148,116	-	285,970	1,786,526	1,093,653	335,755	4,530,245	-	8,180,265
Special services	618,570	-	-	38,606	23,984	-	-	-	681,160
Maintenance	112,296	-	-	-	-	306,970	-	-	419,266
Total operating expenses	878,982	11,577,526	2,713,038	16,262,121	3,000,109	800,766	5,362,864	-	40,595,406
Operating income (loss)	(878,982)	1,068,019	(47,925)	(2,161,081)	7,685	(317,876)	(161,748)	-	(2,491,908)
<b>NON-OPERATING REVENUES (EXPENSES)</b>									
Revenues from use of money and property	19,044	56,892	9,223	9,021	-	26,945	46,317	-	167,442
Gain (loss) on sale of assets	-	646,760	-	-	-	-	-	-	646,760
Interest expense	-	-	-	-	-	-	(10,789)	-	(10,789)
Total non-operating revenues (expenses)	19,044	703,652	9,223	9,021	-	26,945	35,528	-	803,413
Income (loss) before transfers	(859,938)	1,771,671	(38,702)	(2,152,060)	7,685	(290,931)	(126,220)	-	(1,688,495)
Transfers in	550,000	-	-	-	-	527,611	822,347	(65,347)	1,834,611
Transfers out	-	(65,347)	-	-	-	-	-	65,347	-
Change in net position	(309,938)	1,706,324	(38,702)	(2,152,060)	7,685	236,680	696,127	-	146,116
Net position - beginning of year	2,265,653	22,056,970	207,385	3,817,343	84,870	2,365,263	1,627,675	-	32,425,159
Net position - end of year	\$ 1,955,715	\$ 23,763,294	\$ 168,683	\$ 1,665,283	\$ 92,555	\$ 2,601,943	\$ 2,323,802	\$ -	\$ 32,571,275

**CITY OF TYLER, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	ELIMINATIONS	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Cash received from customers and users	\$ (1,803)	\$ 12,640,040	\$ 2,696,294	\$ 14,101,968	\$ 2,951,245	\$ 482,226	\$ 5,070,939	\$ -	\$ 37,940,909
Cash paid to suppliers for goods and services	(211,724)	(5,720,843)	(340,050)	(1,959,545)	(1,171,304)	(540,774)	(2,658,132)	-	(12,602,372)
Cash paid to employees for services	(693,118)	(1,250,424)	(27,622)	(6,775)	-	(173,190)	(1,455,945)	-	(3,607,074)
Cash paid for principal of leases	-	-	-	-	-	-	(185,443)	-	(185,443)
Interest paid for leases	-	-	-	-	-	-	(9,711)	-	(9,711)
Insurance claims paid	-	-	(2,639,409)	(14,180,149)	(1,779,941)	-	-	-	(18,599,499)
Net cash provided by (used in) operating activities	(906,645)	5,668,773	(310,787)	(2,044,501)	-	(231,738)	761,708	-	2,936,810
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>									
Transfers in from other funds	550,000	-	-	-	-	527,611	822,347	(65,347)	1,834,611
Transfers out to other funds	-	(65,347)	-	-	-	-	-	65,347	-
Net cash provided by (used in) non-capital financing activities	550,000	(65,347)	-	-	-	527,611	822,347	-	1,834,611
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Acquisition, construction, and retirement of capital assets	-	(5,163,019)	-	-	-	(411,970)	(887,238)	-	(6,462,227)
Proceeds from sale of assets	-	640,090	-	-	-	-	-	-	640,090
Net cash provided by (used in) capital and related financing activities	-	(4,522,929)	-	-	-	(411,970)	(887,238)	-	(5,822,137)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Interest and dividends	19,044	56,892	9,223	9,021	-	26,945	46,317	-	167,442
Net cash provided by investing activities	19,044	56,892	9,223	9,021	-	26,945	46,317	-	167,442
Net increase (decrease) in cash and cash equivalents	(337,601)	1,137,389	(301,564)	(2,035,480)	-	(89,152)	743,134	-	(883,274)
Cash and cash equivalents - beginning of year	2,591,289	6,869,823	1,585,456	4,390,649	-	1,260,944	1,787,022	-	18,485,183
Cash and cash equivalents - end of year	\$ 2,253,688	\$ 8,007,212	\$ 1,283,892	\$ 2,355,169	\$ -	\$ 1,171,792	\$ 2,530,156	\$ -	\$ 17,601,909

**CITY OF TYLER, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	TOTAL
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>								
Operating income (loss)	\$ (878,982)	\$ 1,068,019	\$ (47,925)	\$ (2,161,081)	\$ 7,685	\$ (317,876)	\$ (161,748)	\$ (2,491,908)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization expense	-	3,528,609	-	-	-	170,506	832,619	4,531,734
(Increase) decrease in accounts receivable	(1,803)	(5,505)	31,181	928	(56,549)	(686)	(3,126)	(35,560)
(Increase) decrease in lease receivable	-	-	-	-	-	-	(127,051)	(127,051)
(Increase) decrease in prepaid expenses	3,460	-	-	-	(5,026)	-	(525)	(2,091)
(Increase) decrease in inventory	-	(18,845)	-	-	-	-	-	(18,845)
(Increase) decrease in deferred outflows related to pensions	11,408	56,094	16,448	5,958	2,502	9,081	77,357	178,848
(Increase) decrease in deferred outflows related to OPEB	(2,560)	(14,871)	-	(1,380)	(592)	(2,759)	(21,764)	(43,926)
Increase (decrease) in accounts payable	6,635	1,258,005	(54,080)	(123,009)	(40,956)	(53,962)	39,748	1,032,381
Increase (decrease) in claims payable	-	-	(212,341)	256,840	102,531	-	-	147,030
Increase (decrease) in compensated absences payable	(1,481)	17,664	14,724	-	-	771	5,057	36,735
Increase (decrease) in lease liability	-	-	-	-	-	-	300,638	300,638
Increase (decrease) in OPEB obligation	(12,042)	(71,180)	(20,382)	(6,484)	(2,779)	(13,199)	(102,363)	(228,429)
Increase (decrease) in deferred inflows related to pensions	4,791	23,560	-	2,503	1,051	3,814	32,280	67,999
Increase (decrease) in deferred inflows related to OPEB	3,755	23,057	2,024	2,024	867	4,275	31,929	67,931
Increase (decrease) in deferred inflows related to leases	-	-	-	-	-	-	126,966	126,966
Increase (decrease) in net pension obligation	(39,826)	(195,834)	(40,436)	(20,800)	(8,734)	(31,703)	(268,309)	(605,642)
Total adjustments	(27,663)	4,600,754	(262,862)	116,580	(7,685)	86,138	923,456	5,428,718
Net cash provided by (used in) operating activities	<u>\$ (906,645)</u>	<u>\$ 5,668,773</u>	<u>\$ (310,787)</u>	<u>\$ (2,044,501)</u>	<u>\$ -</u>	<u>\$ (231,738)</u>	<u>\$ 761,708</u>	<u>\$ 2,936,810</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>								
Acquisition of equipment through capital lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Revenues from use of money and property	\$ 45,428	\$ 19,044	\$ (26,384)
Charges for services	-	-	-
Total revenues	45,428	19,044	(26,384)
Transfers in	550,000	550,000	-
Total revenues - budget and GAAP basis	<u>\$ 595,428</u>	<u>\$ 569,044</u>	<u>\$ (26,384)</u>
<b>EXPENSES</b>			
Salaries and benefits	\$ 235,950	\$ 221,819	\$ 14,131
Supplies and services	1,357,521	691,638	665,883
Capital outlay	-	-	-
Total expenses - budget basis	<u>\$ 1,593,471</u>	913,457	<u>\$ 680,014</u>
Financial statement adjustments:			
Adjustment for net pension liability		(23,628)	
Adjustment for OPEB liability		<u>(10,847)</u>	
Total expenses - GAAP basis		<u>\$ 878,982</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Revenues from use of money and property	\$ 40,000	\$ 56,892	\$ 16,892
Current service charges	11,811,637	12,569,343	757,706
Miscellaneous	1,000	76,202	75,202
Sale of assets	308,000	640,090	332,090
<b>Total revenues</b>	<b>12,160,637</b>	<b>13,342,527</b>	<b>1,181,890</b>
Transfers out	-	(65,347)	(65,347)
Transfers in	-	-	-
<b>Total revenues - budget basis</b>	<b>\$ 12,160,637</b>	<b>13,277,180</b>	<b>\$ 1,116,543</b>
Financial statement adjustments:			
Retirement of assets sold		6,670	
<b>Total revenues - GAAP basis</b>		<b>\$ 13,283,850</b>	
<b>EXPENSES</b>			
Garage administration and operations:			
Salaries and benefits	\$ 1,275,383	1,268,087	\$ 7,296
Supplies and services	5,622,579	6,606,842	(984,263)
Utilities	66,382	69,580	(3,198)
Maintenance	343,002	283,581	59,421
Capital outlay	9,020,025	4,903,102	4,116,923
<b>Total garage administration and operations</b>	<b>16,327,371</b>	<b>13,131,192</b>	<b>3,196,179</b>
<b>Total expenses - budget basis</b>	<b>\$ 16,327,371</b>	<b>13,131,192</b>	<b>\$ 3,196,179</b>
Financial statement adjustments:			
Adjustment for net pension liability		(116,179)	
Adjust OPEB assets and liabilities		(62,994)	
Capital outlay items not expensed		(4,903,102)	
Depreciation expense		3,528,609	
<b>Total expenses - GAAP basis</b>		<b>\$ 11,577,526</b>	

**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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Revenues from use of money and property	\$ 35,642	\$ 9,223	\$ (26,419)
Collections - subrogation	50,000	206,439	156,439
Charges for services	2,414,698	2,304,225	(110,473)
Income from other agencies	-	154,449	154,449
	<u>\$ 2,500,340</u>	<u>\$ 2,674,336</u>	<u>\$ 173,996</u>
<b>EXPENSES</b>			
Claims and premiums	\$ 2,615,107	\$ 2,427,068	\$ 188,039
Administrative	364,574	329,186	35,388
	<u>2,979,681</u>	<u>2,756,254</u>	<u>223,427</u>
Transfers out	-	-	-
Total expenses - budget basis	<u>\$ 2,979,681</u>	<u>2,756,254</u>	<u>\$ 223,427</u>
Financial statement adjustments:			
Adjustment for net pension liability		(23,988)	
Adjustment for OPEB liability		<u>(19,228)</u>	
Total expenses - GAAP basis		<u>\$ 2,713,038</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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Revenues from use of money and property	\$ 36,617	\$ 9,021	\$ (27,596)
Charges for services	5,949	5,949	-
Contributions from City	8,928,870	7,851,351	(1,077,519)
Contributions from employees	2,542,073	2,544,567	2,494
Income from other agencies	-	1,939,705	1,939,705
Miscellaneous	500,000	1,759,468	1,259,468
	<u>12,013,509</u>	<u>14,110,061</u>	<u>2,096,552</u>
Total revenues - budget and GAAP basis	<u>\$ 12,013,509</u>	<u>\$ 14,110,061</u>	<u>\$ 2,096,552</u>
<b>EXPENSES</b>			
Employee insurance fund administration:			
Special services	\$ 70,000	\$ 38,606	\$ 31,394
Claims	10,459,087	14,436,989	(3,977,902)
Administrative	1,309,134	1,527,516	(218,382)
Life insurance	175,287	270,414	(95,127)
	<u>12,013,508</u>	<u>16,273,525</u>	<u>(4,260,017)</u>
Transfers out	-	-	-
Total expenses - budget basis	<u>\$ 12,013,508</u>	<u>\$ 16,273,525</u>	<u>\$ (4,260,017)</u>
Financial statement adjustments:			
Adjustment for net pension liability		(12,340)	
Adjustment for OPEB liability		936	
Total expenses - GAAP basis		<u>\$ 16,262,121</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, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Revenues from use of money and property	\$ 2,442	\$ -	\$ (2,442)
Contributions from retirees	755,435	774,150	18,715
Contributions - OPEB Trust and Reimbursement	<u>2,195,169</u>	<u>2,233,644</u>	<u>38,475</u>
Total revenues - budget and GAAP basis	<u>\$ 2,953,046</u>	<u>\$ 3,007,794</u>	<u>\$ 54,748</u>
<b>EXPENSES</b>			
Employee insurance fund administration:			
Special services	\$ 44,308	\$ 23,984	\$ 20,324
Claims	1,818,720	1,882,472	(63,752)
Administrative fees	1,207,756	1,069,773	137,983
Life insurance	<u>46,170</u>	<u>31,566</u>	<u>14,604</u>
	3,116,954	3,007,795	109,159
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses - budget basis	<u>\$ 3,116,954</u>	<u>\$ 3,007,795</u>	<u>\$ 109,159</u>
Financial statement adjustments:			
Adjustment for net pension liability		(5,182)	
Adjustment for OPEB liability		<u>(2,504)</u>	
Total expenses - GAAP basis		<u>\$ 3,000,109</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Revenues from use of money and property	\$ 24,000	\$ 26,945	\$ 2,945
Charges for services	482,889	482,890	1
Total revenues	506,889	509,835	2,946
Transfers in	227,611	527,611	300,000
Total revenues - budget and GAAP basis	<u>\$ 734,500</u>	<u>\$ 1,037,446</u>	<u>\$ 302,946</u>
<b>EXPENSES</b>			
Salaries and benefits	\$ 172,185	\$ 173,961	\$ (1,776)
Supplies and services	82,819	79,545	3,274
Maintenance	430,513	407,245	23,268
Capital outlay	589,552	411,969	177,583
Total property and facility administration	1,275,069	1,072,720	202,349
Transfers out	-	-	-
Total expenses - budget basis	<u>\$ 1,275,069</u>	1,072,720	<u>\$ 202,349</u>
Financial statement adjustments:			
Adjustment for net pension liability		(18,808)	
Adjustment for OPEB liability		(11,683)	
Capital outlay items not expensed		(411,969)	
Depreciation expense		170,506	
Total expenses - GAAP basis		<u>\$ 800,766</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Revenues from use of money and property	\$ 42,275	\$ 46,317	\$ 4,042
Charges for services	4,984,388	4,984,388	-
Miscellaneous	215,000	216,728	1,728
Transfers in	-	822,347	822,347
Total revenues - budget and GAAP basis	<u>\$ 5,241,663</u>	<u>\$ 6,069,780</u>	<u>\$ 828,117</u>
<b>EXPENSES</b>			
Office technology fund administration:			
Salaries and benefits	\$ 1,614,041	1,461,002	\$ 153,039
Supplies and services	40,572	25,854	14,718
Utilities	150	140	10
Maintenance	9,039	10,496	(1,457)
Total office technology fund administration	<u>1,663,802</u>	<u>1,497,492</u>	<u>166,310</u>
Office technology services:			
Supplies and services	1,942,189	1,391,796	550,393
Utilities	202,616	125,673	76,943
Maintenance	2,631,399	2,016,964	614,435
Capital outlay	319,592	319,592	-
Total office technology services	<u>5,095,796</u>	<u>3,854,025</u>	<u>1,241,771</u>
Transfers out	-	-	-
Total expenses - budget basis	<u>\$ 6,759,598</u>	<u>5,351,517</u>	<u>\$ 1,408,081</u>
Financial statement adjustments:			
Adjustment for net pension liability		(159,175)	
Adjustment for OPEB liability		(92,198)	
Capital outlay items not expensed		(319,592)	
Principal paid on lease liability		(250,307)	
Interest expense		10,789	
Depreciation and amortization expense		<u>832,619</u>	
Total expenses - GAAP basis		<u>\$ 5,373,653</u>	

## **FIDUCIARY FUNDS**

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

### **Employee Benefit Trust Funds**

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

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

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

### **Private Purpose Trust Funds**

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

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

**CITY OF TYLER, TEXAS**  
**FIDUCIARY FUNDS**  
**EMPLOYEE BENEFIT TRUST FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**SEPTEMBER 30, 2022**

	EMPLOYEE BENEFIT PLAN (SECTION 125)	OPEB TRUST	TYLER FIRE DEPARTMENT RELIEF AND RETIREMENT	TOTAL
<b>ASSETS</b>				
Equity in pooled cash	\$ 322,044	\$ 1,012,998	\$ 920,683	\$ 2,255,725
Investments, at fair value				
Equities	-	-	43,949,337	43,949,337
Mutual funds	-	15,064,501	-	15,064,501
Fixed income	-	-	23,331,519	23,331,519
Investment trust	-	-	2,024,958	2,024,958
Total investments	<u>-</u>	<u>15,064,501</u>	<u>69,305,814</u>	<u>84,370,315</u>
Receivables				
Contributions receivable	-	-	160,127	160,127
Interest receivable	802	-	68,748	69,550
Total receivables	<u>802</u>	<u>-</u>	<u>228,875</u>	<u>229,677</u>
Total assets	<u>322,846</u>	<u>16,077,499</u>	<u>70,455,372</u>	<u>86,855,717</u>
<b>LIABILITIES</b>				
Accounts payable	<u>77,270</u>	<u>859,887</u>	<u>-</u>	<u>937,157</u>
Total liabilities	<u>77,270</u>	<u>859,887</u>	<u>-</u>	<u>937,157</u>
Restricted for OPEB	-	15,217,612	-	15,217,612
Restricted for pensions	-	-	70,455,372	70,455,372
Held in trust for other purposes	<u>245,576</u>	<u>-</u>	<u>-</u>	<u>245,576</u>
Total fiduciary net position	<u>\$ 245,576</u>	<u>\$ 15,217,612</u>	<u>\$ 70,455,372</u>	<u>\$ 85,918,560</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, 2022**

	EMPLOYEE BENEFIT PLAN (SECTION 125 PLAN)	OPEB TRUST	TYLER FIRE DEPARTMENT RELIEF AND RETIREMENT	TOTAL
<b>ADDITIONS</b>				
Contributions				
Employees	\$ 150,157	\$ -	\$ 1,775,083	\$ 1,925,240
Employer	-	3,414,159	2,821,330	6,235,489
Total contributions	<u>150,157</u>	<u>3,414,159</u>	<u>4,596,413</u>	<u>8,160,729</u>
Investment income				
Interest and dividend income	-	(4,409,389)	3,950,248	(459,141)
Net appreciation in fair value of investments	-	1,175,396	(18,545,403)	(17,370,007)
Less investment expense	-	(84,783)	(243,894)	(328,677)
Total investment income	<u>-</u>	<u>(3,318,776)</u>	<u>(14,839,049)</u>	<u>(18,157,825)</u>
Other income	-	-	628,001	628,001
Total additions	<u>150,157</u>	<u>95,383</u>	<u>(9,614,635)</u>	<u>(9,369,095)</u>
<b>DEDUCTIONS</b>				
Reimbursement for benefit claims	-	2,233,643	-	2,233,643
Benefits	140,024	-	6,489,757	6,629,781
Total deductions	<u>140,024</u>	<u>2,233,643</u>	<u>6,489,757</u>	<u>8,863,424</u>
Change in fiduciary net position	10,133	(2,138,260)	(16,104,392)	(18,232,519)
Fiduciary net position - beginning of year	<u>235,443</u>	<u>17,355,872</u>	<u>86,559,764</u>	<u>104,151,079</u>
Fiduciary net position - end of year	<u>\$ 245,576</u>	<u>\$ 15,217,612</u>	<u>\$ 70,455,372</u>	<u>\$ 85,918,560</u>

**CITY OF TYLER, TEXAS  
FIDUCIARY FUNDS  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2022**

	GREENWOOD LANDFILL PRIVATE-PURPOSE TRUST	LINDSEY TRUST PRIVATE-PURPOSE TRUST	TOTAL
<b>ASSETS</b>			
Equity in pooled cash	\$ 2,956,590	\$ -	\$ 2,956,590
Investments, at fair value			
Equities	-	77,206	77,206
Total investments	-	77,206	77,206
Receivables			
Interest receivable	2,922	-	2,922
Total receivables	2,922	-	2,922
Total assets	2,959,512	77,206	3,036,718
<b>FIDUCIARY NET POSITION</b>			
Held in trust for other purposes	\$ 2,959,512	\$ 77,206	\$ 3,036,718

**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, 2022**

	GREENWOOD LANDFILL PRIVATE-PURPOSE TRUST	LINDSEY TRUST PRIVATE-PURPOSE TRUST	TOTAL
<b>ADDITIONS</b>			
Contributions	\$ 42,000	\$ -	\$ 42,000
Investment income			
Interest and dividend income	20,433	2,069	22,502
Net appreciation in fair value of investments	-	(20,126)	(20,126)
Less investment expense	-	(3,477)	(3,477)
Total investment income	<u>20,433</u>	<u>(21,534)</u>	<u>(1,101)</u>
Total additions	<u>62,433</u>	<u>(21,534)</u>	<u>40,899</u>
<b>DEDUCTIONS</b>			
Benefits	-	-	-
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>
Change in fiduciary net position	62,433	(21,534)	40,899
Fiduciary net position - beginning of year	<u>2,897,079</u>	<u>98,740</u>	<u>2,995,819</u>
Fiduciary net position - end of year	<u>\$ 2,959,512</u>	<u>\$ 77,206</u>	<u>\$ 3,036,718</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>PROPERTY TAX COLLECTIONS</b>			
Current taxes	\$ 24,923,714	\$ 24,858,565	\$ (65,149)
Delinquent taxes	159,474	133,394	(26,080)
Penalty and interest	155,199	183,872	28,673
Total property tax collections	<u>25,238,387</u>	<u>25,175,831</u>	<u>(62,556)</u>
<b>FRANCHISE FEES</b>			
Franchise - light and power	4,635,627	4,711,809	76,182
Franchise - natural gas	1,081,740	1,024,954	(56,786)
Franchise - telephone	595,082	530,490	(64,592)
Franchise - cable television	1,157,839	1,080,205	(77,634)
Franchise - street use fee	1,096,561	1,077,509	(19,052)
Franchise - water and sewer	2,471,932	2,602,217	130,285
Total franchise fees	<u>11,038,781</u>	<u>11,027,184</u>	<u>(11,597)</u>
<b>SALES AND USE TAXES</b>			
General sales tax	33,837,660	38,554,979	4,717,319
Mixed drink tax	432,413	624,295	191,882
Bingo tax	35,296	40,499	5,203
Total sales and use taxes	<u>34,305,369</u>	<u>39,219,773</u>	<u>4,914,404</u>
<b>LICENSES AND PERMITS</b>			
Parking meter	88,915	145,739	56,824
Taxicab and limousine	4,000	5,749	1,749
Burglar alarm	359,000	335,291	(23,709)
Building	1,308,764	2,043,811	735,047
Electrical	160,000	241,845	81,845
Plumbing	118,450	146,290	27,840
Zoning	75,000	81,905	6,905
Mechanical	90,000	89,361	(639)
Cert. of Occupancy	30,000	27,700	(2,300)
TABC fee	15,000	9,065	(5,935)
Billboard registration	17,595	18,190	595
Sign	40,000	36,729	(3,271)
Moving and clearing	-	-	-
Contractor license	50,000	32,800	(17,200)
Total licenses and permits	<u>2,356,724</u>	<u>3,214,475</u>	<u>857,751</u>
<b>FINES, FORFEITURES AND PENALTIES</b>			
Moving violation fines	1,969,370	2,059,296	89,926
Tax service fees on fines	117,777	147,753	29,976
Arrest fee fines	99,935	104,558	4,623
Municipal court administrative fees	89,841	111,907	22,066
Warrant fees	215,000	209,047	(5,953)
Child safety fees	138,107	128,810	(9,297)
Miscellaneous municipal court fines	55,000	42,768	(12,232)
Special court fees	824,560	974,356	149,796
Collection firm fee	200,000	282,903	82,903
Parking fees	50,000	51,856	1,856
Scofflaw	10,000	11,018	1,018
Animal fines	7,000	8,091	1,091
Omnibase program	15,000	18,511	3,511
Total fines, forfeitures and penalties	<u>3,791,590</u>	<u>4,150,874</u>	<u>359,284</u>

(Continued)

**CITY OF TYLER, TEXAS  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES FROM USE OF MONEY OR PROPERTY</b>			
Rent - miscellaneous	\$ 166,400	\$ 205,307	\$ 38,907
Distributed interest	325,500	331,647	6,147
	<hr/>	<hr/>	<hr/>
Total revenues from use of money or property	491,900	536,954	45,054
<b>CHARGES FOR CURRENT SERVICES</b>			
Swimming pool admissions	1,665	17,068	15,403
Fire inspection fees	104,000	49,405	(54,595)
Lot mowing	61,138	49,318	(11,820)
Glass membership fees	50,000	63,251	13,251
Copying fees	20,000	15,479	(4,521)
Utility cut fees	132,000	132,000	-
Open records	33,000	23,536	(9,464)
Participant fees	2,400	3,015	615
Sports field maintenance	75,000	82,355	7,355
Recreation classes and events	50,000	44,029	(5,971)
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	246,747	-
Platting	70,000	97,931	27,931
Main street festivals	-	-	-
Animal adoption fees	24,000	30,616	6,616
Animal shelter fees	13,200	18,203	5,003
Liberty hall tickets sales	64,500	77,986	13,486
Library	66,082	47,837	(18,245)
	<hr/>	<hr/>	<hr/>
Total charges for current services	2,568,939	2,553,983	(14,956)
<b>REVENUES FROM OTHER AGENCIES</b>			
Income from other agencies	-	-	-
State government	20,000	19,917	(83)
County hazardous material service	6,000	2,500	(3,500)
Prior year restitution income	-	-	-
Auto theft task force grant	124,681	117,055	(7,626)
Safe and sober grant	64,000	46,890	(17,110)
School crossing guards	258,342	271,748	13,406
COPS grant	90,342	81,976	(8,366)
Fire TCLEOSE allocation	1,000	-	(1,000)
BJA CARES Grant	-	99,436	99,436
Federal JAG	25,000	33,182	8,182
Justice assistance	18,000	18,000	-
	<hr/>	<hr/>	<hr/>
Total revenues from other agencies	607,365	690,704	83,339

(Continued)

**CITY OF TYLER, TEXAS  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>MISCELLANEOUS</b>			
Oil and lease royalties	\$ 310,000	\$ 566,854	\$ 256,854
Miscellaneous charges	159,712	230,077	70,365
Unclaimed property revenue	15,000	29,928	14,928
Returned check fees	-	200	200
Funeral escorts	14,000	13,700	(300)
Fire cost recovery	201,300	191,649	(9,651)
Contractor testing fees	160,000	385,304	225,304
Merchandise sales	31,900	10,326	(21,574)
Subdivision plan review	60,000	50,000	(10,000)
Sale of equipment	1,000	69	(931)
Sale of property	-	-	-
Junked vehicle	-	-	-
Total miscellaneous	<u>952,912</u>	<u>1,478,107</u>	<u>525,195</u>
Total revenues before other financing sources	<u>81,351,967</u>	<u>88,047,885</u>	<u>6,695,918</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Net transfers (to) from special revenue funds	<u>(3,793,524)</u>	<u>(6,381,713)</u>	<u>(2,588,189)</u>
Total other financing sources	<u>(3,793,524)</u>	<u>(6,381,713)</u>	<u>(2,588,189)</u>
Total revenue	<u>\$ 77,558,443</u>	<u>\$ 81,666,172</u>	<u>\$ 4,107,729</u>

**CITY OF TYLER, TEXAS  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>GENERAL GOVERNMENT</b>			
<b>GENERAL GOVERNMENT SERVICES</b>			
Salaries and benefits	\$ 2,640,621	\$ 2,660,468	\$ (19,847)
Supplies and services	1,595,196	1,410,351	184,845
Utilities	73,650	67,533	6,117
Maintenance	23,618	23,618	-
<b>Total general government services</b>	<b>4,333,085</b>	<b>4,161,970</b>	<b>171,115</b>
<b>COMMUNICATIONS</b>			
Salaries and benefits	406,519	459,533	(53,014)
Supplies and services	86,327	86,440	(113)
Utilities	15	1	14
Maintenance	200	148	52
<b>Total communications</b>	<b>493,061</b>	<b>546,122</b>	<b>(53,061)</b>
<b>FINANCE</b>			
Salaries and benefits	918,240	893,101	25,139
Supplies and services	615,495	590,984	24,511
Utilities	200	34	166
Maintenance	1,000	-	1,000
<b>Total finance</b>	<b>1,534,935</b>	<b>1,484,119</b>	<b>50,816</b>
<b>HUMAN RESOURCES</b>			
Salaries and benefits	496,661	439,251	57,410
Supplies and services	81,798	73,334	8,464
<b>Total human resources</b>	<b>578,459</b>	<b>512,585</b>	<b>65,874</b>
<b>LEGAL</b>			
Salaries and benefits	1,038,769	1,006,767	32,002
Supplies and services	224,530	195,902	28,628
Utilities	260	8	252
Maintenance	839	110	729
<b>Total legal</b>	<b>1,264,398</b>	<b>1,202,787</b>	<b>61,611</b>
<b>PARKING GARAGE</b>			
Supplies and services	4,000	8,844	(4,844)
Utilities	14,900	14,496	404
Maintenance	11,650	6,942	4,708
<b>Total parking garage</b>	<b>30,550</b>	<b>30,282</b>	<b>268</b>
<b>INNOVATION PIPELINE</b>			
Salaries and benefits	-	-	-
Supplies and services	3,400	3,400	-
Utilities	-	1,606	(1,606)
Maintenance	2,820	2,820	-
<b>Total innovation pipeline</b>	<b>6,220</b>	<b>7,826</b>	<b>(1,606)</b>
<b>Total general government</b>	<b>8,240,708</b>	<b>7,945,691</b>	<b>295,017</b>

(Continued)

**CITY OF TYLER, TEXAS  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>PUBLIC SAFETY</b>			
<b>POLICE</b>			
Salaries and benefits	\$ 26,179,047	\$ 25,925,884	\$ 253,163
Supplies and services	2,906,352	3,011,282	(104,930)
Utilities	131,960	128,592	3,368
Maintenance	1,640,722	1,715,210	(74,488)
Total police	<u>30,858,081</u>	<u>30,780,968</u>	<u>77,113</u>
<b>FIRE</b>			
Salaries and benefits	18,203,867	18,425,084	(221,217)
Supplies and services	1,355,575	1,249,375	106,200
Utilities	154,625	169,272	(14,647)
Maintenance	760,337	502,467	257,870
Total fire	<u>20,474,404</u>	<u>20,346,198</u>	<u>128,206</u>
<b>MUNICIPAL COURT</b>			
Salaries and benefits	1,233,965	1,007,834	226,131
Supplies and services	781,198	850,136	(68,938)
Utilities	8,700	8,380	320
Maintenance	49,309	44,469	4,840
Total municipal court	<u>2,073,172</u>	<u>1,910,819</u>	<u>162,353</u>
Total public safety	<u>53,405,657</u>	<u>53,037,985</u>	<u>367,672</u>
<b>PUBLIC SERVICES</b>			
<b>ANIMAL SERVICES</b>			
Salaries and benefits	915,876	847,994	67,882
Supplies and services	253,143	238,835	14,308
Utilities	28,850	24,604	4,246
Maintenance	108,933	104,213	4,720
Total animal services	<u>1,306,802</u>	<u>1,215,646</u>	<u>91,156</u>
<b>PLANNING AND ZONING SERVICES</b>			
Salaries and benefits	762,198	697,277	64,921
Supplies and services	115,107	110,776	4,331
Utilities	750	43	707
Total planning and zoning services	<u>878,055</u>	<u>808,096</u>	<u>69,959</u>
<b>BUILDING SERVICES</b>			
Salaries and benefits	1,145,005	949,392	195,613
Supplies and services	232,255	446,277	(214,022)
Utilities	-	-	-
Maintenance	34,752	31,708	3,044
Total building services	<u>1,412,012</u>	<u>1,427,377</u>	<u>(15,365)</u>
Total public services	<u>3,596,869</u>	<u>3,451,119</u>	<u>145,750</u>

(Continued)

**CITY OF TYLER, TEXAS  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>HIGHWAYS AND STREETS</b>			
<b>ENGINEERING</b>			
Salaries and benefits	\$ 580,757	\$ 580,578	\$ 179
Supplies and services	60,052	60,293	(241)
Utilities	50	28	22
Maintenance	5,475	4,885	590
Total engineering	<u>646,334</u>	<u>645,784</u>	<u>550</u>
<b>STREET ADMINISTRATION</b>			
Salaries and benefits	1,784,746	1,477,394	307,352
Supplies and services	236,198	393,114	(156,916)
Utilities	2,750	2,863	(113)
Maintenance	1,077,229	1,156,313	(79,084)
Total street administration	<u>3,100,923</u>	<u>3,029,684</u>	<u>71,239</u>
<b>TRAFFIC OPERATIONS</b>			
Salaries and benefits	920,593	751,055	169,538
Supplies and services	132,454	148,596	(16,142)
Utilities	1,267,725	1,283,826	(16,101)
Maintenance	355,308	350,978	4,330
Total traffic operations	<u>2,676,080</u>	<u>2,534,455</u>	<u>141,625</u>
Total highways and streets	<u>6,423,337</u>	<u>6,209,923</u>	<u>213,414</u>
<b>CULTURE AND RECREATION</b>			
<b>LIBRARY</b>			
Salaries and benefits	1,387,503	1,234,133	153,370
Supplies and services	399,163	416,213	(17,050)
Utilities	45,575	52,642	(7,067)
Maintenance	54,069	51,836	2,233
Total library	<u>1,886,310</u>	<u>1,754,824</u>	<u>131,486</u>
<b>PARKS ADMINISTRATION</b>			
Salaries and benefits	1,025,550	969,947	55,603
Supplies and services	804,495	858,517	(54,022)
Utilities	552,850	634,866	(82,016)
Maintenance	508,092	516,588	(8,496)
Total parks administration	<u>2,890,987</u>	<u>2,979,918</u>	<u>(88,931)</u>

(Continued)

**CITY OF TYLER, TEXAS  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>CULTURE AND RECREATION (cont'd)</b>			
<b>INDOOR RECREATION</b>			
Salaries and benefits	\$ 506,404	\$ 452,896	\$ 53,508
Supplies and services	92,550	110,123	(17,573)
Utilities	100	15	85
Maintenance	179,466	177,805	1,661
Total indoor recreation	<u>778,520</u>	<u>740,839</u>	<u>37,681</u>
<b>OUTDOOR RECREATION</b>			
Salaries and benefits	175,423	124,030	51,393
Supplies and services	88,268	88,198	70
Maintenance	500	1,000	(500)
Total outdoor recreation	<u>264,191</u>	<u>213,228</u>	<u>50,963</u>
<b>MEDIAN MAINTENANCE AND ARBORIST</b>			
Salaries and benefits	271,043	199,687	71,356
Supplies and services	192,608	240,535	(47,927)
Maintenance	51,505	46,847	4,658
Total median maintenance and arborist	<u>515,156</u>	<u>487,069</u>	<u>28,087</u>
<b>ROSE GARDEN CENTER</b>			
Salaries and benefits	174,569	191,769	(17,200)
Supplies and services	27,836	27,280	556
Utilities	50,000	33,847	16,153
Maintenance	36,562	36,304	258
Total rose garden center	<u>288,967</u>	<u>289,200</u>	<u>(233)</u>
<b>ROSE GARDEN MAINTENANCE</b>			
Salaries and benefits	381,999	269,879	112,120
Supplies and services	102,706	161,369	(58,663)
Utilities	45,650	34,463	11,187
Maintenance	79,733	89,626	(9,893)
Total rose garden maintenance	<u>610,088</u>	<u>555,337</u>	<u>54,751</u>
<b>VISITOR FACILITIES</b>			
Salaries and benefits	704,195	710,888	(6,693)
Supplies and services	143,931	161,182	(17,251)
Utilities	5,175	18,057	(12,882)
Maintenance	2,756	2,335	421
Total visitor facilities	<u>856,057</u>	<u>892,462</u>	<u>(36,405)</u>
<b>MAIN STREET</b>			
Salaries and benefits	270,170	265,095	5,075
Supplies and services	232,063	227,688	4,375
Utilities	3,355	1,440	1,915
Maintenance	6,701	6,483	218
Total main street	<u>512,289</u>	<u>500,706</u>	<u>11,583</u>

(Continued)

**CITY OF TYLER, TEXAS  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>CULTURE AND RECREATION (cont'd)</b>			
<b>LIBERTY HALL</b>			
Salaries and benefits	\$ 66,744	\$ 76,698	\$ (9,954)
Supplies and services	156,236	88,339	67,897
Utilities	16,841	11,607	5,234
Maintenance	16,940	19,489	(2,549)
	<u>256,761</u>	<u>196,133</u>	<u>60,628</u>
Total liberty hall	<u>256,761</u>	<u>196,133</u>	<u>60,628</u>
Total culture and recreation	<u>8,859,326</u>	<u>8,609,716</u>	<u>249,610</u>
<b>OTHER FINANCING USES</b>			
Transfer to capital projects	2,297,219	4,535,408	(2,238,189)
Transfer to hotel motel tax	3,000,000	3,000,000	-
Transfer to permanent	100,000	200,000	(100,000)
Transfer to productivity improvement	250,000	250,000	-
Transfer to property and facility	101,305	401,305	(300,000)
Transfer to technology	320,000	320,000	-
Transfer to transit system	50,000	-	50,000
	<u>6,118,524</u>	<u>8,706,713</u>	<u>(2,588,189)</u>
Total other financing uses	<u>6,118,524</u>	<u>8,706,713</u>	<u>(2,588,189)</u>
Capital outlay	<u>465,323</u>	<u>486,029</u>	<u>(20,706)</u>
Total expenditures	<u>\$ 87,109,744</u>	<u>\$ 88,447,176</u>	<u>\$ (1,337,432)</u>



**CITY OF TYLER, TEXAS  
UTILITIES FUND  
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Revenues from use of money or property	\$ 276,474	\$ 636,877	\$ 360,403
Charges for current services	45,639,470	48,330,010	2,690,540
Miscellaneous	<u>3,595,555</u>	<u>3,666,244</u>	<u>70,689</u>
Total revenue - budget and GAAP basis	<u>\$ 49,511,499</u>	<u>\$ 52,633,131</u>	<u>\$ 3,121,632</u>

**CITY OF TYLER, TEXAS**  
**UTILITIES FUND**  
**DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL**  
**FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>WATER ADMINISTRATION AND SUNDRY</b>			
Salaries and benefits	\$ 1,487,780	\$ 1,486,838	\$ 942
Supplies and services	3,908,087	3,119,454	788,633
Utilities	13,250	11,175	2,075
Maintenance	52,378	35,578	16,800
Total water administration and sundry	<u>5,461,495</u>	<u>4,653,045</u>	<u>808,450</u>
<b>WATER OFFICE</b>			
Salaries and benefits	1,190,549	1,120,441	70,108
Supplies and services	1,176,519	1,244,903	(68,384)
Utilities	250	161	89
Maintenance	54,449	55,679	(1,230)
Total water office	<u>2,421,767</u>	<u>2,421,184</u>	<u>583</u>
<b>WATER DISTRIBUTION</b>			
Salaries and benefits	2,490,000	2,249,588	240,412
Supplies and services	340,368	482,264	(141,896)
Utilities	16,524	15,088	1,436
Maintenance	927,408	1,027,022	(99,614)
Total water distribution	<u>3,774,300</u>	<u>3,773,962</u>	<u>338</u>
<b>WATER PLANT</b>			
Salaries and benefits	2,097,266	2,096,401	865
Supplies and services	4,003,794	3,037,326	966,468
Utilities	1,655,061	1,616,023	39,038
Maintenance	511,239	486,981	24,258
Total water plant	<u>8,267,360</u>	<u>7,236,731</u>	<u>1,030,629</u>
<b>WASTE COLLECTION</b>			
Salaries and benefits	1,801,335	1,672,373	128,962
Supplies and services	201,190	158,689	42,501
Maintenance	969,429	1,030,498	(61,069)
Total waste collection	<u>2,971,954</u>	<u>2,861,560</u>	<u>110,394</u>
<b>CD/CMOM (REGULATORY)</b>			
Salaries and benefits	55,116	57,185	(2,069)
Supplies and services	3,505,578	2,390,997	1,114,581
Total cd/cmom (regulatory)	<u>3,560,694</u>	<u>2,448,182</u>	<u>1,112,512</u>
<b>WASTE TREATMENT PLANT</b>			
Salaries and benefits	2,092,858	2,092,340	518
Supplies and services	2,727,311	2,043,722	683,589
Utilities	690,300	718,601	(28,301)
Maintenance	744,907	754,765	(9,858)
Total waste treatment plant	<u>6,255,376</u>	<u>5,609,428</u>	<u>645,948</u>

(Continued)

**CITY OF TYLER, TEXAS  
UTILITIES FUND  
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>LAKE TYLER</b>			
Salaries and benefits	\$ 519,144	\$ 518,428	\$ 716
Supplies and services	356,673	300,905	55,768
Utilities	10,800	8,959	1,841
Maintenance	<u>523,729</u>	<u>386,810</u>	<u>136,919</u>
Total Lake Tyler	<u>1,410,346</u>	<u>1,215,102</u>	<u>195,244</u>
<b>STORM WATER MANAGEMENT</b>			
Salaries and benefits	920,178	918,981	1,197
Supplies and services	200,932	185,797	15,135
Utilities	8,900	7,703	1,197
Maintenance	<u>536,831</u>	<u>484,081</u>	<u>52,750</u>
Total storm water management	<u>1,666,841</u>	<u>1,596,562</u>	<u>70,279</u>
<b>GEOGRAPHICAL INFORMATION SYSTEMS</b>			
Salaries and benefits	759,363	755,912	3,451
Supplies and services	<u>415,491</u>	<u>418,160</u>	<u>(2,669)</u>
Total geographical information systems	<u>1,174,854</u>	<u>1,174,072</u>	<u>782</u>
<b>SLUDGE HAULING</b>			
Salaries and benefits	332,032	231,595	100,437
Supplies and services	564,898	640,040	(75,142)
Utilities	18,000	18,211	(211)
Maintenance	<u>226,456</u>	<u>252,023</u>	<u>(25,567)</u>
Total sludge hauling	<u>1,141,386</u>	<u>1,141,869</u>	<u>(483)</u>
<b>PURCHASING</b>			
Salaries and benefits	266,491	260,948	5,543
Supplies and services	13,000	9,503	3,497
Utilities	150	14	136
Maintenance	<u>10,559</u>	<u>10,453</u>	<u>106</u>
Total purchasing	<u>290,200</u>	<u>280,918</u>	<u>9,282</u>
Capital outlay	<u>38,478,663</u>	<u>43,154,405</u>	<u>(4,675,742)</u>
Principal payments on bonds	<u>4,255,000</u>	<u>4,610,000</u>	<u>(355,000)</u>
Interest expense	<u>2,439,400</u>	<u>4,072,399</u>	<u>(1,632,999)</u>
Transfers (in)/out	<u>875,653</u>	<u>875,653</u>	<u>-</u>
Total expenditures - budget basis	<u>\$ 84,445,289</u>	<u>87,125,072</u>	<u>\$ (2,679,783)</u>
Financial statement adjustments:			
Adjustment for net pension liability		(1,349,605)	
Adjustment for OPEB liability		(804,760)	
Capital outlay items not expensed		(43,154,405)	
Principal payments of bonds		(4,610,000)	
Amortization expense		(395,299)	
Depreciation expense		<u>9,091,540</u>	
Total expenditures - GAAP basis		<u>\$ 45,902,543</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Franchise fees	\$ 692,743	\$ 793,972	\$ 101,229
Revenue from use of money or property	20,158	6,632	(13,526)
Current service charges	14,916,083	15,488,247	572,164
Miscellaneous	106,665	72,743	(33,922)
<b>Total revenues</b>	<b>15,735,649</b>	<b>16,361,594</b>	<b>625,945</b>
Transfers in	800,000	-	(800,000)
<b>Total revenues - budget and GAAP basis</b>	<b>\$ 16,535,649</b>	<b>\$ 16,361,594</b>	<b>\$ (174,055)</b>
<b>EXPENSES</b>			
Solid waste administration			
Salaries and benefits	\$ 896,466	\$ 1,086,079	\$ (189,613)
Supplies and services	1,044,769	1,063,749	(18,980)
Utilities	690	459	231
<b>Total solid waste administration</b>	<b>1,941,925</b>	<b>2,150,287</b>	<b>(208,362)</b>
Residential collections			
Salaries and benefits	2,042,569	1,878,945	163,624
Supplies and services	2,229,991	2,759,567	(529,576)
Utilities	2,020	1,945	75
Maintenance	2,690,997	2,401,588	289,409
<b>Total residential collections</b>	<b>6,965,577</b>	<b>7,042,045</b>	<b>(76,468)</b>
Commercial collections			
Salaries and benefits	1,404,095	1,773,702	(369,607)
Supplies and services	2,155,788	2,453,220	(297,432)
Utilities	4,175	4,905	(730)
Maintenance	741,756	777,803	(36,047)
<b>Total commercial collections</b>	<b>4,305,814</b>	<b>5,009,630</b>	<b>(703,816)</b>
Litter control			
Salaries and benefits	88,444	70,086	18,358
Supplies and services	114,725	122,960	(8,235)
Utilities	800	871	(71)
<b>Total litter control</b>	<b>203,969</b>	<b>193,917</b>	<b>10,052</b>

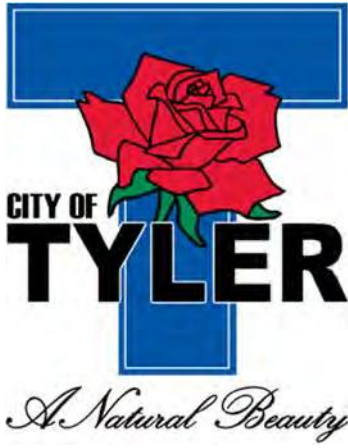
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**CITY OF TYLER, TEXAS  
SANITATION FUND  
DETAILED SCHEDULE OF REVENUES AND EXPENSES -  
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>EXPENSES (cont'd)</b>			
Code enforcement			
Salaries and benefits	\$ 804,332	\$ 617,357	\$ 186,975
Supplies and services	121,281	110,645	10,636
Utilities	5,447	3,392	2,055
Maintenance	<u>70,507</u>	<u>86,788</u>	<u>(16,281)</u>
Total code enforcement	1,001,567	818,182	183,385
Capital outlay	<u>695,419</u>	<u>1,254,455</u>	<u>(559,036)</u>
Transfers out	<u>1,250,653</u>	<u>128,210</u>	<u>1,122,443</u>
Total expenses - budget basis	<u>\$ 16,364,924</u>	16,596,726	<u>\$ (231,802)</u>
Financial statement adjustments:			
Adjustment for net pension liability		(535,409)	
Adjust OPEB assets and liabilities		(280,352)	
Capital outlay items not expensed		(1,254,455)	
Depreciation expense		<u>616,818</u>	
Total expenses - GAAP basis		<u>\$ 15,143,328</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, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Airport services	\$ 211,600	\$ 197,482	\$ (14,118)
Revenues from use of money and property	995,215	1,024,213	28,998
Income from other agencies	3,247,995	2,839,431	(408,564)
Miscellaneous	29,196	20,385	(8,811)
<b>Total revenues</b>	<b>4,484,006</b>	<b>4,081,511</b>	<b>(402,495)</b>
Transfers in	122,000	296,828	174,828
<b>Total revenues - budget and GAAP basis</b>	<b>\$ 4,606,006</b>	<b>\$ 4,378,339</b>	<b>\$ (227,667)</b>
<b>EXPENSES</b>			
Municipal airport operations			
Salaries and benefits	807,780	788,196	19,584
Supplies and services	847,510	772,433	75,077
Utilities	160,930	169,243	(8,313)
Maintenance	326,857	309,289	17,568
<b>Total municipal airport operations</b>	<b>2,143,077</b>	<b>2,039,161</b>	<b>103,916</b>
Interest expense	23,688	23,688	-
Principal payments on bonds	80,000	80,000	-
Transfers out	87,000	37,000	50,000
Capital outlay	2,678,737	2,070,678	608,059
<b>Total expenses- budget basis</b>	<b>\$ 5,012,502</b>	<b>4,250,527</b>	<b>\$ 761,975</b>
Financial statement adjustments:			
Adjustment for net pension liability		(78,101)	
Adjustment for OPEB liability		(41,785)	
Principal payments on bonds		(80,000)	
Capital outlay items not expensed		(2,070,678)	
Depreciation expense		3,249,479	
<b>Total expenses - GAAP basis</b>		<b>\$ 5,229,442</b>	



**STATISTICAL SECTION (UNAUDITED)**



**CITY OF TYLER, TEXAS  
STATISTICAL SECTION**

This part of the City’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.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	146-152
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City’s most significant local revenue source, property taxes.	153-157
<b>Debt Capacity</b>	
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.	158-162
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	163-165
<b>Operating Information</b>	
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.	166-167



TABLE 1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Invested in capital assets	\$ 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	\$ 286,947,161
Restricted	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	57,958,272
Unrestricted	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)	(31,639,493)
<b>Total governmental activities net position</b>	<b>\$ 276,588,903</b>	<b>\$ 286,518,959</b>	<b>\$ 247,248,438</b>	<b>\$ 246,128,002</b>	<b>\$ 249,520,273</b>	<b>\$ 240,238,560</b>	<b>\$ 251,056,620</b>	<b>\$ 259,964,406</b>	<b>\$ 280,067,374</b>	<b>\$ 313,265,940</b>
<b>Business-type activities</b>										
Invested in capital assets	\$ 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	\$ 203,399,552
Restricted	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	51,496,593
Unrestricted	6,834,476	6,150,703	676,523	803,659	1,418,179	(989,693)	(207,880)	324,881	3,599,915	1,839,804
<b>Total business-type activities net position</b>	<b>\$ 183,829,308</b>	<b>\$ 187,189,286</b>	<b>\$ 186,634,654</b>	<b>\$ 200,676,415</b>	<b>\$ 212,405,044</b>	<b>\$ 223,898,396</b>	<b>\$ 236,942,487</b>	<b>\$ 248,492,753</b>	<b>\$ 254,877,682</b>	<b>\$ 256,735,949</b>
<b>Primary government</b>										
Invested in capital assets	\$ 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	\$ 490,346,713
Restricted	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	109,454,865
Unrestricted	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)	(29,799,689)
<b>Total primary government net position</b>	<b>\$ 460,418,211</b>	<b>\$ 473,708,245</b>	<b>\$ 433,883,092</b>	<b>\$ 446,804,417</b>	<b>\$ 461,925,317</b>	<b>\$ 464,136,956</b>	<b>\$ 487,999,107</b>	<b>\$ 508,457,159</b>	<b>\$ 534,945,056</b>	<b>\$ 570,001,889</b>

Source: Government-wide Statement of Net Position

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 27,066,638
Public safety	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	47,800,696
Highways and streets	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	12,417,649
Public services	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	18,045,764
Cultures and recreation	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	9,554,147
Interest on long term debt	74,423	67,788	69,680	60,341	29,600	31,629	68,488	43,768	500,109	3,850,936
Total governmental activities expenses	91,392,255	89,870,977	86,855,179	97,397,862	95,736,054	93,726,707	99,019,048	105,119,593	99,414,391	118,735,830
Business-type activities:										
Water and sewer	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	50,266,374
Sanitation	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	15,083,456
Airport	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	5,192,442
Total business-type activities expenses	46,022,120	45,394,022	46,235,941	48,174,308	50,105,007	53,539,334	55,692,668	57,862,391	58,362,704	70,542,272
Total primary government expenses	\$ 137,414,375	\$ 135,264,999	\$ 133,091,120	\$ 145,572,170	\$ 145,841,061	\$ 147,266,041	\$ 154,711,716	\$ 162,981,984	\$ 157,777,095	\$ 189,278,102
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 4,719,311
Public safety	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	7,250,359
Highways and streets	94,981	92,034	175,622	142,380	38,880	-	-	-	-	-
Public services	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	3,484,014
Cultures and recreation	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	179,286
Operating grants and contributions	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	34,247,902
Capital grants and contributions	774,752	393,979	319,933	1,010,989	476,557	454,666	411,605	308,143	463,061	354,955
Total governmental activities program revenues	25,080,660	26,374,638	24,962,142	26,482,988	26,891,908	28,281,378	26,393,527	29,250,460	25,936,306	50,235,827
Business-type activities:										
Charges for services:										
Water and sewer	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	51,996,254
Sanitation	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	15,629,328
Airport	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	217,867
Capital grants and contributions	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	2,839,431
Total business-type activities program revenues	53,615,007	48,899,648	54,243,180	60,719,373	61,096,330	70,235,404	68,098,478	67,301,137	64,837,954	70,682,880
Total primary government program revenues	\$ 78,695,667	\$ 75,274,286	\$ 79,205,322	\$ 87,202,361	\$ 87,988,238	\$ 98,516,782	\$ 94,492,005	\$ 96,551,597	\$ 90,774,260	\$ 120,918,707
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (68,500,003)
Business-type activities	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	140,608
Total primary government net expense	\$ (58,718,708)	\$ (59,990,713)	\$ (53,885,798)	\$ (58,369,809)	\$ (57,852,823)	\$ (48,749,259)	\$ (60,219,711)	\$ (66,430,387)	\$ (67,002,835)	\$ (68,359,395)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes	\$ 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	\$ 25,387,943
Franchise taxes	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	11,243,225
Sales and use taxes	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	62,847,166
Unrestricted investment earnings and use of money and property	191,907	205,478	255,243	181,013	349,543	434,301	1,264,860	1,531,778	855,460	829,440
Gain (loss) on sale of assets	224,224	385,327	(443,252)	294,107	(825,967)	191,946	170,908	(336,086)	(886,629)	646,760
Miscellaneous	148,120	294,476	334,677	-	-	-	-	-	-	-
Donations	26,704	2,745,000	-	-	-	-	-	-	-	-
Equity in earnings of joint venture	-	-	-	-	-	-	-	-	-	-
Transfers	(657,603)	325,400	(250,581)	(1,059,892)	(290,866)	(1,168,328)	83,936	324,681	2,164,862	744,035
Total governmental activities	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	101,698,569
Business-type activities:										
Unrestricted investment earnings and use of money and property	197,626	242,517	177,701	251,601	342,277	469,638	661,536	2,406,201	1,919,575	2,461,694
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	657,603	(325,400)	250,581	1,059,892	290,866	1,168,328	(83,936)	(324,681)	(2,164,862)	(744,035)
Total business-type activities	1,108,911	242,081	521,106	1,496,696	737,306	1,980,860	638,281	2,111,520	(90,321)	1,717,659
Total primary government	\$ 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	\$ 103,416,228
<b>Change in Net Position</b>										
Governmental activities	\$ (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	\$ 33,198,566
Business-type activities	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	1,858,267
Total primary government	\$ 7,425,667	\$ 13,677,763	\$ 17,909,937	\$ 12,921,325	\$ 15,120,900	\$ 30,181,222	\$ 23,862,151	\$ 19,885,604	\$ 25,131,337	\$ 103,416,228

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 <sup>1</sup>	Total
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
2022	25,387,943	11,243,225	62,847,166	99,478,334

Source: Government-wide Statement of Activities

<sup>1</sup> 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Reserved For:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	48,565	48,318	41,624	98,179	95,719	136,805	128,379	168,872	172,995	171,677
Restricted	-	-	-	-	-	-	-	-	10,105,793	18,117,432
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	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	2,262,547
Unassigned	12,198,776	10,823,011	12,766,508	12,717,634	14,324,791	16,246,434	18,559,488	25,785,219	17,889,357	10,641,688
Total General Fund	<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>	<u>\$ 31,193,344</u>
One-Half Cent Sales Tax fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	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	24,771,087
Total One-Half Cent Sales Tax fund	<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>	<u>\$ 24,771,087</u>
All Other Governmental Funds										
Reserved For:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	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	3,246,668
Restricted	4,795,421	6,092,195	5,645,636	7,576,542	6,976,269	8,577,798	9,875,815	9,931,297	19,547,806	11,651,408
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,008,898	1,807,246	784,195	586,738	313,516	497,286	490,429	671,931	1,670,510	4,134,745
Unassigned	-	34,151	-	-	-	-	-	142,420	15,843	(4,863)
Total All Other Governmental Funds	<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>	<u>\$ 19,027,958</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes	\$ 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	\$ 99,430,169
Licenses and permits	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	3,218,225
Revenues from other agencies	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	16,846,154
Fines, forfeitures, and penalties	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	4,690,005
Revenues from use of money or property	790,478	802,335	841,955	750,320	845,170	915,646	1,696,680	1,160,080	667,202	841,284
Donations	402,064	352,948	339,795	374,071	586,470	365,044	682,566	168,415	406,590	388,457
Charges for current services	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	3,656,191
Miscellaneous	714,585	836,490	2,239,017	1,338,192	1,915,362	1,219,342	733,920	1,038,050	2,291,918	3,921,011
Total revenues	<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>	<u>132,991,496</u>
<b>Expenditures</b>										
General government	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	8,536,953
Public safety	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	53,656,640
Public services	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	18,127,995
Highways and streets	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	6,209,923
Culture and recreation	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	9,013,992
Capital outlay	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	35,606,264
Debt service										
Principal	316,927	313,756	376,998	54,094	188,157	167,214	270,211	136,114	871,732	3,500,261
Interest	10,718	13,936	7,133	5,867	9,894	5,777	23,003	17,715	14,538	469,886
Total expenditures	<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>	<u>135,121,914</u>
Excess of revenues over (under) expenditures	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	(2,130,418)
<b>Other financing sources (uses)</b>										
Proceeds of long-term capital-related debt	-	71,610	126,480	405,126	-	817,083	-	-	10,752,436	236,499
Transfers in	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	13,493,751
Transfers out	(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)	(14,584,327)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<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>	<u>(854,077)</u>
Net Change in fund balances	<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>	<u>\$ (2,984,495)</u>
Debt service as a percentage of noncapital expenditures	0.4456%	0.4307%	0.4799%	0.0744%	0.2461%	0.2117%	0.3508%	0.1782%	0.9789%	3.9895%

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

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



**TABLE 6**

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

Fiscal Year	Property Tax	Franchise Tax	Sales and Use Tax <sup>1</sup>	Total
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
2022	25,339,778	11,243,225	62,847,166	99,430,169

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

<sup>1</sup> Texas law prohibits the disclosure of Sales and Use Tax revenues by source.

Note: Current year revenues comes from Exh 5

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

Fiscal Year Ended September 30	Retail Sales Tax Revenue (Fiscal Year) <sup>1</sup>		
	General Fund	Capital Projects	Total
	Revenue - 1.0%	Special Revenue - 0.5%	Revenue <sup>2</sup>
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
2022	37,874,791	18,937,935	56,812,726

<sup>1</sup> Source: Texas Comptroller of Public Accounts

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

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

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

**TABLE 8**

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

Fiscal Year Ended September 30	Real Property		Personal Property	Mineral Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property					
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
2022	8,573,322,571	N/A	1,197,485,343	N/A	N/A	9,770,807,914	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	
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
2022	0.269900	-	0.269900	0.335000	1.28910	0.199926	1.099000	1.222600	4.41553

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	2022			2013		
	Taxable Assessed	Rank	Percentage of Total City Taxable Assessed Value *	Taxable Assessed	Rank	Percentage of Total City Taxable Assessed Value <sup>b</sup>
	Value			Value		
Delek Refining Ltd	\$ 251,821,721	1	2.58%	161,082,376	1	2.35%
Tyler Regional Hospital LLC	245,926,497	2	2.52%	-		
Brookshire Grocery	117,039,222	3	1.20%	81,566,084	3	1.19%
Oncor Electric Delivery	104,951,607	4	1.07%	54,299,816	6	0.79%
Trane Co / American Standard Inc	102,759,856	5	1.05%	-		
Wal-Mart Stores / Wal-Mart Rel Esta	85,807,087	6	0.88%	65,871,062	5	0.96%
Tyler Broadway / Centennial LP	72,580,205	7	0.74%	-		
Genecov Investments LTD	60,815,800	8	0.62%	81,218,440	4	1.19%
Simon Property Group	44,463,300	9	0.46%	43,368,340	9	0.63%
Cebridge Acquisitions LP	60,815,800	10	0.62%	48,052,832	7	0.70%
Carrier Corporation	-		0.00%	44,952,878	8	0.66%
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%
<b>Total</b>	<b>\$ 1,104,829,015</b>		<b>11.31%</b>	<b>\$ 714,519,153</b>		<b>10.44%</b>

Source: Smith County Appraisal District

Note:

\* Total taxable value including real and personal property for tax year 2021 (fiscal year 2022) is--

\$ 9,770,807,914

<sup>b</sup> Total taxable value including real and personal property for tax year 2012 (fiscal year 2013) 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
2013	14,159,255	13,990,275	98.8%	152,705	14,142,980	99.9%
2014	15,308,284	15,114,733	98.7%	173,740	15,288,473	99.9%
2015	15,668,435	15,498,266	98.9%	147,484	15,645,750	99.9%
2016	16,342,661	16,109,924	98.6%	205,563	16,315,487	99.8%
2017	17,589,933	17,391,772	98.9%	162,795	17,554,567	99.8%
2018	18,942,816	18,728,538	98.9%	170,603	18,899,141	99.8%
2019	20,582,774	20,493,070	99.6%	34,067	20,527,137	99.7%
2020	22,545,337	22,384,533	99.3%	116,411	22,500,944	99.8%
2021	23,372,081	23,110,215	98.9%	61,402	23,171,617	99.1%
2022	25,279,302	25,057,149	99.1%	-	25,057,149	99.1%

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***			
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	-	1,621,501	62,685,000	249,044	64,555,545	2.10%	623
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
2022	-	9,993,230	133,610,000	-	143,603,230	4.54%	1,358

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 <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Debt Service Fund Balance	Total		
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	-
2022	-	-	-	n/a	-

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

<sup>a</sup>See Table 8 for property value data.

<sup>b</sup>See Table 17 for population data.



TABLE 14

**CITY OF TYLER, TEXAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2022**

<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	\$ 40,969,869	50.08%	\$ 20,517,710
Tyler Independent School District	489,392,338	71.04%	347,664,317
Tyler Junior College	107,476,218	65.00%	69,859,542
Chapel Hill Independent School District	3,351,000	19.15%	641,717
Whitehouse Independent School District	158,329,400	27.37%	43,334,757
Subtotal, overlapping debt			<u>482,018,042</u>
<b>City (direct debt)**</b>	923,230	100%	<u>9,993,230</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 492,011,272</u></u>

Source: Debt outstanding data provided by each governmental unit.

Note:

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

\*\* The City does not have any general obligation debt. Direct debt includes capital leases and revenue bonds for governmental activities.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 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	\$ 977,080,791
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 977,080,791</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	\$ 9,770,807,914
Add back: exempt real property	-
Total assessed value	<u>9,770,807,914</u>
Debt limit (10% of total assessed value)	<u>977,080,791</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>\$ 977,080,791</u>

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

TABLE 16

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

Fiscal Year	Water and Sewer Revenue Bonds				
	Total Revenues <sup>a</sup>	Less: Operating Expenses <sup>b</sup>	Net Available Revenue	Annual Debt Service Requirement	Times Coverage
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
2022	52,214,121	33,561,700	18,652,421	8,786,087	2.123

Note: <sup>a</sup>Includes operating and non-operating revenues.

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

<sup>b</sup>Includes 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 Population<sup>1</sup></u>	<u>Estimated Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income<sup>2</sup></u>	<u>Median Age<sup>2</sup></u>	<u>Education Level in Years of Formal Schooling<sup>2</sup></u>	<u>School Enrollment<sup>3</sup></u>	<u>Unemployment Rate<sup>2</sup></u>
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%
2022	105,719	3,162,346	29,913	34.3	13.6	17,705	4.2%

Data sources:

<sup>1</sup>City of Tyler Planning Department

<sup>2</sup>Tyler Economic Development Council

<sup>3</sup>Tyler 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	2022			2013		
	Employees	Rank	Percentage of Total City Employment (1)	Employees	Rank	Percentage of Total City Employment (2)
CHRISTUS Trinity Mother Frances *	3,850	1	7.6%	3,775	1	7.8%
UT Health East Texas *	3,550	2	7.0%	3,153	2	6.5%
Tyler Independent School District	2,550	3	5.0%	2,468	4	5.1%
Sanderson Farms	1,850	4	3.7%	**		0.0%
Walmart	1,500	5	3.0%	1,311	7	2.7%
Trane Technologies	1,450	6	2.9%	1,500	5	3.1%
Brookshire Grocery Company	1,450	7	2.9%	2,599	3	5.4%
UT Health Science Center at Tyler	1,450	8	2.9%	925	9	1.9%
The University of Texas at Tyler	1,200	9	2.4%	1,121	8	2.3%
Optimum Communications	1,150	10	2.3%	1,500	6	3.1%
Tyler Junior College	1,000	11	2.0%	862	10	1.8%
Target Distribution Center	1,000	12	2.0%	650	13	1.3%
John Soules Foods	900	13	1.8%	**		0.0%
Smith County	850	14	1.7%	773	11	1.6%
<b>Total</b>	<b>23,750</b>		<b>47.2%</b>	<b>20,637</b>		<b>42.6%</b>

Source: Tyler Economic Development Council Community Profile 2022

\* Headquarters located in Tyler

(1) total city employment of 50,674

(2) total city employment of 48,349

\*\* Not part of top 10 in 2013

**TABLE 19**

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	63	60	64	84	77	98	96	97	99	102
Public safety	437	436	440	428	422	425	439	432	429	426
Highways and streets	52	53	51	53	47	53	51	55	58	58
Public Services	33	37	47	28	36	16	16	16	17	15
Culture and Recreation	75	66	68	76	64	68	75	73	75	67
Water & sewer	106	101	111	120	123	114	122	123	129	127
Sanitation	41	39	44	44	48	45	49	45	46	49
Airport	9	10	11	10	10	9	10	9	10	10
All Others	30	29	48	43	39	37	40	47	57	66
<b>Total</b>	<b>846</b>	<b>831</b>	<b>884</b>	<b>886</b>	<b>866</b>	<b>865</b>	<b>898</b>	<b>897</b>	<b>920</b>	<b>920</b>

Source: City Finance Department

TABLE 20

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General government</b>										
Accounting										
Dollar value of accounts payable	\$ 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	\$ 141,819,950
Legal										
Number of ordinances prepared and adopted	121	112	93	113	107	88	110	129	106	109
Number of resolutions prepared and adopted	31	30	26	45	51	41	69	105	60	42
<b>Public Safety</b>										
Police										
Number of sworn officers authorized	193	194	194	194	188	191	198	200	200	202
Fire										
Number of structure fires	105	107	84	98	103	124	107	121	136	124
<b>Highways and Streets</b>										
Streets										
Streets PCI (Pavement Condition Index)	**	81.0%	**	**	77.0%	**	**	**	74.0%	**
Traffic										
Number of traffic signals maintained	153	152	156	148	158	158	150	149	151	149
<b>Public Services</b>										
Planning										
Number of historic building designations awarded	95	102	113	117	124	130	132	134	134	134
<b>Culture and Recreation</b>										
Parks										
Amount of park acreage	757.99	1216	1216	1216	1216	1207	1207	1207	1207	1207
Number of rose bushes planted	2563	600	2785	1337	205	300	362	308	700	400
Library *										
Total number of volumes owned	175,402	183,154	180,136	179,668	208,838	215,431	228,019	216,411	235,184	382,665
<b>Water &amp; sewer</b>										
Average volume of wastewater treated daily (gallons)	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	14.5 million
Average monthly volume of water production (gallons)	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	803.26 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	\$ 2,844,007	\$ 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	\$ 2,105,955.00
<b>Sanitation</b>										
Number of residential customers	27,399	27,778	28,745	35,681	35,916	36,209	36,479	36,952	37,504	31,333
Number of curbside garbage carts in use	28,374	30,516	34,959	29,261	29,488	29,928	30,123	30,463	30,793	31,117
<b>Airport</b>										
Annual gallons of fuel flowage	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	1,425,881
Number of annual enplanements	85,069	85,069	66,951	55,693	49,226	48,505	60,038	26,430	40,179	40,707

Source: City Departments

n/a - Data not available.

\* E-books are included.

\*\*Streets are rated by PCI every 4 years- as of 2007

TABLE 21

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Public Safety</b>										
Police Stations	2	2	2	3	3	3	2	2	2	2
Police Patrol Units	80	56	68	70	68	78	81	92	92	82
Police Motorcycle Units	17	16	16	15	10	9	7	6	5	5
Fire Stations	10	10	10	10	10	10	10	10	10	10
<b>Highways and Streets</b>										
City Maintained Paved Streets- (miles)***	1120	1120	1120	1120	1169	1169	1169	1169	1169	1313
Annual Street Overlays- (miles)***	27	28	32	32	39	11	35	44	56	68
<b>Public Services</b>										
Transit Buses	14	13	15	16	17	16	16	16	16	18
<b>Culture and Recreation</b>										
Parks (acres)	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	1,207.40
Playgrounds	22	23	22	22	22	22	19	19	21	19
Splash Pads	*	*	*	*	*	*	*	*	4	4
Swimming Pools	2	2	2	2	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Public Library	1	1	1	1	1	1	1	1	1	1
<b>Water &amp; Sewer</b>										
Water mains (miles)	693	727	734	745	734	734	734.24	734.24	734.24	734.5
Fire Hydrants	4219	4118	4279	4310	4351	4379	4428	4434	4467	4493
Water Plants	2	2	2	2	2	2	2	2	2	2
Sanitary Sewers (miles)	631	658	688	718	694	699	709.44	711.21	716.1	692
<b>Sanitation</b>										
Garbage Trucks	36	29	34	47	45	45	45	45	45	45
<b>Airport</b>										
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,  
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, 2022, 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 22, 2023.

**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.

## Report on 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". The signature is written in a cursive, flowing style.

PROTHRO, WILHELMI AND COMPANY, PLLC

Tyler, Texas  
March 22, 2023



**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,  
The City of Tyler, Texas

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

***Opinion on Each Major Federal Program***

We have audited the City of Tyler, Texas's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Tyler, Texas's major federal programs for the year ended September 30, 2022. The City of Tyler, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Tyler, Texas 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, 2022.

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

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

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

***Responsibilities of Management for Compliance***

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Tyler, Texas's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform

Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Tyler, Texas's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

*Prothro, Wilhelmi & Company, PLLC*

PROTHRO, WILHELMI AND COMPANY, PLLC

Tyler, Texas

March 22, 2023

CITY OF TYLER, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTORS NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<u>Community Development Block Grant - Entitlement Grants Cluster</u>				
CDBG Entitlement Grants	14.218	B04MC480028		\$ 1,140,522 +
CDBG - American Rescue Plan Act	14.218	B04MC480028		24,585 +
HOME Investment Partnerships Program	14.239	-		973,768 +
<u>Housing Voucher Cluster</u>				
Section 8 Housing Choice Voucher Program	14.871	TX456VO		9,806,980
Family Self Sufficiency Coordinator Grant	14.871	FSS8-TX456-5106		61,377
Total Housing Voucher Cluster:				<u>9,868,357</u>
<b>Total U.S. Department of Housing and Urban Development</b>				<u>12,007,232</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Passed through Smith County:				
Edward Byrne Memorial Justice Assistance Grant	16.738	2015-DJ-BX-1118		33,182
Passed through East Texas Council of Governments:				
Edward Byrne Memorial Justice Assistance Grant	16.738	DJ 4201001		18,000
Passed through Texas Office of the Governor:				
BJA FY 20 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1765		99,436
COPS Hiring Program	16.710	2020UMWX0213		81,976
<b>Total U.S. Department of Justice</b>				<u>232,594</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed Through Federal Aviation Administration:				
Airport Improvement Program	20.106	3-48-0215-037-2016		27,378
Airport Improvement Program	20.106	3-48-0215-039-2018		158,196
Airport Improvement Program	20.106	3-48-0215-041-2018		52,673
Airport Improvement Program	20.106	3-48-0215-042-2019		60,885
Airport Improvement Program	20.106	3-48-0215-045-2020		798,821
Airport Improvement Program	20.106	3-48-0215-046-2021		878,175
Airport Improvement Program - CRRSAA	20.106	3-48-0215-047-2021		597,387
Airport Improvement Program	20.106	3-48-0215-051-2022		34,444
Airport Improvement Program	20.106	3-48-0215-052-2022		181,216
Total Airport Improvement Program:				<u>2,789,175</u>
Passed Through Texas Department of Highways and Public Transportation:				
<u>Highway Planning and Construction Cluster</u>				
Comprehensive Traffic Enforcement Grant Program	20.205	0910-16-124		91,193
Section 104F Grant MPO	20.505	50-XXXF0016		193,504
Total Highway Planning and Construction Cluster:				<u>284,697</u>
<u>Highway Safety Cluster</u>				
Comprehensive Traffic Enforcement Grant Program	20.600	0910-16-124		46,890
Total Highway Safety Cluster:				<u>46,890</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		2,049,167 +
Federal Transit Capital and Operating Assistance Formula	20.507	TX-2020-039-00		1,400,686 +
Federal Transit Capital and Operating Assistance Formula	20.507	TX2021-002		31,777 +
Total Federal Transit Cluster:				<u>3,481,630</u>
<b>Total U.S. Department of Transportation</b>				<u>6,602,392</u>



CITY OF TYLER, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2022

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH GRANTORS NUMBER</u>	<u>PASSED THROUGH TO SUBRECIPIENTS</u>	<u>FEDERAL EXPENDITURES</u>
<b>DEPARTMENT OF THE TREASURY</b>				
Passed through Texas Division of Emergency Management: Disaster Grants - Public Assistance	21.019	1505-0271		<u>2,094,154</u> +
<b>Total Department of the Treasury</b>				<u>2,094,154</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>				
Passed Through Transportation Security Administration: Law Enforcement Officer Reimbursement Agreement	97.090	HSTS02-13-H-SLR721		25,860
Passed through Texas Office of the Governor: Homeland Security Grant Program	97.067	EMW-2020-SS-00054		<u>96,719</u>
<b>Total U.S. Department of Homeland Security</b>				<u>122,579</u>
<b>TOTAL FEDERAL ASSISTANCE</b>				<u>\$ 21,058,951</u>

+ - Denotes Major Program

**CITY OF TYLER**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE A – GENERAL**

The accompanying schedule of expenditures of federal awards (schedule) presents the activity of all federal award programs of the City for the year ended September 30, 2022.

**NOTE B – BASIS OF ACCOUNTING**

The schedule was 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). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

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**CITY OF TYLER**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE C – NON-CASH ASSISTANCE, INSURANCE, AND LOANS**

The City did not receive any non-cash assistance through federal awards during the year ended September 30, 2022. There were no federal loans or loan guarantees outstanding at year end. Certain federal awards require the City to maintain adequate insurance coverage. The following is a summary of the City’s insurance policies and the liability limits:

Type of Coverage	Liability Limit
Property	\$ 353,924,912
Contractor's Equipment	8,629,188
General Liability	3,000,000
Employee Benefits Liability	3,000,000
Abuse or Molestation	2,000,000
Law Enforcement Liability	3,000,000
Management Liability (Claims Made)	3,000,000
Employment Practices Liability (Claims Made)	4,000,000
Automobile Liability	1,000,000
Garage keepers Legal Liability	1,000,000
Crime	500,000
Umbrella Liability	3,000,000
Airport Liability	5,000,000
Unmanned Aircraft (Drones)	1,000,000
Pollution Liability (Underground Storage Tanks)	1,000,000
Pollution Liability (Water Utilities)	1,000,000
Marine Hull	98,677
Animal Mortality	Self-Insured
Cyber Liability (Claims Made)	1,000,000
Tenant Users General Liability	2,000,000
Workers Compensation	Statutory with a \$450,000 Retention

**NOTE D – INDIRECT COST RATES**

The City 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, 2022**

**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:

Assistance Listing

<u>Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants – Entitlement Grants
14.239	HOME Investment Partnerships Program
20.507	Federal Transit – Formula Grants (Urbanized Area Formula Program)
21.019	Coronavirus Relief Fund

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, 2022**

**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, 2022**

None.