

ALL OF TYLER

Annual Comprehensive Financial Report
For Fiscal Year Ending September 30, 2025
City of Tyler, Texas



Shorty the Squirrel

Bergfeld PARK

LAKESIDE



CITY OF TYLER, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025**

**Prepared by:
Keidric Trimble, Assistant City Manager &
Finance Department
Tyler, Texas**



CITY OF TYLER, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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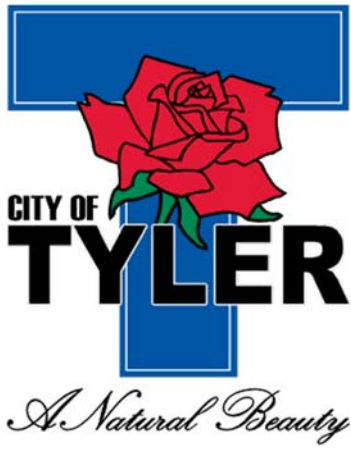
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INTRODUCTORY SECTION





March 9, 2026

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

The City of Tyler, Texas' (City) Charter requires an audit of the City's financial activities to be conducted by an independent certified public accountant at the end of each fiscal year. Upon completion of the audit, the results shall be reported in writing to the Council as soon as reasonably possible. This report is published to fulfill that requirement for the fiscal year ending September 30, 2025.

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

Gollob Morgan Peddy & Co PC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Tyler's financial statements for the year ended September 30, 2025. In addition to meeting City Charter requirements, the audit was designed to meet the requirements of the Federal Single Audit Act of 1996 requirements and related Uniform Guidance requirements. The independent auditor's report is located at the front of the financial section of this report.

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

City Profile

The City of Tyler, Texas, the county seat of Smith County, is considered the advanced manufacturing, health care, educational, and retail center of East Texas. Tyler is located on U.S. Highway 69, just south of Interstate 20, equidistant (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 113,030. 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. 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 City policy, including appointing various key leaders and department heads. The Mayor and Council Members serve two-year terms, with general Council elections occurring each year based on district. The Mayor is elected at large; the remaining Council Members are elected by district.

The City is a full-service municipality. Major services provided under general government and enterprise functions include 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, include fleet services operations, technology services,

property and facility management services, productivity pool, risk management services, and active and retired employee health and dental coverage. The Basic Financial Statements of the City include all governmental 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 the fund level, continued line-item review and forecasting are conducted on a monthly and quarterly basis throughout the fiscal year to ensure compliance with the budget and completion of projects.

Local Economy

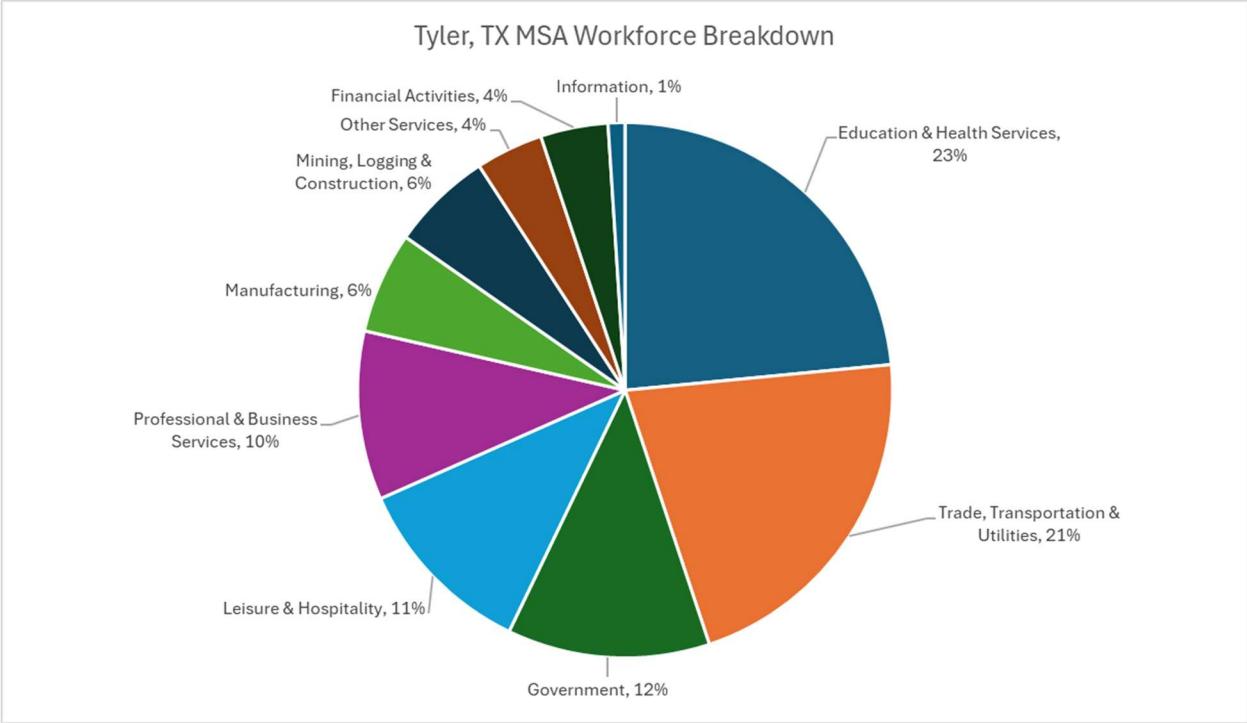
The information presented in the budget document is best understood when considered from the broader perspective of the specific environment within which the City operates. The chief industries in and around Tyler include health care and research; education; grocery distribution; retail and retail distribution; air conditioning unit manufacturing; cable, internet, and phone services; government services; engineering services; banking services; meat packing and processing; cast iron pipe and fitting manufacturing; oil and gas refining; ready-mix concrete production; tourism; and the growing and shipping of rose bushes. This diversification is evident in the fact that no single taxpayer represents more than 1.90% of assessed valuation in the City.

Four institutions of higher education are located in Tyler: 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 supporting clinics, practices, and specialty hospitals. Additionally, Tyler has many tourist attractions. The Texas Rose Festival includes the crowning of the Rose Queen, which attracts a large number of visitors each year. The Azalea Trails attract additional tourism in the spring. Each September, Tyler hosts the East Texas State Fair for one week, providing midway, craft, and 4-H activities. Tyler State Park, located just north of Tyler, 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 the 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 the value falling below the initial baseline. This was caused by governmental agencies purchasing properties and housing units receiving favorable tax exemptions. In October 2016, the City began the process of creating a new downtown TIRZ. In February 2018, interlocal agreements were approved by the 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 in the Tyler area has remained relatively stable. Over the past five years, while trending closely with the State of Texas, it has consistently remained below the national average. During the past ten years, the unemployment rate has ranged from a low of 3.2 percent (2019) to a previous decade high of 7.8 percent (2012), ending at the current rate of 3.9 percent. This represents a decrease of 0.2 percent from the prior year while remaining in line with state and national trends. According to the Bureau of Labor Statistics, the Tyler Metropolitan Statistical Area (MSA) civilian labor force totaled approximately 336,000 in 2023, reflecting steady regional growth and economic diversification.

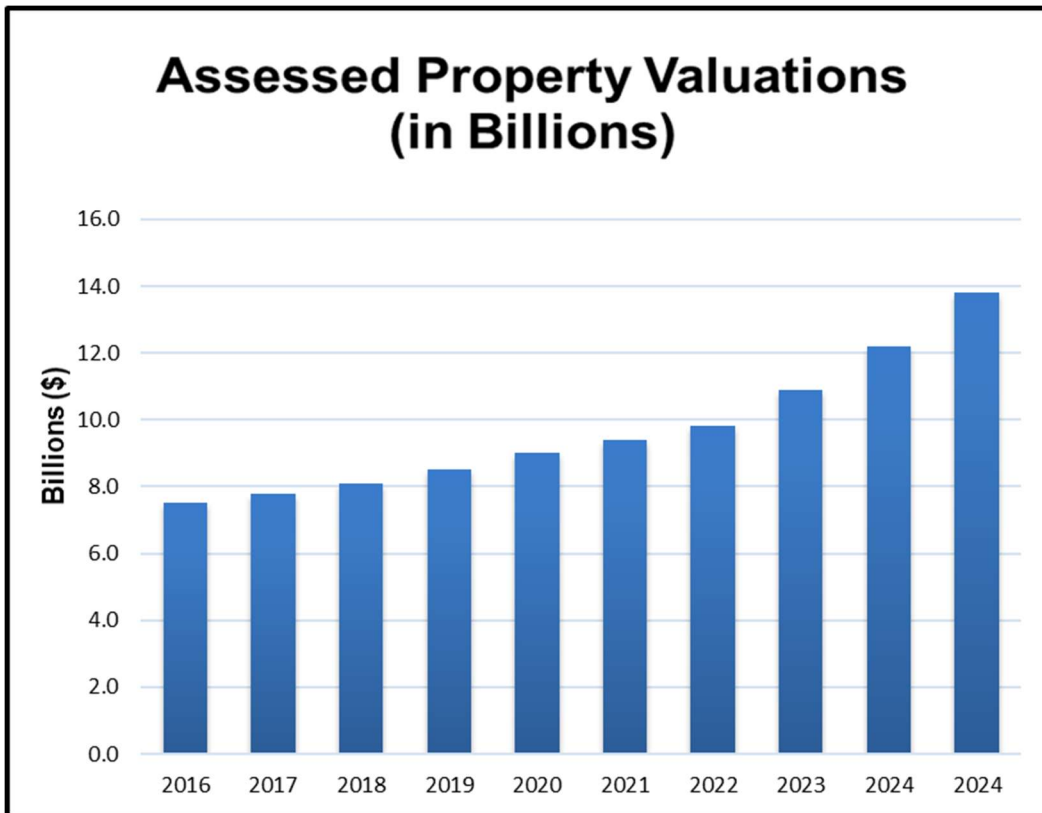
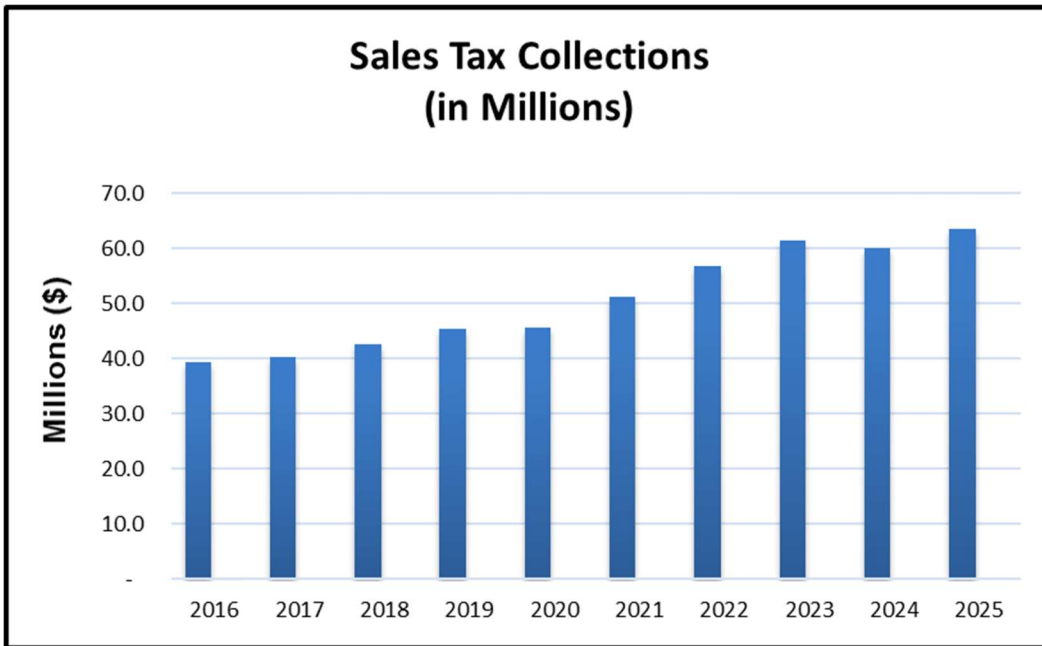


Population growth in the last five years has outpaced previous periods. The population increased by 10 percent from 1990 to 2000, and by 16 percent from 2000 to 2010. From 2010 to 2020, the City experienced an increase of approximately 10.9 percent. Since 2020, Tyler’s population has continued to grow, reaching an estimated 113,030 in 2025—an increase of approximately 5.2 percent. Market and economic analysts estimate that approximately 270,000 people travel to Tyler each day to work, attend school, seek medical services, or shop. Significant transportation improvements continue to enhance regional connectivity and access to Tyler. The Loop 49 Toll Project, which provides a vital regional corridor around the City, is largely complete, extending from State Highway 110 to Interstate 20 west of Tyler. Additional segments are under development to complete the planned loop connecting the City’s southern and eastern regions. Once fully completed, Loop 49 will create a continuous route around Tyler, facilitating increased traffic flow from I-20 into the City and supporting shopping, commerce, and economic development opportunities.

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 55,653 in 2024. 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 as shown by a rise in sales tax collections by 6%. According to economist Dr. Ray Perryman, Tyler should see job growth over the next five years. Growth in Tyler is expected to occur faster than the nationwide rate. Assessed values have increased by 13.1% in 2025. 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 citizens' desire for lower property tax rates and the City's need to match operating costs associated with future planning initiatives. Sales tax has played a significant role in allowing the City to obtain this objective with a ten-year average increase of 4.66 percent. However, such a significant dependence has caused budgeting constraints, and all other sources of revenue will need to be reviewed to stabilize the city's revenue stream in the future. By maintaining adequate reserves and monitoring future economic conditions, the city plans to continue to provide for future citizens' needs in a streamlined and cost-effective manner.

Relevant Financial Policies

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

Major Initiatives

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

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

Upgraded Bond Rating

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

Reimagining Downtown Tyler

We are building Tyler's future cityscape today, beginning in the heart of our community. Through a county-city partnership, Downtown Tyler will transform into a more vibrant, pedestrian-friendly and livable community space within the next three years.

Our revitalization project will provide a more connected and cohesive Downtown, focusing on enhancing our quality of life by creating green spaces and streetscapes. The revitalized square will be a beautiful central park, serving as a gathering spot for community members and visitors. The park will have multiple amenities, including seating areas, water features, bathrooms and a small food truck park. The square's east side will be an open space for large community events and festivals.

Smith County has jump-started the transformation by building a second parking structure with 500 spaces to accommodate visitors and beginning the construction of the new County Courthouse, which will be an architectural masterpiece in the center of Downtown.

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

The project will promote economic development and attract new businesses to the area. It will encourage the creation of new mixed-use developments and renovating existing buildings to create new retail, office, and residential spaces. These initiatives will help generate new jobs and opportunities for residents while making Downtown Tyler a more attractive destination.

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

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

Mayor's Initiative – Tyler Rose Complex

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

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

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

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded the City a Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ending September 30, 2024. This is the thirty-ninth consecutive year the government has received this prestigious award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

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


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

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

Respectfully submitted,



Edward Broussard
City Manager



Keidric Trimble
Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Tyler
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

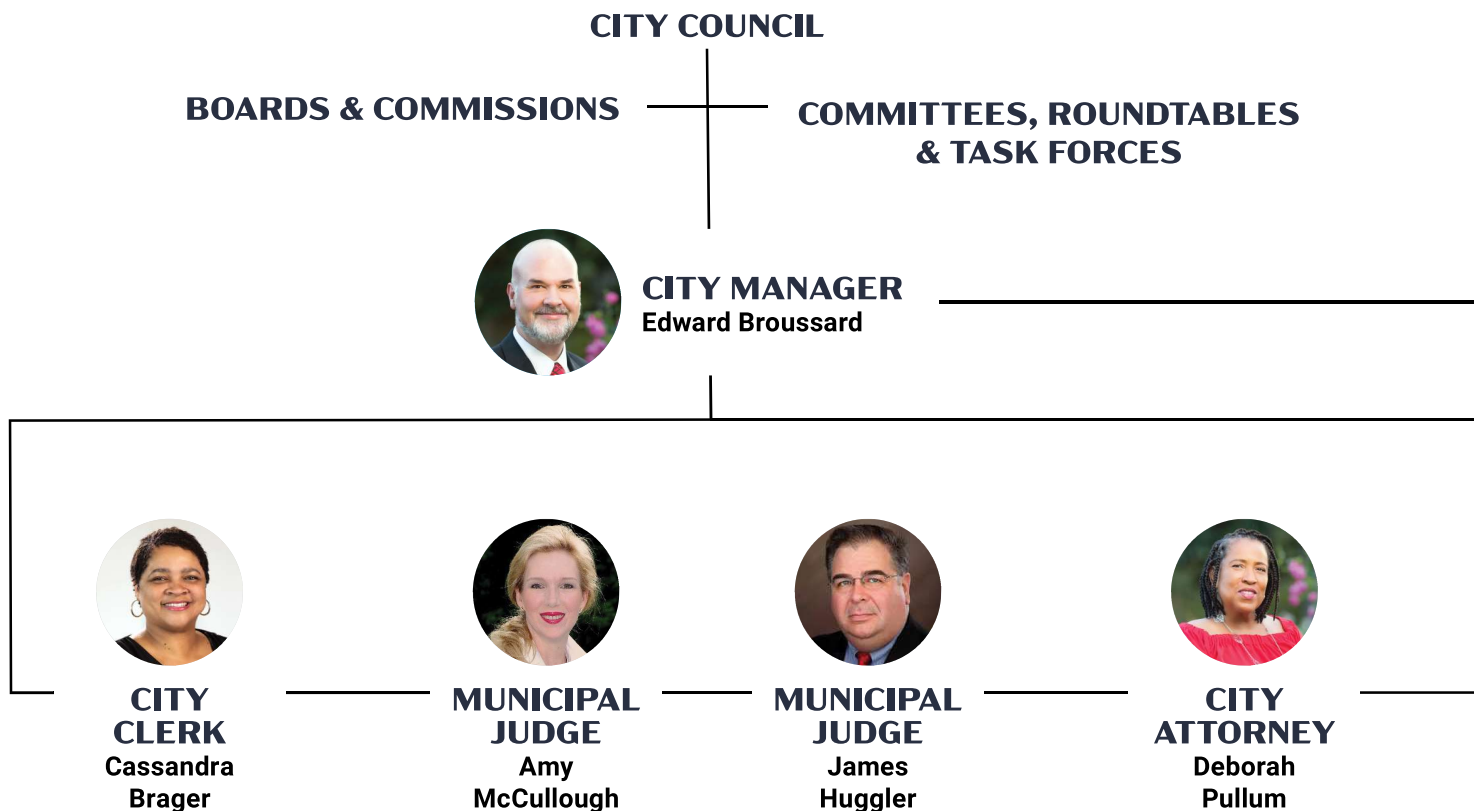
September 30, 2024

Christopher P. Morill

Executive Director/CEO



ORGANIZATIONAL CHART



EXECUTIVE TEAM



STEPHANIE FRANKLIN
DEPUTY CITY MANAGER

Areas of Responsibility:

- Organizational Strategic Planning
- Visitor & Convention Facilities
- Library
- Main Street
- Liberty Hall
- Cultural Affairs Board
- Building Inspections
- Engineering
- Facility Services
- Visit Tyler



HEATHER NICK
ASSISTANT CITY MANAGER

Areas of Responsibility:

- Planning and Development Services
- Metropolitan Planning Organization
- Geographic Information Systems
- Historic Preservation
- Comprehensive Plan
- Permit Center
- Economic Development (TIRZ Liaison)
- Street, Stormwater and Traffic



KEIDRIC TRIMBLE
ASSISTANT CITY MANAGER

Areas of Responsibility:

- Finance
- Budget
- Purchasing
- Municipal Court
- Internal Audit Services
- Utility Billing



JIMMY TOLER
POLICE CHIEF

Areas of Responsibility:

- Police
- Centralized Dispatch
- 911 Liaison
- Code Enforcement
- Animal Services
- Homeless Roundtable Liaison
- Human Needs Network Liaison



DAVID COBLE
FIRE CHIEF

Areas of Responsibility:

- Fire
- Emergency Management
- Emergency Medical Services Liaison
- Catalyst 100 Executive Committee



LEROY SPARROW
DIRECTOR OF SOLID WASTE,
TRANSIT AND VES

- Solid Waste
- Transit
- Vehicle and Equipment Services



LEANNE ROBINETTE
DIRECTOR OF PARKS & RECREATION

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



REGINA MOSS
DIRECTOR OF ORGANIZATIONAL
DEVELOPMENT

- Human Resources
- Civil Service
- Risk Management
- Volunteer Tyler
- City University



JULIE GOODGAME
DIRECTOR OF MARKETING,
COMMUNICATIONS, &
LEGISLATIVE AFFAIRS

- Marketing
- Internal/External Communication
- Legislative Affairs
- Film Friendly Program
- PEG Channel



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, 2025**

MAYOR – DON WARREN

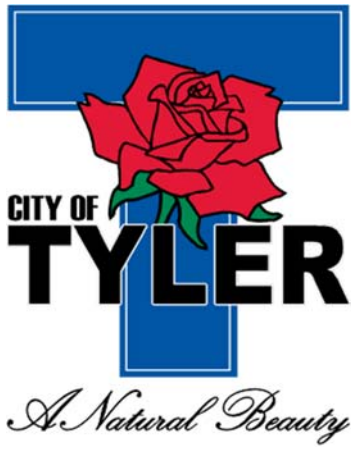
Members of City Council:

Stuart Hene, District 1
Petra Hawkins, District 2
Shonda Marsh, District 3
James Wynne, District 4
Lloyd Nichols, District 5
Brad Curtis, District 6

City Manager – Edward Broussard

**Assistant City Manager & Chief
Financial Officer – Keidric Trimble**

City Attorney – Deborah Pullum



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Tyler, Texas, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise City of Tyler, Texas' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary information for the General Fund, and the aggregate remaining fund information of City of Tyler, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-13 and the schedules related to pension and OPEB activity on pages 79-85, and the budgetary comparison schedule for the One-Half Cent Sales Tax Fund at page 86 will be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Tyler, Texas's basic financial statements. The introductory section, additional supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Texas *Uniform Grant Management Standards* are also not a required part of the basic financial statements.

The additional supplementary information and the schedules of expenditures of federal and state awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2026, on our consideration of City of Tyler, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Tyler, Texas's internal control over financial reporting and compliance.

GMP Assurance PLLC

Certified Public Accountants

Tyler, Texas
March 9, 2026

CITY OF TYLER, TEXAS

Management's Discussion and Analysis
For Year Ended September 30, 2025
(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, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Tyler exceeded its liabilities and deferred inflows of resources on September 30, 2025, by \$681,379,992 (net position).
- The City's total net position increased by \$43,107,372 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 \$90,269,358. \$24,624,178 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 \$24,625,345. The general fund operating reserve targeted amount was \$14,910,530 (15% of general fund expenditures).
- The City's revenue bond payable had a net increase of \$36,355,000. The City has no general obligation bond payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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

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

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

recreation. The business-type activities of the City include utilities, airport, and sanitation operations. The government-wide financial statements are on pages 16-17 of this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains 26 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 major funds. Data from the other 24 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 combined statements elsewhere in this report. The basic governmental funds financial statements are on pages 18-23.

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

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

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Tyler's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements are on pages 27-28 of this report. Individual fund data for the fiduciary funds is provided by combining statements elsewhere in this report. An additional fiduciary fund was created in 2009 for the Other Post Employment Benefit Trust. Information about Other Post-Employment Benefits and the related trust can be found in note 5 on pages 69-71. The Fireman's Relief and Retirement Fund as of 2012 is reported in the City's financial statements as a blended component unit. This information is included in the basic fiduciary fund statement on pages 27-28. A separate independent audit of the Fund's financial condition is completed each fiscal year, and details can be found in note 5 on pages 64-66.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-78.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 79-86 of this report.

The combined statements referred to earlier in connection with general governmental funds, non-major governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 88-128 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Tyler, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$681,379,992, at the close of the most recent fiscal year, an increase of \$43,107,372 from the previous year.

The largest portion of the City's net position, 85%, or \$605,621,254, 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 services 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 that 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 2025

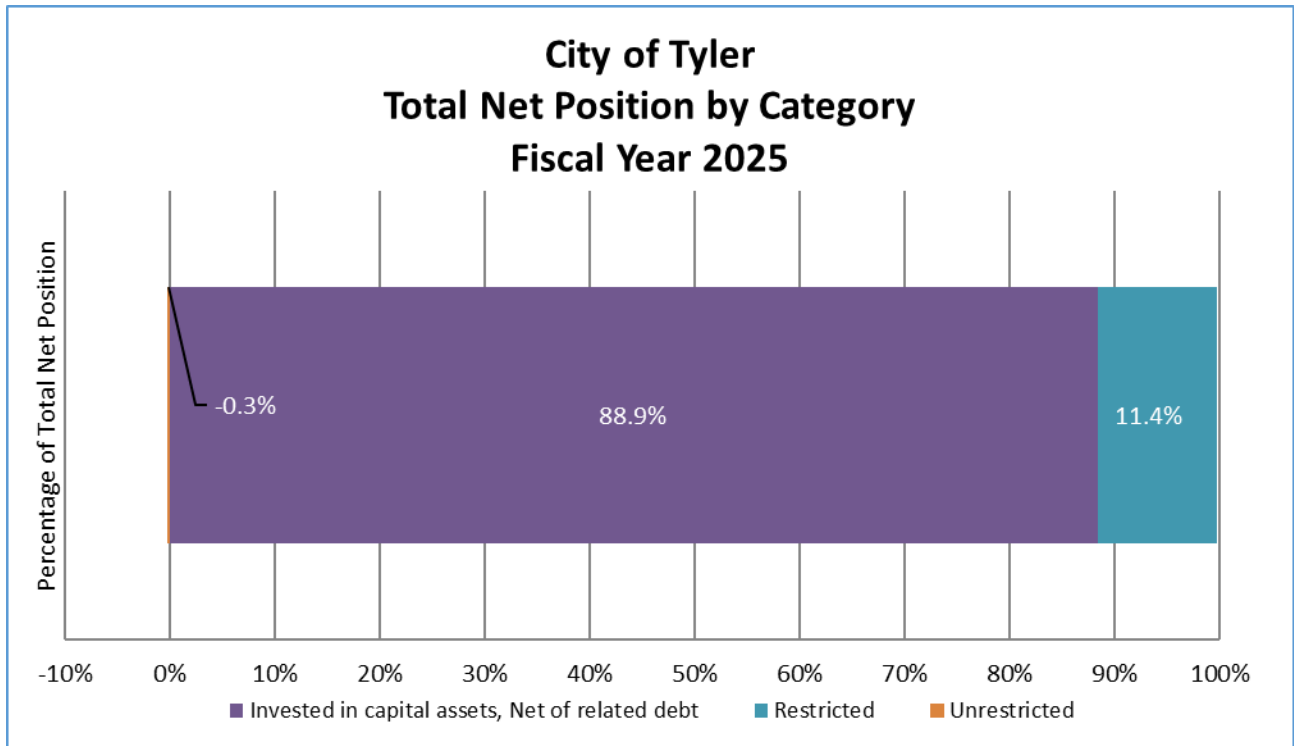
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$150,821,891	\$137,834,520	\$86,551,895	\$84,943,120	\$237,373,786	\$222,777,640
Capital assets	344,516,068	333,335,573	466,459,266	411,924,076	810,975,334	745,259,649
Total Assets	495,337,959	471,170,093	553,011,161	496,867,196	1,048,349,120	968,037,289
Deferred Outflow of Resources	28,518,948	45,500,512	7,637,252	10,644,706	36,156,200	56,145,218
Non-current liabilities	104,120,750	110,223,968	244,274,726	209,547,367	348,395,476	319,771,335
Other liabilities	15,145,930	23,550,130	16,023,006	12,662,217	31,168,936	36,212,347
Total Liabilities	119,266,680	133,774,098	260,297,732	222,209,584	379,564,412	355,983,682
Deferred Inflows of Resources	17,264,590	23,163,880	6,296,326	6,762,325	23,560,916	29,926,205
Net Position:						
Net Investment in Capital Assets	330,058,714	321,905,410	275,562,540	266,903,741	605,621,254	588,809,151
Restricted	59,819,353	57,837,543	17,797,404	10,182,032	77,616,757	68,019,575
Unrestricted	(2,552,430)	(20,010,326)	694,411	1,454,220	(1,858,019)	(18,556,106)
Total Net Position	\$387,325,637	\$359,732,627	\$294,054,355	\$278,539,993	\$681,379,992	\$638,272,620

An additional portion of the City's net position, 11.4% or \$77,616,757, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is (0.3%) at \$(1,858,019).

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: the Texas Municipal Retirement System (TMRS) and the Tyler Firemen’s Relief and Retirement Fund (TFDRRF). Texas Municipal Retirement plan has a thirty-year closed amortization period. The TMRS pension plan is estimated to be 100% funded in 2036. 100% funding will mean that pension and OPEB assets will be equal to liabilities. Once that has been achieved, it is expected that the City’s contribution rate (TMRS) and actuarial determined contribution (ADC) will be reduced. Tyler Firemen’s Relief and Retirement Fund is an open amortization plan that aims to amortize its unfunded actuarial accrued liability over fifteen to twenty-five years.

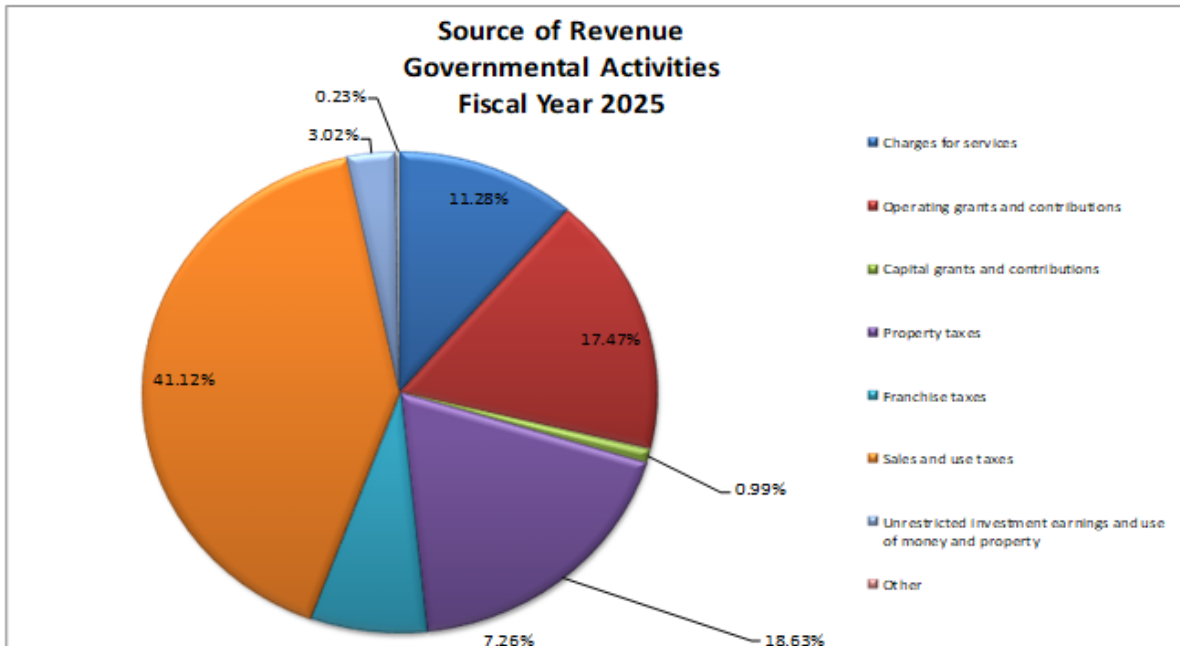
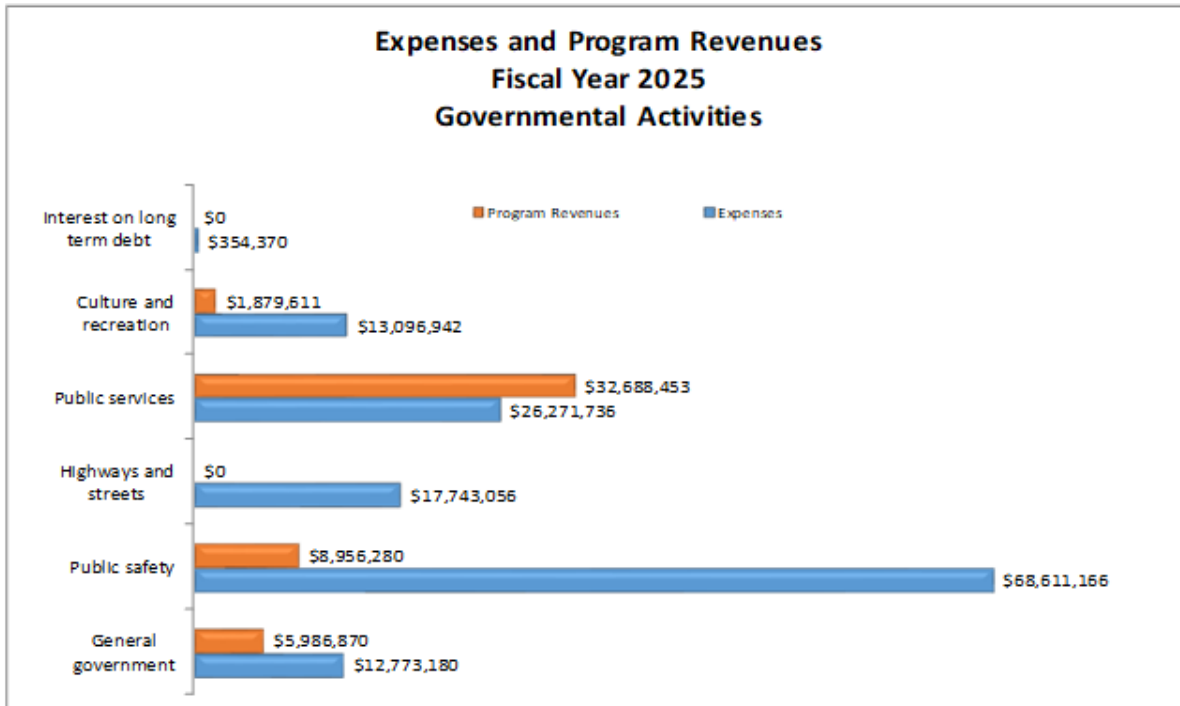
This negative impact on the City’s net position is not unique to the City of Tyler. Many organizations across the country are experiencing similar scenarios when implementing this accounting standard. This standard has been discussed for some time, and organizations have prepared for its implementation.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

As of September 30, 2025, the City is able to report positive balances in two of the three categories of net position. The prior fiscal year also had positive balances in two of the three categories. The following chart illustrates the percentage of total net position that each category encompasses for the current fiscal year.

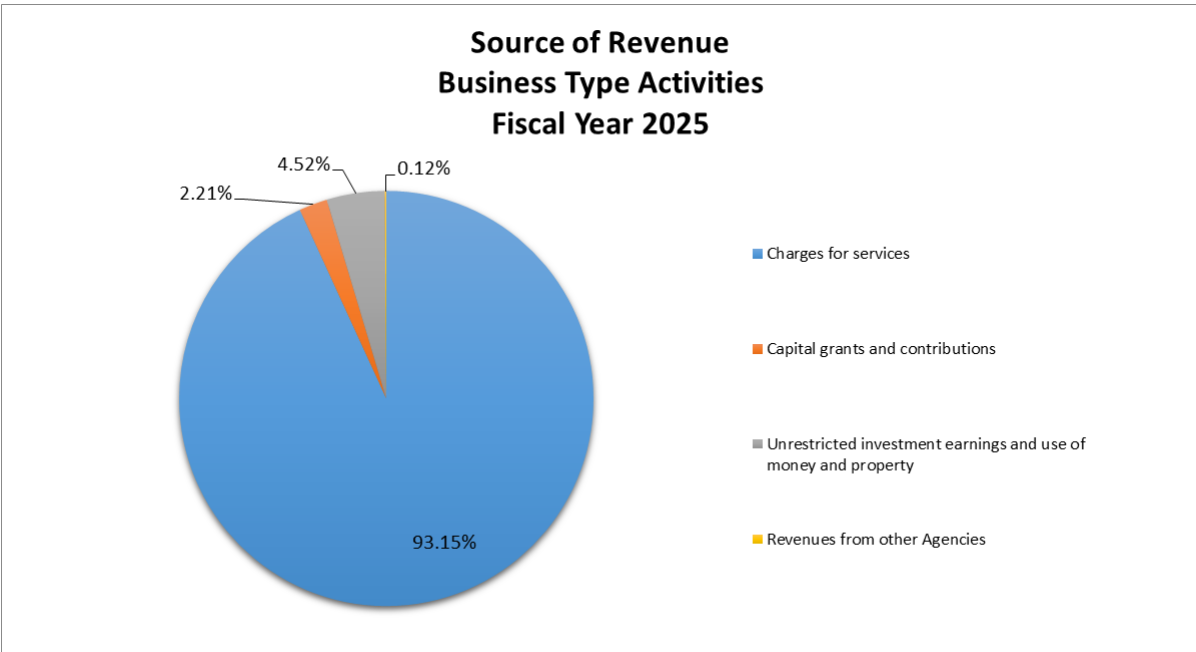
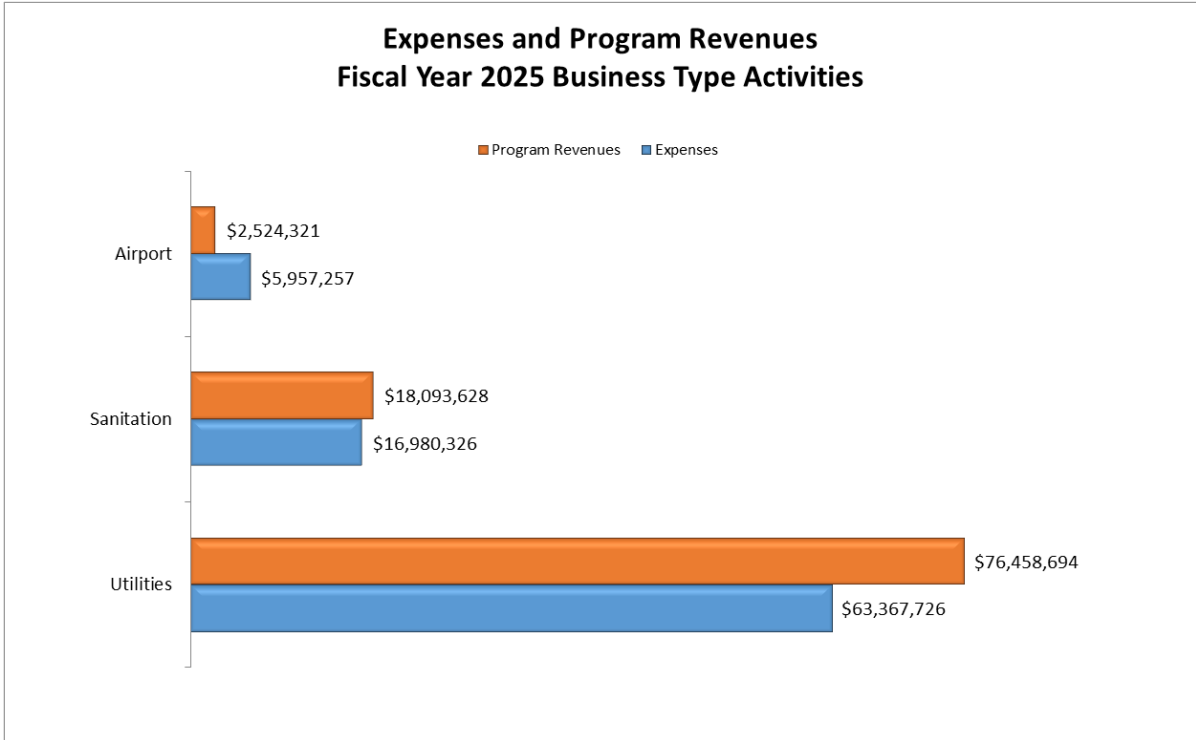


Analysis of the City’s Operations – Overall, the City’s total net position increased by \$43,107,372 for the current year.

Governmental Activities: Governmental activities increased total net position by \$27,593,010. Net position invested in capital assets; net of related debt increased by \$8,153,304. Restricted net position increased by \$1,981,810.



Business-type Activities: Net Position from business-type activities increased by \$15,514,362. This increase was primarily due to increased capital assets related to the Water Utilities Fund.



The following table summarizes the City's operations for the year ended September 30, 2025, with comparative totals for the year ended September 30, 2024.

CITY OF TYLER'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	\$18,782,215	\$19,882,486	\$94,826,798	\$88,754,434	\$113,609,013	\$108,636,920
Operating grants and contributions	29,076,815	22,286,818	-	-	29,076,815	22,286,818
Capital grants and contributions	1,652,184	672,769	2,249,845	3,565,759	3,902,029	4,238,528
General revenues:						
Property taxes	31,018,766	29,073,015	-	-	31,018,766	29,073,015
Franchise taxes	12,081,582	11,705,110	-	-	12,081,582	11,705,110
Sales and use taxes	68,444,145	65,639,395	-	-	68,444,145	65,639,395
Investment earnings and use of money and property	5,022,139	3,807,411	4,601,748	5,277,541	9,623,887	9,084,952
Gain on sale of assets	381,765	692,360	-	(21,221)	381,765	671,139
Miscellaneous	-	-	125,129	-	125,129	-
Total revenues	166,459,611	153,759,364	101,803,520	97,576,513	268,263,131	251,335,877
Expenses:						
General government	12,773,180	11,368,621	-	-	12,773,180	11,368,621
Public safety	68,611,166	65,286,494	-	-	68,611,166	65,286,494
Streets	17,743,056	16,319,951	-	-	17,743,056	16,319,951
Public services	26,271,736	25,085,635	-	-	26,271,736	25,085,635
Culture and recreation	13,096,942	12,131,549	-	-	13,096,942	12,131,549
Interest on long-term debt	354,370	335,862	-	-	354,370	335,862
Water and sewer	-	-	63,367,726	61,018,114	63,367,726	61,018,114
Sanitation	-	-	16,980,326	18,457,758	16,980,326	18,457,758
Airport	-	-	5,957,257	5,059,987	5,957,257	5,059,987
Total Expenses	138,850,450	130,528,112	86,305,309	84,535,859	225,155,759	215,063,971
Increases (decreases) in net position before transfers	27,609,161	23,231,252	15,498,211	13,040,654	43,107,372	36,271,906
Transfers	(16,151)	127,273	16,151	(127,273)	-	-
Change in net position	27,593,010	23,358,525	15,514,362	12,913,381	43,107,372	36,271,906
Net position – October 1	359,732,627	336,374,102	278,539,993	265,626,612	638,272,620	602,000,714
Net position – September 30	\$ 387,325,637	\$ 359,732,627	\$ 294,054,355	\$ 278,539,993	\$ 681,379,992	\$ 638,272,620

Governmental Activities—The City’s governmental activities reported an increase in net position of \$27.6 million for fiscal year 2025, compared to an increase of \$23.3 million in the prior year. The improvement in net position was primarily driven by higher tax revenues and increased operating grants, partially offset by higher public safety and public services costs.

Total governmental revenues increased by \$12.7 million, or 8.3 percent, compared to the prior fiscal year. Property tax revenue increased by \$1.9 million, reflecting continued growth in assessed property values and the effect of new construction within the City. Sales and use tax revenue increased by \$2.8 million, driven by higher retail activity and consumer spending.

Operating grants and contributions increased significantly by \$6.8 million, largely due to increased state and federal funding for public safety, public services, and infrastructure-related programs. Capital grants and contributions increased by \$1.0 million, reflecting additional reimbursements for eligible capital projects during the year. Investment earnings increased by \$1.2 million as a result of higher interest rates and increased cash balances throughout the year.

Total governmental expenses increased by \$8.3 million, or 6.4 percent, compared to fiscal year 2024. Public safety expenses increased by \$3.3 million, primarily due to higher personnel costs, including salary adjustments, overtime, and increased benefit costs. Public services expenses increased by \$1.2 million, reflecting increased operating costs associated with growth in service demand. Street-related expenses increased by \$1.4 million, primarily related to higher maintenance costs and contracted services. Culture and recreation expenses increased by \$0.9 million, largely due to expanded programming and facility operating costs. Interest on long-term debt remained relatively stable compared to the prior year.

Business-Type Activities—The City’s business-type activities reported an increase in net position of \$15.5 million for fiscal year 2025, compared to an increase of \$12.9 million in fiscal year 2024. The increase was primarily attributable to increased consumer usage for services and improved operating performance within the water and sewer, sanitation, and airport funds.

Charges for services increased by \$6.1 million, reflecting rate adjustments and increased consumption within the water and sewer utility, as well as growth in sanitation and airport operations. Capital grants and contributions decreased by \$1.3 million, as fewer grant-funded capital projects reached reimbursement stages during the current year. Investment earnings decreased by \$1.2 million due to fluctuations in investment balances and the timing of earnings recognition.

Total business-type expenses increased by \$1.8 million, or 2.1 percent, compared to the prior year. Water and sewer expenses increased by \$2.3 million, primarily due to higher treatment, maintenance, and personnel costs. Sanitation expenses decreased by \$1.5 million, reflecting improved operational efficiencies and lower fuel and contract costs. Airport expenses increased by \$0.9 million, driven by increased activity levels and related operating costs.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

At the end of the current fiscal year, the City of Tyler’s governmental funds reported combined ending fund balances of \$90,269,358. Approximately 27% of this total amount, \$24,624,178, constitutes an unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been restricted or assigned for the following: 1) to pay for capital projects, \$50,236,903; 2) to pay for the perpetual care of city cemeteries, \$3,455,736; 3) to purchase items restricted under grant and donation terms, \$4,766,231; 4) to purchase items restricted under tourism and conventions, \$1,618,812 and 5) to pay for other miscellaneous restrictions, \$5,567,498. The City of Tyler also self-imposes an operating designation in the general fund equivalent to approximately 15 percent of total expenditures, \$14,910,530.

In the General Fund, the original budget reflected a planned decrease in fund balance of \$772,500. Budget amendments adopted during the year to address operational requirements resulted in a final budgeted decrease of \$771,702. The actual decrease in fund balance for fiscal year 2025 was \$686,059. The decrease was primarily attributable to increased operating expenditures, largely offset by the anticipated growth in property tax revenues. Overall, the General Fund’s results were consistent with budgetary expectations.

The Capital Projects Half Cent Sales Tax Fund balance increased by \$13,447,288 in fiscal year 2025. This increase resulted primarily from major capital projects being financed with grant proceeds during the year, reducing the need to utilize sales tax resources and allowing fund balance to accumulate. Other nonmajor governmental fund balances increased by \$1,086,857, from \$16,878,002 to \$17,964,859, reflecting overall positive operating results in those funds.

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 - \$1,516,517, Sanitation - \$(1,410,222) and Airport - \$1,237,214. The following funds had a net position increase/(decrease) in 2025 as follows: Utilities - \$16,451,568, Sanitation - \$948,305, and Airport - \$(1,775,262).

General Fund Budgetary Highlights - The City revised the original budget appropriations approved by the City Council. Overall, these changes resulted in increased budgeted appropriations of \$798.

Actual revenues were above the final budgeted amounts by a total of \$742,906, while actual expenditures, including transfers, were above the final budgeted amounts by a total of \$657,263.

CAPITAL ASSETS

The City of Tyler’s investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to \$810,975,334 (net of accumulated depreciation). This investment in capital assets includes land, water rights, buildings, equipment, improvements, infrastructure, construction in progress, right-to-use assets, and subscription assets. The total net increase in capital assets for the current fiscal year was \$65,715,685.

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

- \$ 68,996,662 Water and Sewer capital projects
- \$ 6,590,420 Roadway improvement projects
- \$ 5,012,593 Drainage Capital Projects
- \$ 1,466,324 Airport capital projects
- \$ 408,650 Rose Complex Convention Center

	Capital Assets at Year End Net of Accumulated Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$18,583,601	\$17,309,365	\$12,073,047	\$12,073,047	\$30,656,648	\$29,382,412
Water rights	-	-	12,526,700	12,526,700	12,526,700	12,526,700
Building	36,801,755	38,862,696	21,595,967	22,593,994	58,397,722	61,456,690
Improvements	60,783,977	35,622,148	329,726,978	296,317,366	390,510,955	331,939,514
Machinery & equipment	28,068,302	29,098,003	6,318,730	6,922,094	34,387,032	36,020,097
Infrastructure	127,095,701	135,563,036	14,587,590	15,041,504	141,683,291	150,604,540
Right-to-use lease assets	3,795,153	1,308,100	-	-	3,795,153	1,308,100
Subscription Assets	1,110,504	391,252	-	-	1,110,504	391,252
Construction in progress	68,277,075	75,180,973	69,630,254	46,449,371	137,907,329	121,630,344
Total	\$344,516,068	\$333,335,573	\$466,459,266	\$411,924,076	\$810,975,334	\$745,259,649

Additional information on the City of Tyler’s capital assets can be found in note 4 on page 47-50 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Tyler had a total bonded debt of \$227,115,000, comprised of bonds secured by water and sewer revenues of \$218,475,000, airport customer facility revenues of \$290,000, and hotel bond revenues of \$8,350,000.

	Outstanding Debt at Year End					
	Bonds and Notes Payable					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Capital leases	\$3,816,609	\$1,403,082	-	-	\$3,816,609	\$1,403,082
Subscription Leases	1,090,456	126,641	-	-	1,090,456	126,641
Revenue bonds payable	-	-	227,115,000	190,760,000	227,115,000	190,760,000
Total	4,907,065	1,529,723	\$227,115,000	\$190,760,000	\$232,022,065	\$192,289,723

During the fiscal year, the City’s revenue bond debt increased by \$36,355,000 or 19.1%.

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

	<u>Standard & Poor’s</u>
General Obligation Bonds	AAA
Revenue Bonds	AA
Revenue Bonds (Rose Complex)	A+

Please see note 4 on page 56 to explain reserve requirements for the City of Tyler. State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of Tyler is \$1,341,027,154. 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 55-57 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

- The unemployment rate for the City of Tyler is currently 4.0%, an increase from 0.1% a year ago. This compares to the state’s average unemployment rate of 4.3% and the national average of 4.3%.
- Sales tax receipt growth over a ten-year average increased slightly to 4.76%. Property values have grown at an average of 6.77% over the last ten years. Growth in values includes new and existing values.

All of these factors were considered in preparing the budget for the fiscal year 2025-2026, and the City of Tyler anticipates that the total net position will remain at similar levels by September 30, 2026.

REQUEST FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

**CITY OF TYLER, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

EXHIBIT 1

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 53,488,183	\$ 16,456,807	\$ 69,944,990
Receivables (net of allowance for doubtful accounts)	33,714,546	11,606,302	45,320,848
Internal balances	1,221,033	(1,221,033)	-
Inventories	451,027	1,815,201	2,266,228
Prepaid items	416,204	75,031	491,235
Restricted Assets:			
Temporarily restricted			
Cash and cash equivalents	50,370,803	56,545,834	106,916,637
Permanently restricted			
Cash and cash equivalents	3,449,348	-	3,449,348
Lease receivable	115,344	59,153	174,497
Investment in joint venture	4,197,980	-	4,197,980
OPEB asset (health plan)	3,397,423	1,214,600	4,612,023
Capital assets not being depreciated:			
Land	18,583,601	12,073,047	30,656,648
Water rights	-	12,526,700	12,526,700
Construction in progress	68,277,075	69,630,254	137,907,329
Capital Assets net of accumulated depreciation:			
Buildings	36,801,755	21,595,967	58,397,722
Improvements, other than buildings	60,783,977	329,726,978	390,510,955
Machinery and equipment	28,068,302	6,318,730	34,387,032
Infrastructure	127,095,701	14,587,590	141,683,291
Right-of-use lease assets	3,795,153	-	3,795,153
Subscription assets (SBITA)	1,110,504	-	1,110,504
Total assets	495,337,959	553,011,161	1,048,349,120
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	28,214,399	7,495,964	35,710,363
Deferred outflows related to OPEB	304,549	141,288	445,837
Total deferred outflows of resources	28,518,948	7,637,252	36,156,200
LIABILITIES			
Accounts payable	11,190,851	15,191,414	26,382,265
Deposits and other refundable balances	2,508,521	68,279	2,576,800
Insurance claims payable	1,303,638	-	1,303,638
Accrued interest payable	34,511	763,313	797,824
Unearned revenues	108,409	-	108,409
Non-current liabilities:			
Due within one year	2,215,083	8,029,319	10,244,402
Due in more than one year	101,905,667	236,245,407	338,151,074
Total liabilities	119,266,680	260,297,732	379,564,412
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	112,637	54,993	167,630
Deferred inflows related to OPEB	3,087,276	640,769	3,728,045
Deferred inflows related to pensions	14,064,677	5,600,564	19,665,241
Total deferred inflows of resources	17,264,590	6,296,326	23,560,916
NET POSITION			
Net investment in capital assets	330,058,714	275,562,540	605,621,254
Restricted for:			
Permanent funds:			
Perpetual care - nonexpendable	3,323,804	-	3,323,804
Storm water management	-	1,584,045	1,584,045
Public safety	1,314,220	-	1,314,220
Capital improvements	2,396,671	-	2,396,671
Tourism and convention	1,514,056	-	1,514,056
Donor restrictions	1,656,019	-	1,656,019
Capital projects	44,523,859	13,346,185	57,870,044
Airport improvements	803,121	-	803,121
Communications	1,176,428	-	1,176,428
Housing assistance	1,768,561	-	1,768,561
Grant restrictions	1,297,570	-	1,297,570
COVID fiscal recovery	44,081	-	44,081
Debt service	963	2,867,174	2,868,137
Unrestricted	(2,552,430)	694,411	(1,858,019)
Total net position	\$ 387,325,637	\$ 294,054,355	\$ 681,379,992

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

EXHIBIT 2

CITY OF TYLER, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

FUNCTIONS / PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities:							
General government	\$ 12,773,180	\$ 5,962,915	\$ 23,955	\$ -	\$ (6,786,310)	\$ -	\$ (6,786,310)
Public safety	68,611,166	7,304,096	-	1,652,184	(59,654,886)	-	(59,654,886)
Highways and streets	17,743,056	-	-	-	(17,743,056)	-	(17,743,056)
Public services	26,271,736	3,647,050	29,041,403	-	6,416,717	-	6,416,717
Culture and recreation	13,096,942	1,868,154	11,457	-	(11,217,331)	-	(11,217,331)
Interest on long term debt	354,370	-	-	-	(354,370)	-	(354,370)
Total governmental activities	138,850,450	18,782,215	29,076,815	1,652,184	(89,339,236)	-	(89,339,236)
Business-type activities:							
Utilities	63,367,726	76,458,694	-	-	-	13,090,968	13,090,968
Sanitation	16,980,326	18,093,628	-	-	-	1,113,302	1,113,302
Airport	5,957,257	274,476	-	2,249,845	-	(3,432,936)	(3,432,936)
Total business-type activities	86,305,309	94,826,798	-	2,249,845	-	10,771,334	10,771,334
Total primary government	\$ 225,155,759	\$ 113,609,013	\$ 29,076,815	\$ 3,902,029	(89,339,236)	10,771,334	(78,567,902)
General revenues:							
Property taxes					31,018,766	-	31,018,766
Franchise taxes					12,081,582	-	12,081,582
Sales and use taxes					68,444,145	-	68,444,145
Revenues from other agencies					-	125,129	125,129
Unrestricted investment earnings and use of money and property					5,022,139	4,601,748	9,623,887
Gain on sale of assets					381,765	-	381,765
Transfers					(16,151)	16,151	-
Total general revenues and transfers					116,932,246	4,743,028	121,675,274
Change in net position					27,593,010	15,514,362	43,107,372
Net position - beginning of year					359,732,627	278,539,993	638,272,620
Net position - end of year					\$ 387,325,637	\$ 294,054,355	\$ 681,379,992

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

**CITY OF TYLER, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	MAJOR FUNDS		OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	ONE-HALF CENT SALES TAX		
ASSETS				
Cash and cash equivalents	\$ 22,681,411	\$ -	\$ 9,308,258	\$ 31,989,669
Receivables (net of allowance for doubtful accounts) :				
Property taxes	884,933	-	-	884,933
Other	26,176,902	3,553,726	2,657,310	32,387,938
Due from other funds	2,087,999	-	-	2,087,999
Inventories	63,809	-	4,450	68,259
Prepaid items	129,050	121,765	64,979	315,794
Cash and cash equivalents - restricted	44,081	44,850,992	8,925,078	53,820,151
	<u>\$ 52,068,185</u>	<u>\$ 48,526,483</u>	<u>\$ 20,960,075</u>	<u>\$ 121,554,743</u>
LIABILITIES				
Accounts payable	\$ 4,893,257	\$ 3,880,729	\$ 1,300,986	\$ 10,074,972
Deposits and other refundable balances	2,150,176	-	353,013	2,503,189
Other liabilities	-	130	5,202	5,332
Due to other funds	-	-	1,302,051	1,302,051
Unearned revenues	74,445	-	33,964	108,409
	<u>7,117,878</u>	<u>3,880,859</u>	<u>2,995,216</u>	<u>13,993,953</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	855,467	-	-	855,467
Unavailable revenue-fines	16,395,852	-	-	16,395,852
Unavailable revenue-permits	40,113	-	-	40,113
	<u>17,291,432</u>	<u>-</u>	<u>-</u>	<u>17,291,432</u>
FUND BALANCES				
Nonspendable:				
Inventories	63,809	-	4,450	68,259
Prepaid items	129,050	121,765	64,979	315,794
Permanent fund principal	-	-	3,455,736	3,455,736
Restricted for:				
Debt service	-	-	963	963
Public safety	-	-	1,314,220	1,314,220
Capital improvements	-	-	2,264,739	2,264,739
Tourism and convention	-	-	1,514,056	1,514,056
Donor restrictions	-	-	1,656,019	1,656,019
Capital projects	-	44,523,859	-	44,523,859
Airport improvements	-	-	803,121	803,121
Communications	-	-	1,176,428	1,176,428
Housing assistance	-	-	1,768,561	1,768,561
Grant restrictions	-	-	1,297,570	1,297,570
COVID fiscal recovery	44,081	-	-	44,081
Assigned to:				
Development services	2,691,834	-	-	2,691,834
Capital improvements	-	-	-	-
Capital projects	-	-	2,645,184	2,645,184
Tourism and convention	104,756	-	-	104,756
Unassigned	24,625,345	-	(1,167)	24,624,178
	<u>27,658,875</u>	<u>44,645,624</u>	<u>17,964,859</u>	<u>90,269,358</u>
Total fund balances	<u>27,658,875</u>	<u>44,645,624</u>	<u>17,964,859</u>	<u>90,269,358</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 52,068,185</u>	<u>\$ 48,526,483</u>	<u>\$ 20,960,075</u>	<u>\$ 121,554,743</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, 2025**

Total fund balances governmental funds (Exhibit 3)	\$ 90,269,358
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	315,746,795
Equity in an affiliated joint venture is included in governmental activities in the statement of net assets.	4,197,980
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	17,291,432
Deferred outflows of funds related to pension and OPEB activities	27,150,123
Deferred inflows of funds related to pension and OPEB activities	(16,011,128)
Net pension liabilities reflected under GASB 68 at year end	(70,953,798)
Net OPEB assets reflected under GASB 75 at year end	3,165,397
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 - \$(649,098))	45,257,967
Long term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	<u>(28,788,489)</u>
Net position of governmental activities (Exhibit 1)	<u>\$ 387,325,637</u>

CITY OF TYLER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	MAJOR FUNDS		OTHER NON-MAJOR GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	ONE-HALF CENT SALES TAX			
REVENUES					
Taxes:					
Property	\$ 30,207,651	\$ -	\$ 689,485	\$ -	\$ 30,897,136
Franchise	11,924,136	-	157,446	-	12,081,582
Sales and use	42,829,212	21,220,271	4,394,662	-	68,444,145
Licenses and permits	2,671,442	-	124,711	-	2,796,153
Fines, forfeitures, and penalties	4,947,801	-	529,958	-	5,477,759
Revenues from use of money or property	2,691,953	1,502,054	631,872	-	4,825,879
Charges for current services	3,395,955	-	1,205,655	-	4,601,610
Revenues from other agencies	1,156,656	11,216,626	18,355,717	-	30,728,999
Donations	-	-	705,337	-	705,337
Miscellaneous	488,202	1,264,605	1,096,661	-	2,849,468
Total revenues	<u>100,313,008</u>	<u>35,203,556</u>	<u>27,891,504</u>	<u>-</u>	<u>163,408,068</u>
EXPENDITURES					
Current:					
General government	9,812,424	526,843	1,959,425	-	12,298,692
Public safety	66,590,735	-	289,771	-	66,880,506
Public services	4,497,576	1,679,038	19,566,862	-	25,743,476
Highways and streets	7,250,450	-	-	-	7,250,450
Culture and recreation	10,975,178	-	739,639	-	11,714,817
Capital outlay	277,172	19,329,930	9,335,973	-	28,943,075
Debt service:					
Principal retirement	-	-	250,000	-	250,000
Interest and fiscal charges	-	-	348,805	-	348,805
Total expenditures	<u>99,403,535</u>	<u>21,535,811</u>	<u>32,490,475</u>	<u>-</u>	<u>153,429,821</u>
Excess (deficiency) of revenues over (under) expenditures	<u>909,473</u>	<u>13,667,745</u>	<u>(4,598,971)</u>	<u>-</u>	<u>9,978,247</u>
OTHER FINANCING SOURCES (USES)					
Capital lease proceeds	-	-	4,113,601	-	4,113,601
Transfers in	2,977,002	-	5,392,831	(4,471,229)	3,898,604
Transfers out	(4,572,534)	(220,457)	(3,820,604)	4,471,229	(4,142,366)
Total other financing sources (uses)	<u>(1,595,532)</u>	<u>(220,457)</u>	<u>5,685,828</u>	<u>-</u>	<u>3,869,839</u>
Net change in fund balances	(686,059)	13,447,288	1,086,857	-	13,848,086
Fund balances - beginning of year	<u>28,344,934</u>	<u>31,198,336</u>	<u>16,878,002</u>	<u>-</u>	<u>76,421,272</u>
Fund balances - end of year	<u>\$ 27,658,875</u>	<u>\$ 44,645,624</u>	<u>\$ 17,964,859</u>	<u>\$ -</u>	<u>\$ 90,269,358</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, 2025

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

Net change in fund balances - total governmental funds	\$ 13,848,086
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	8,497,654
The net increase of the equity in investment in an affiliated joint venture is reflected on the statement of activities.	45,718
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	1,656
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.	1,495,962
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.	316,357
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.	1,379,010
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities, net of amount allocated to business-type activities of (\$110,249).	<u>2,008,567</u>
Change in net assets of governmental activities	<u><u>\$ 27,593,010</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, 2025**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Property tax collections	\$ 30,528,410	\$ 30,528,410	\$ 30,207,651	\$ (320,759)
Franchise fees	12,211,595	12,211,595	11,924,136	(287,459)
Sales and use taxes	41,566,339	41,566,339	42,829,212	1,262,873
Licenses and permits	2,595,208	2,595,208	2,671,442	76,234
Fines, forfeitures, and penalties	4,306,200	4,306,200	4,947,801	641,601
Revenues from use of money or property	3,091,541	3,091,541	2,691,953	(399,588)
Charges for current services	3,480,179	3,480,179	3,395,955	(84,224)
Revenues from other agencies	920,454	920,454	1,156,656	236,202
Miscellaneous	870,176	870,176	488,202	(381,974)
Total revenues	99,570,102	99,570,102	100,313,008	742,906
EXPENDITURES				
GENERAL GOVERNMENT:				
General Government Services	5,126,559	5,002,661	5,030,180	(27,519)
Communications	672,291	672,291	674,084	(1,793)
Finance	1,932,370	1,937,103	1,929,002	8,101
Human Resources	718,242	718,242	686,525	31,717
Legal	1,444,493	1,443,993	1,479,448	(35,455)
Innovation Pipeline	9,667	13,667	13,185	482
Total General Government	9,903,622	9,787,957	9,812,424	(24,467)
PUBLIC SAFETY				
Police	37,682,924	37,657,595	37,702,576	(44,981)
Fire	25,411,645	25,411,645	26,336,769	(925,124)
Municipal Court	2,595,628	2,595,628	2,518,264	77,364
COPS	19,540	19,540	33,126	(13,586)
Total Public Safety	65,709,737	65,684,408	66,590,735	(906,327)
PUBLIC SERVICES				
Animal Services	1,609,522	1,624,522	1,533,026	91,496
Planning and Zoning Services	1,513,447	1,513,447	1,353,705	159,742
Building Services	1,592,101	1,592,101	1,610,845	(18,744)
Total Public Services	4,715,070	4,730,070	4,497,576	232,494

(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, 2025**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (continued)				
HIGHWAYS AND STREETS				
Engineering	\$ 1,206,217	\$ 1,221,501	\$ 1,057,815	\$ 163,686
Street administration	3,744,840	3,744,840	3,493,434	251,406
Traffic operations	2,754,846	2,919,948	2,699,201	220,747
Total Highways and Streets	<u>7,705,903</u>	<u>7,886,289</u>	<u>7,250,450</u>	<u>635,839</u>
CULTURE AND RECREATION				
Library	2,185,523	2,186,883	2,165,808	21,075
Parks administration	3,580,906	3,580,906	3,578,503	2,403
Indoor recreation	785,744	806,744	807,428	(684)
Outdoor recreation	369,968	369,968	313,691	56,277
Median maintenance and arborist	491,143	491,143	447,739	43,404
Rose Garden center	520,870	520,870	519,404	1,466
Rose Garden maintenance	925,081	925,081	908,431	16,650
Visitor facilities	1,495,831	1,495,831	1,459,478	36,353
Main Street	481,891	481,891	474,266	7,625
Planning and zoning services	25,200	25,200	25,189	11
Liberty Hall	329,599	361,099	275,241	85,858
Total Culture and Recreation	<u>11,191,756</u>	<u>11,245,616</u>	<u>10,975,178</u>	<u>270,438</u>
Capital outlay	<u>514,693</u>	<u>405,643</u>	<u>277,172</u>	<u>128,471</u>
Total expenditures	<u>99,740,781</u>	<u>99,739,983</u>	<u>99,403,535</u>	<u>336,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(170,679)</u>	<u>(169,881)</u>	<u>909,473</u>	<u>1,079,354</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,977,002	2,977,002	2,977,002	-
Transfers out	<u>(3,578,823)</u>	<u>(3,578,823)</u>	<u>(4,572,534)</u>	<u>(993,711)</u>
Total other financing sources (uses)	<u>(601,821)</u>	<u>(601,821)</u>	<u>(1,595,532)</u>	<u>(993,711)</u>
Net change in fund balance	(772,500)	(771,702)	(686,059)	85,643
Fund balance - beginning of year	<u>13,961,922</u>	<u>3,224,046</u>	<u>28,344,934</u>	<u>25,120,888</u>
Fund balance - end of year	<u>\$ 13,189,422</u>	<u>\$ 2,452,344</u>	<u>\$ 27,658,875</u>	<u>\$ 25,206,531</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, 2025**

EXHIBIT 8

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL INTERNAL SERVICE FUNDS
	UTILITIES	SANITATION	AIRPORT	TOTAL ENTERPRISE FUNDS	
Current assets:					
Unrestricted current assets:					
Cash and cash equivalents	14,096,726	\$ 281,654	\$ 2,078,427	\$ 16,456,807	\$ 21,498,514
Prepaid expenses	68,594	4,378	2,059	75,031	100,410
Accounts receivable (net of allowance for doubtful accounts)	8,539,208	2,567,463	491,834	11,598,505	441,675
Accrued interest receivable	3,032	544	4,221	7,797	-
Inventories - at average cost	1,815,201	-	-	1,815,201	382,768
Lease receivable	23,530	-	-	23,530	4,036
Total unrestricted current assets	24,546,291	2,854,039	2,576,541	29,976,871	22,427,403
Restricted Current assets:					
Temporarily restricted:					
Cash and cash equivalents for payment of current maturities of revenue bond principal and interest	3,526,307	-	104,180	3,630,487	-
Total restricted current assets	3,526,307	-	104,180	3,630,487	-
Total current assets	28,072,598	2,854,039	2,680,721	33,607,358	22,427,403
Noncurrent assets:					
Restricted assets:					
Temporarily restricted	52,738,693	176,654	-	52,915,347	-
Cash and cash equivalents	52,738,693	176,654	-	52,915,347	-
Total restricted assets	52,738,693	176,654	-	52,915,347	-
Lease receivable	35,623	-	-	35,623	111,308
OPEB asset (health plan)	859,602	301,972	53,026	1,214,600	232,026
Capital assets:					
Land	6,842,055	3,285,312	1,945,680	12,073,047	274,972
Construction in progress	69,473,605	-	156,649	69,630,254	1,310,630
Water rights	12,526,700	-	-	12,526,700	-
Buildings and infrastructure	41,380,122	727,319	42,144,225	84,251,666	2,392,857
Improvements other than buildings	426,387,576	605,496	92,426,845	519,419,917	3,341,055
Machinery and equipment	8,524,504	10,544,397	2,380,868	21,449,769	63,625,035
Subscription asset	-	-	-	-	214,855
Right-of-use lease asset	-	-	-	-	2,656,310
Less accumulated depreciation	(201,642,650)	(7,559,317)	(43,690,120)	(252,892,087)	(45,046,441)
Total capital assets net of accumulated depreciation	363,491,912	7,603,207	95,364,147	466,459,266	28,769,273
Total noncurrent assets	417,125,830	8,081,833	95,417,173	520,624,836	29,112,607
Total assets	445,198,428	10,935,872	98,097,894	554,232,194	51,540,010
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	5,085,744	2,122,368	287,852	7,495,964	1,348,412
Deferred outflows related to OPEB	87,555	50,471	3,262	141,288	20,413
Total deferred outflows of resources	5,173,299	2,172,839	291,114	7,637,252	1,368,825
LIABILITIES					
Current liabilities:					
Unrestricted current liabilities:					
Accounts and contracts payable	14,199,892	725,069	266,453	15,191,414	1,115,879
Due to other funds	-	-	571,935	571,935	214,013
Insurance claims payable	-	-	-	-	1,303,638
Current portion of lease liability	-	-	-	-	325,501
Current portion of compensated absences payable	26,322	11,330	1,667	39,319	13,331
Current portion of SBITA payable	-	-	-	-	49,457
Total unrestricted current liabilities	14,226,214	736,399	840,055	15,802,668	3,021,819
Current liabilities payable from restricted assets:					
Revenue bonds payable	7,895,000	-	95,000	7,990,000	-
Customer deposits	68,279	-	-	68,279	-
Accrued interest	763,313	-	-	763,313	34,511
Total current liabilities payable from restricted assets	8,726,592	-	95,000	8,821,592	34,511
Total current liabilities	22,952,806	736,399	935,055	24,624,260	3,056,330
Noncurrent liabilities:					
Revenue bonds payable (net)	220,696,843	-	195,000	220,891,843	-
Lease liability	-	-	-	-	1,064,502
SBITA payable	-	-	-	-	-
Net pension obligation	9,289,203	3,824,824	532,557	13,646,584	2,466,301
Net OPEB obligation (SDB plan)	523,261	210,037	30,039	763,337	139,429
Compensated absences	631,713	271,919	40,011	943,643	319,942
Total noncurrent liabilities	231,141,020	4,306,780	797,607	236,245,407	3,990,174
Total liabilities	254,093,826	5,043,179	1,732,662	260,869,667	7,046,504
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	275,014	324,504	41,251	640,769	211,583
Deferred inflows related to pensions	4,029,621	1,371,389	199,554	5,600,564	929,242
Deferred inflows related to leases	54,993	-	-	54,993	112,637
Total deferred inflows of resources	4,359,628	1,695,893	240,805	6,296,326	1,253,462
NET POSITION					
Net investment in capital assets	172,885,186	7,603,207	95,074,147	275,562,540	27,329,813
Restricted for:					
Debt service	2,762,994	-	104,180	2,867,174	-
Storm water management	1,584,045	-	-	1,584,045	-
Capital projects	13,169,531	176,654	-	13,346,185	-
Unrestricted	1,516,517	(1,410,222)	1,237,214	1,343,509	17,279,056
Total net position	\$ 191,918,273	\$ 6,369,639	\$ 96,415,541	\$ 294,703,453	\$ 44,608,869
Reconciliation to government-wide statements of net assets:					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			Prior years	(538,849)	
			Current year	(110,249)	
Net position of business-type activities				\$ 294,054,355	

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, 2025

	BUSINESS-TYPE ACTIVITIES			TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES
	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	UTILITIES	SANITATION	AIRPORT		
OPERATING REVENUES					
Water and sewer operations	\$ 66,456,010	\$ -	\$ -	\$ 66,456,010	\$ -
Trash and garbage	-	17,837,981	-	17,837,981	-
Airport services	-	-	320,105	320,105	-
Charges for services	-	-	-	-	27,014,003
Contributions	-	-	-	-	12,554,261
Miscellaneous	10,202,408	98,804	21,739	10,322,951	6,961,305
Total operating revenues	<u>76,658,418</u>	<u>17,936,785</u>	<u>341,844</u>	<u>94,937,047</u>	<u>46,529,569</u>
OPERATING EXPENSES					
Water and sewer operations	43,727,245	-	-	43,727,245	-
Sanitation operations	-	16,267,695	-	16,267,695	-
Municipal Airport operations	-	-	2,229,638	2,229,638	-
Garage operations	-	-	-	-	8,283,644
Depreciation	12,908,345	634,710	3,713,331	17,256,386	6,535,518
Insurance claims	-	-	-	-	17,097,966
Administrative	-	-	-	-	11,233,157
Special services	-	-	-	-	2,407,848
Maintenance	-	-	-	-	738,671
Total operating expenses	<u>56,635,590</u>	<u>16,902,405</u>	<u>5,942,969</u>	<u>79,480,964</u>	<u>46,296,804</u>
Operating income (loss)	<u>20,022,828</u>	<u>1,034,380</u>	<u>(5,601,125)</u>	<u>15,456,083</u>	<u>232,765</u>
NON-OPERATING REVENUES (EXPENSES)					
Revenues from other agencies	125,129	-	-	125,129	-
Revenues from use of money and property	3,261,400	42,499	1,297,849	4,601,748	1,128,098
Gain (loss) on sale of assets	-	(77,921)	-	(77,921)	381,765
Interest expense	(6,732,136)	-	(14,288)	(6,746,424)	(71,922)
Total non-operating revenues (expenses)	<u>(3,345,607)</u>	<u>(35,422)</u>	<u>1,283,561</u>	<u>(2,097,468)</u>	<u>1,437,941</u>
Income (loss) before capital contributions and transfers	<u>16,677,221</u>	<u>998,958</u>	<u>(4,317,564)</u>	<u>13,358,615</u>	<u>1,670,706</u>
Capital contributions	-	-	2,249,845	2,249,845	-
Transfers in	-	-	292,457	292,457	227,611
Transfers out	(225,653)	(50,653)	-	(276,306)	-
Net transfers and capital contributions	<u>(225,653)</u>	<u>(50,653)</u>	<u>2,542,302</u>	<u>2,265,996</u>	<u>227,611</u>
Change in net position	16,451,568	948,305	(1,775,262)	15,624,611	1,898,317
Net position - beginning of year	<u>175,466,705</u>	<u>5,421,334</u>	<u>98,190,803</u>	<u>279,078,842</u>	<u>42,710,552</u>
Net position - end of year	<u>\$ 191,918,273</u>	<u>\$ 6,369,639</u>	<u>\$ 96,415,541</u>	<u>294,703,453</u>	<u>\$ 44,608,869</u>
Reconciliation to government-wide statements of net assets					
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				<u>(110,249)</u>	
Change in net position of business-type activities				<u>\$ 15,514,362</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, 2025

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL
	ENTERPRISE FUNDS				ACTIVITIES
	UTILITIES	SANITATION	AIRPORT	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 76,346,054	\$ 17,928,894	\$ 341,844	\$ 94,616,792	\$ 47,086,083
Cash paid to suppliers for goods and services	(27,746,354)	(10,674,366)	(1,171,451)	(39,592,171)	(18,428,654)
Cash paid to employees for services	(16,833,492)	(6,179,198)	(963,578)	(23,976,268)	(4,386,294)
Insurance claims paid	-	-	-	-	(17,179,217)
Net cash provided by (used in) operating activities	<u>31,766,208</u>	<u>1,075,330</u>	<u>(1,793,185)</u>	<u>31,048,353</u>	<u>7,091,918</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Advances from/ (to) other funds	-	49,860	(435,988)	(386,128)	(345,729)
Transfers in from other funds	-	(50,653)	292,457	241,804	227,611
Transfers out to other funds	(225,653)	-	-	(225,653)	-
Net cash (used in) provided by non-capital financing activities	<u>(225,653)</u>	<u>(793)</u>	<u>(143,531)</u>	<u>(369,977)</u>	<u>(118,118)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(66,379,761)	(1,457,943)	(1,448,387)	(69,286,091)	(5,370,638)
Proceeds from grants for capital purposes	-	-	2,680,795	2,680,795	-
Payments on subscription (SBITA) liabilities	-	-	-	-	(54,868)
Proceeds from sale of assets	36,300	478,256	-	514,556	487,646
Bond proceeds	44,344,378	-	-	44,344,378	-
Payments on debt and lease liabilities	(7,235,000)	-	(90,000)	(7,325,000)	(388,100)
Interest paid	(5,749,846)	-	(14,288)	(5,764,134)	(70,641)
Net cash provided by (used in) capital and related financing activities	<u>(34,983,929)</u>	<u>(979,687)</u>	<u>1,128,120</u>	<u>(34,835,496)</u>	<u>(5,396,601)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends on investments	3,386,529	42,499	1,297,849	4,726,877	1,128,098
Net cash (used in) provided by investing activities	<u>3,386,529</u>	<u>42,499</u>	<u>1,297,849</u>	<u>4,726,877</u>	<u>1,128,098</u>
Net increase (decrease) in cash and cash equivalents	(56,845)	137,349	489,253	569,757	2,705,297
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>70,418,571</u>	<u>320,959</u>	<u>1,693,354</u>	<u>72,432,884</u>	<u>18,793,217</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 70,361,726</u>	<u>\$ 458,308</u>	<u>\$ 2,182,607</u>	<u>\$ 73,002,641</u>	<u>\$ 21,498,514</u>
Reconciliation to Exhibit 8:					
Unrestricted cash and cash equivalents	\$ 14,096,726	\$ 281,654	\$ 2,078,427	\$ 16,456,807	\$ 21,498,514
Restricted cash - current asset	3,526,307	-	104,180	3,630,487	-
Restricted cash - noncurrent asset	52,738,693	176,654	-	52,915,347	-
Total Cash and Cash Equivalents at End of Year	<u>\$ 70,361,726</u>	<u>\$ 458,308</u>	<u>\$ 2,182,607</u>	<u>\$ 73,002,641</u>	<u>\$ 21,498,514</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 20,022,828	\$ 1,034,380	\$ (5,601,125)	\$ 15,456,083	\$ 232,765
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	12,908,345	634,710	3,713,331	17,256,386	6,535,518
(Increase) decrease in accounts receivable	(266,941)	(7,891)	-	(274,832)	556,514
(Increase) decrease in prepaid expenses	(25,173)	3,582	(2,059)	(23,650)	(19,361)
(Increase) decrease in inventories	418,713	-	-	418,713	(98,283)
(Increase) decrease in net OPEB asset	(859,602)	(301,972)	(53,026)	(1,214,600)	(232,026)
(Increase) decrease in deferred outflows related to pensions	1,506,773	535,069	92,890	2,134,732	364,063
(Increase) decrease in deferred outflows related to OPEB	617,189	219,169	36,364	872,722	207,763
Increase (decrease) in accounts payable	(369,721)	(290,152)	148,271	(511,602)	160,639
Increase (decrease) in claims payable	-	-	-	-	(46,209)
Increase (decrease) in customer deposits	(45,423)	-	-	(45,423)	-
Increase (decrease) in compensated absences payable	(6,793)	9,514	1,318	4,039	4,241
Increase (decrease) in post employment benefits liability	(138,634)	(52,511)	(7,721)	(198,866)	(36,635)
Increase (decrease) in deferred inflows related to pensions	(329,639)	88,269	15,126	(226,244)	5,314
Increase (decrease) in deferred inflows related to OPEB	16,551	(199,449)	(34,180)	(217,078)	(89,391)
Increase (decrease) in net pension obligation	(1,682,265)	(597,388)	(102,374)	(2,382,027)	(452,994)
Total adjustments	<u>11,743,380</u>	<u>40,950</u>	<u>3,807,940</u>	<u>15,592,270</u>	<u>6,859,153</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 31,766,208</u>	<u>\$ 1,075,330</u>	<u>\$ (1,793,185)</u>	<u>\$ 31,048,353</u>	<u>\$ 7,091,918</u>

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

**CITY OF TYLER, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2025**

	<u>EMPLOYEE BENEFIT TRUST FUNDS</u>	<u>PRIVATE- PURPOSE TRUST FUNDS</u>
ASSETS		
Equity in pooled cash	\$ 3,297,967	\$ 3,851,157
Investments, at fair value		
Equities	67,741,481	103,163
Mutual funds	19,668,749	-
Fixed income	37,604,719	-
Total investments	<u>125,014,949</u>	<u>103,163</u>
Receivables		
Contributions receivable	98,151	-
Interest receivable	1,584,448	7,089
Total receivables	<u>1,682,599</u>	<u>7,089</u>
Total assets	<u>129,995,515</u>	<u>3,961,409</u>
LIABILITIES		
Accounts payable	<u>1,469,557</u>	-
Total liabilities	<u>1,469,557</u>	-
NET POSITION		
Restricted for OPEB benefits	27,197,479	-
Restricted for pensions	100,935,581	-
Restricted for other purposes	392,898	3,961,409
Total net position held in trust for pension/OPEB benefits and other purpose	<u>\$ 128,525,958</u>	<u>\$ 3,961,409</u>

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

**CITY OF TYLER, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	EMPLOYEE BENEFIT TRUST FUNDS	PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS		
Contributions:		
Employees	\$ 2,459,413	\$ -
Employer	6,658,171	-
Other	-	270,833
Total contributions	9,117,584	270,833
Investment income:		
Interest and dividend income	4,541,931	164,492
Net depreciation in fair value of investments	9,214,037	5,892
Less investment expense	(428,451)	(3,288)
Total investment income	13,327,517	167,096
Other income	-	-
Total additions	22,445,101	437,929
DEDUCTIONS		
Reimbursement for benefit claims	1,525,848	-
Benefits	6,584,105	-
Total deductions	8,109,953	-
Change in net position	14,335,148	437,929
Net position - beginning of year	115,841,639	3,523,480
Net position - end of year	\$ 130,176,787	\$ 3,961,409

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

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

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

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

Blended Component Unit

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

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

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

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

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

Tyler Fire Department Relief and Retirement Fund

The City's fire department employees participate in the Tyler Fire Department Relief and Retirement Fund (TFDRRF). TFDRRF functions for the benefit of these employees and is governed by a pension board. The City and TFDRRF participants are obligated to fund all TFDRRF costs based upon actuarial valuations. The City is authorized to approve the actuarial assumptions used in the determination of contribution levels. For financial reporting purposes, TFDRRF is reported if it were a part of the City's operations as a fiduciary fund, and therefore is not included in the government wide financial statements. TFDRRF's fiscal year-end is December 31 but the information reported corresponds with the City's September 30, 2025 reporting period. Financial statements of TFDRRF can be obtained directly from the FIRE Pension Board, 1520 West Front St., Tyler, Texas 75702.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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.

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, 2025

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

The government reports the following major proprietary funds:

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

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

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

Additionally, the government reports the following fund types:

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

The City of Tyler reports the following Internal Service Funds:

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

The City of Tyler reports the following Fiduciary Funds:

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

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

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

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

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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.

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

1. Equity in Pooled Cash and Investments

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

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

2. Investments

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

Methods and Assumptions used to Estimate Fair Value

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

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

Investment Pools

The City holds investments in external investment pools, TexStar and Logic.

Texas Local Government Investment Pool (TexStar) and Local Government Investment Cooperative (Logic) were created to provide local governments with a safe and efficient way to invest their funds. Only local governments having contracted to participate in TexStar and Logic have an undivided beneficial interest in their respective pools of assets. TexStar and Logic do not place any restrictions such as notice periods or maximum transaction amounts. They are not registered with the Securities and Exchange Commission as investment companies but are subject to annual review by independent auditors consistent with the Public Funds Investment Act. Audited financial statements of the pools are available by request through their respective websites.

The investment pools carry investments at amortized cost as the pools meet the requirements of GASB 79, *Certain External Investment Pools and Pool Participants*. The investment pools are 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 pools will sell investment securities, as required, to maintain the ratio at a point between .995 and 1.005.

Other

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

3. **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

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

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, 2025, was \$.240085 per \$100, which means that the City has a tax margin of \$1.509915 per \$100 and could raise up to \$207,910,636 additional taxes a year from the present valuation of \$13,769,691,388 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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

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

7. Construction-in-Progress

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

8. Leases

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

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

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

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

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

9. Subscription-Based Information Technology Arrangements – SBITAs

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

10. Restricted Assets

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

Non-Civil Service Employees

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

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

Civil Service Employees

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Civil and Non-Civil Service Employees

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

11. Long-Term Obligations

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

12. Bond Premiums, Discounts, and Issuance Costs

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

13. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) 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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has 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.

14. Fund Equity

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

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

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

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

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

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

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

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

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 \$77,616,757 of restricted net position.

In the City’s governmental activities, there is a deficit unrestricted net position of \$2,552,430 as a result of long-term liabilities for items such as bonds, compensated absences, net pension liability, and OPEB. Because of the focus on current assets and liabilities, the City’s budget is developed to address the needs of current operations. The City plans to fund long-term liabilities in future budgets as those liabilities consume current assets.

16. Tax Abatements

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

17. Pensions and Other Post-Employment Benefits

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

For the fiscal year ending September 30, 2025, the City recognized total pension expense of \$16,895,177, \$11,264,319 of which was for the TMRS Plan and \$5,630,858 for the TFDRRF Plan. For the fiscal year ending September 30, 2025, the City recognized total net OPEB income of \$5,040,333, income of \$4,928,094 of which was for the Health Plan and income of \$112,239 for the TMRS Supplemental Death Benefit Plan.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

18. Estimates

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

19. Encumbrances

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

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

20. Newly Implemented Standards

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement under a unified model and by amending previously required disclosures. The City adopted this guidance as of October 1, 2024. There was no material effect on the financial statements.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. A concentration, as defined by Statement 102, is a lack of diversity related to an aspect of a significant inflow or outflow of resources, for example, a small number of companies that represent a majority of employment in a government's jurisdiction, or a government that relies on one revenue source for most of its revenue. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority, such as a voter approved property tax cap or a state-imposed debt limit. The City adopted this guidance as of October 1, 2024. There was no material effect on the financial statements.

21. Future Implementation of New Standards

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City is evaluating the impact of that adoption of this Statement will have on its financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City is evaluating the impact that adoption of this Statement will have on its financial statements.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(28,788,489) difference are as follows:

Claims and judgement	\$ (100,000)
Lease liabilities	(2,325,829)
SBITA liabilities	(948,559)
Revenue bond	(10,371,040)
Compensation absences	<u>(15,043,061)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (28,788,489)</u>

Another element of that reconciliation states that “Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.” The details of this \$15,795,470 difference are as follows:

Unavailable property tax revenues	\$ 855,467
Unavailable fines	16,395,852
Unavailable permits	<u>40,113</u>
Net adjustment to increase balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 17,291,432</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures”. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this 15,546,575 difference are as follows:

Capital outlay	\$ 24,829,474
Depreciation expense	<u>(16,331,820)</u>
Net adjustment to increase net changes in fund balances - total Governmental funds to arrive at changes in net position of Governmental activities	<u>\$ 8,497,654</u>

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**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTIBILITY

A. Budgetary Information

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

1. After August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in Council chambers at City Hall to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. Budgetary control is established at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Charter prohibits budgeting total proposed expenditures in excess of total anticipated revenues and any unencumbered funds from prior years; therefore, expenditures may not legally exceed revenues and unencumbered fund balances from prior years for each fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, certain Special Revenue Funds (Police Forfeiture Fund, Court Special Fee Fund, Hotel-Motel Occupancy Tax Fund, Passenger Facility Charge Fund, PEG Fee Fund, Homeownership and Housing Fund, CDBG Fund, Home Grant Fund, Housing Assistance Payment Fund, Transit System Fund, TIF/TIRZ #3 Fund), Capital Projects Fund, all Enterprise Funds, all Internal Service Funds and Permanent Funds.

Budgets for the General Fund, certain Special Revenue Funds (Police Forfeiture Fund, Court Special Fee Fund, Hotel-Motel Occupancy Tax Fund, Passenger Facility Charge Fund, PEG Fee Fund, Homeownership and Housing Fund, CDBG Fund, Home Grant Fund, Housing Assistance Payment Fund, Transit System Fund, TIF/TIRZ #3 Fund), Capital Projects Fund and Permanent Funds are adopted by the Council and presented in this report on a basis consistent with generally accepted accounting principles (GAAP). Budgeted expenditures for the General Fund's current fiscal year as adopted in the original budget and amendments thereto were \$97,021,181. Appropriations, which are not expended or encumbered at year-end, must be re-budgeted in the succeeding year.

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

B. Expenditures Over Appropriations

For the year ended September 30, 2025, neither the general fund nor any major special revenue fund had expenditures in excess of appropriations.

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**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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, 2025, are as follows:

Statement of net position:	
Primary Government	
Cash and cash equivalents	\$ 69,944,990
Temporarily restricted cash and cash equivalents	106,916,637
Permanently restricted cash and cash equivalents	3,449,348
Fiduciary Funds	
Cash and cash equivalents	7,149,124
Investments	<u>125,118,112</u>
 Total Cash and Investments	 <u><u>\$ 312,578,211</u></u>
Cash on hand	\$ 9,822
Savings and checking accounts	73,396,832
Cash and cash equivalents held in investment accounts	1,056,347
Investments	<u>238,115,210</u>
 Total Cash and Investments	 <u><u>\$ 312,578,211</u></u>

Custodial Credit Risk – Deposits – At September 30, 2025, the City held several bank accounts, including a NOW interest bearing account, at one financial institution. The City’s bank balances totaled \$75,159,068. All bank balances not covered by federal depository insurance, were covered by collateral held in the pledging financial institutions’ trust department in the City’s name. In accordance with the City’s deposit and investment policy, all deposits placed at a financial institution shall be insured or collateralized in compliance with applicable State law. The City requires market value of pledged securities in excess of 102% of all uninsured deposits.

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CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

A. Deposits and Investments – continued

Investments are stated at fair value or amortized costs, which approximates fair value. As of September 30, 2025, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Risk
Primary Government			
Certificates of deposit	\$ 111,509,485	0.84	N/A
Texas government investment pool	<u>22</u>	0.07	AAAm
Total Primary Government	111,509,507		
Fiduciary Funds			
Equities	67,844,645	N/A	N/A
Mutual Funds	31,345,854	N/A	N/A
Fixed income	<u>27,415,204</u>	N/A	N/A
Total Fiduciary Funds	<u>126,605,703</u>		
Total Reporting Entity	<u>\$ 238,115,210</u>		
Portfolio weighted average maturity (years)		0.84	

Interest Rate Risk– 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 market value of pledged securities in excess of 102% of all uninsured deposits.

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 that are valued under the matrix pricing method, 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, 2025 are as follows:

	Assets at Fair Value as of September 30, 2025			
	Level 1	Level 2	Level 3	Total
Primary Government:				
Certificates of Deposit	\$ -	\$ 111,509,485	\$ -	\$ 111,509,485
Texas government investment pool	-	22	-	22
Total Primary Government	-	111,509,507	-	111,509,507
Fiduciary Funds:				
Equities	67,844,645	-	-	67,844,645
Mutual Funds	31,345,854	-	-	31,345,854
Fixed income	-	27,415,204	-	27,415,204
Total Fiduciary Funds	99,190,499	27,415,204	-	126,605,703
Total Reporting Entity	\$ 99,190,499	\$ 138,924,711	\$ -	\$ 238,115,210

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:

	General Fund	One-Half Cent Sales Tax Fund	Utilities Fund	Sanitation Fund	Airport Fund	Non-Major Governmental Funds	Internal Service Funds	Total
Receivables:								
Accounts	\$ 24,192,863	\$ -	\$ 8,737,805	\$ 2,631,672	\$ 496,055	\$ 841,054	\$ 441,675	\$ 37,341,124
Grants	267,311	-	-	-	-	1,816,256	-	2,083,567
Taxes	10,003,149	3,487,727	-	-	-	-	-	13,490,876
Lease	-	-	59,153	-	-	-	115,344	174,497
Miscellaneous	43,392	65,999	3,032	544	-	-	-	112,967
Gross receivables	34,506,715	3,553,726	8,799,990	2,632,216	496,055	2,657,310	557,019	53,203,031
Less: Allowance for uncollectibles	(7,444,880)	-	(198,597)	(64,209)	-	-	-	(7,707,686)
Net total receivables	\$ 27,061,835	\$ 3,553,726	\$ 8,601,393	\$ 2,568,007	\$ 496,055	\$ 2,657,310	\$ 557,019	\$ 45,495,345

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

C. Lindsey Trust Fund

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

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

The Fund is defined as a Permanent Endowment. The permanent portion or corpus of the Fund is \$25,000, with the remaining amount of the Fund considered net appreciation. Under the terms of the endowment, and consistent with State statutes, distributions from the Fund are to be made from the net appreciation so that the corpus of the fund will not be exhausted or depleted. Distributions may only be made to the City. Ordinary distributions to the City shall be made from the Fund once per calendar year in the amount requested by the City up to a cumulative limit of five percent (5%) of the value of the Fund determined as of the preceding December 31. Any portion of the net appreciation available for distribution which is not withdrawn by the City in one year may be withdrawn in a subsequent year. No additional distributions shall be made from the Fund. To the extent possible, the Donor intends to preserve the permanent portion or corpus of the Fund by limiting distributions to 5% per year. At September 30, 2025, the net appreciation on investments of the Fund was \$5,892.

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

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**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

D. Capital Assets

Governmental and business-type capital asset activity for the year ended September 30, 2025 was as follows:

Governmental activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 17,309,365	\$ 1,274,236	\$ -	\$ 18,583,601
Construction in progress	75,180,973	10,060,855	(16,964,753)	68,277,075
Total capital assets, not being depreciated	<u>92,490,338</u>	<u>11,335,091</u>	<u>(16,964,753)</u>	<u>86,860,676</u>
Capital assets, being depreciated:				
Buildings	71,125,627	146,024	-	71,271,651
Improvements other than buildings	126,363,667	29,524,026	-	155,887,693
Machinery and equipment	94,727,668	6,149,743	(1,927,335)	98,950,076
Infrastructure	397,083,501	-	-	397,083,501
Right-to-use lease assets:				
Equipment	2,141,394	3,518,074	-	5,659,468
Infrastructure	161,241	-	-	161,241
Subscription assets	1,466,753	1,185,700	(1,206,350)	1,446,103
Total capital assets being depreciated	<u>693,069,851</u>	<u>40,523,567</u>	<u>(3,133,685)</u>	<u>730,459,733</u>
Less accumulated depreciation and amortization for:				
Buildings	(32,262,931)	(2,206,965)	-	(34,469,896)
Improvements other than buildings	(90,741,519)	(4,362,197)	-	(95,103,716)
Machinery and equipment	(65,629,665)	(7,082,738)	1,830,629	(70,881,774)
Infrastructure	(261,520,465)	(8,467,335)	-	(269,987,800)
Right-to-use lease assets:				
Equipment	(973,504)	(1,024,011)	-	(1,997,515)
Infrastructure	(21,031)	(7,010)	-	(28,041)
Subscription assets	(1,075,501)	(466,447)	1,206,349	(335,599)
Total accumulated depreciation and amortization	<u>(452,224,616)</u>	<u>(23,616,703)</u>	<u>3,036,978</u>	<u>(472,804,341)</u>
Total capital assets, being depreciated, net	<u>240,845,235</u>	<u>16,906,864</u>	<u>(96,707)</u>	<u>257,655,392</u>
Governmental activities capital assets, net	<u>\$ 333,335,573</u>	<u>\$ 28,241,955</u>	<u>\$ (17,061,460)</u>	<u>\$ 344,516,068</u>

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CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

D. Capital Assets – continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 12,073,047	\$ -	\$ -	\$ 12,073,047
Water Rights	12,526,700	-	-	12,526,700
Construction in progress	46,449,371	70,904,449	(47,723,565)	69,630,254
Total capital assets, not being depreciated	71,049,118	70,904,449	(47,723,565)	94,230,001
Capital assets, being depreciated:				
Buildings	63,500,219	-	-	63,500,219
Improvements other than buildings	471,611,268	47,808,649	-	519,419,917
Machinery and equipment	21,123,530	1,457,942	(1,131,703)	21,449,769
Infrastructure	20,751,447	-	-	20,751,447
Total capital assets being depreciated	576,986,464	49,266,591	(1,131,703)	625,121,352
Less accumulated depreciation and amortization for:				
Buildings	(40,906,225)	(998,027)	-	(41,904,252)
Improvements other than buildings	(175,293,902)	(14,399,037)	-	(189,692,939)
Machinery and equipment	(14,201,436)	(1,405,410)	475,807	(15,131,039)
Infrastructure	(5,709,943)	(453,914)	-	(6,163,857)
Total accumulated depreciation and amortization	(236,111,506)	(17,256,388)	475,807	(252,892,087)
Total capital assets, being depreciated, net	340,874,958	32,010,203	(655,896)	372,229,265
Business-type activities capital assets, net	\$ 411,924,076	\$ 102,914,652	\$ (48,379,461)	\$ 466,459,266

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

Governmental activities:	
General Government	\$ 1,306,439
Public Safety	1,810,557
Highways and streets, including depreciation of general infrastructure assets	10,665,924
Public Services	887,558
Culture and recreation	1,661,341
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	5,787,416
Total depreciation expense - governmental activities	\$ 22,119,235
Business-type activities:	
Utilities	\$ 12,908,347
Sanitation	3,713,331
Airport	634,710
Total depreciation expense - business-type activities	\$ 17,256,388

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, 2025, total water rights were \$12,526,700. Management believes there is no impairment in the value of the water rights at September 30, 2025.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

D. Capital Assets – continued

Construction Commitments

As of September 30, 2025, 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
Rose Complex Convention Center	29,576,543	8,494,355
Group 5 Project	10,068,327	3,641,739
Group 6 Project	8,184,269	8,132,664
Southside WWTP	7,401,492	18,262,686
Golden Rd WTP	5,406,766	2,829,725
Westside WWTP Rehab	4,880,762	1,582,135
Street Reconstruction- Various	4,663,608	172,170
Pavement Enhancement Project	4,576,809	191
Group 2 Project	4,147,361	6,249,055
Traffic Signals	3,834,450	194,350
2025 Asphalt Enhancement	3,375,648	331,303
Legacy Trails	3,282,093	-
Group 3 Project	3,185,564	16,347,191
2024 Water Systems Improvements	3,110,747	593,728
Group 4 Project	2,947,600	9,598,763
Water Meter Replacement Project	1,986,229	-
Emergency Repair & Improvements	1,908,608	338,115
FM 756 Utility Relocation	1,755,619	1,263,299
Projects with less than \$70k spent to date	1,706,519	27,109,627
Miracel League Field	1,629,958	50,400
Lake Tyler Projects	1,518,943	4,246,291
Shackleford Creek Lift Station	1,510,333	264,762
Brick Street Repair	1,382,285	-
S Thompson Drainage	1,329,100	-
Water System Hydraulic Model & Inventory	1,285,306	2,694
Downtown Project	1,234,555	24,381,930
Melinda & Donna St Reconstruction	1,222,872	180,019
HWY 271 12in Waterline Extension	1,170,321	1,377,906
Lake Palestine WTP T&O	1,123,749	746,251
Marsh Road Farm Road	1,123,607	1
CIPP Drainage Improvements	1,080,124	-
Misc Drainage Improvements	1,033,402	20,042
Bellwood Lift Station Abandonment	994,791	809,959
UT Tyler Project	863,268	-
Charleston Lift Station	844,834	41,199
Water Meter Account	803,584	116
Off-System Bridge Maintenance	779,135	520,756
Gilley Creek Lift Station Force Main	590,872	753,503
2024 Stormwater Inlet Box Repairs	578,177	-
Police Training Center Revocations	557,860	1,235,140
Replace Underground Tank	550,486	-
Ferguson Building Improvements	545,043	51,349
Upper Pressure Plane Elevated Storage Tank	460,131	1,328,184

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

D. Capital Assets – continued

Project	Spent To-Date	Estimated Remaining Commitment
Group 7 Project	430,695	472,605
VES Parking Lot	414,206	21,125
Shiloh- S HWY 110 to Old Omen	409,187	100,813
South Tyler Mobility Study	403,088	90,323
Meters & Meter Boxes	367,000	-
2025 Golden Road Clarifier Improvements	299,875	5,289,944
Asset Management	281,252	1,867,730
Fair Plaza Garage Elevator Repair and Updates	238,174	26
2025 Seal Coat Project	224,442	736,583
Annual Recurring Fees Validation Software	220,990	-
TxDOT Utility Relocate	220,462	3,424,056
Bus Shelters	204,794	83,827
Curb Maintance (Paint)	198,008	992
Well Phase 2	188,423	-
2025 Structure Flooding Drainage	183,867	-
Settler's Landing/ Centennial Blvd Extension	177,870	488,436
IT New Building	170,975	1,934,215
2025 Sanitary Sewer Creek Crossing Reroute	170,445	219,555
2024 Sanitary Sewer Reroutes	169,524	1,708,054
Grant 54 Control Tower	156,649	968,351
Sanitary Sewer ROW Clearing	145,844	3,532,521
Fleet Correction	145,408	-
2025 Pedestrian Improvemtns	136,535	-
2025 Type D Creek Crossing	124,088	265,912
Rose City Phase 2	120,697	379,303
2MG Elevated Tank	118,464	1,669,851
WC Issues	117,387	-
Police CSI Roof Replacement Project	116,872	-
Lake Palestine VFD Replacement	113,554	4,514,657
VDTX SFTW Listen System	108,167	-
TMC Build-Out	105,361	44,639
Douglas BLVD Drainage	104,502	256
Lindsey Park	100,851	303,916
Water Conervation and Drought	99,910	90
Copeland Rd Improvements	98,150	31,680
2024 Water Main Improvements	96,525	1,975
Program Management - Creek Crossing	91,704	1,018,296
Winters Park	90,622	409,378
Decommissioning of Water Wells 2,4,&5	84,970	58,130
Water Main Improvements	84,007	93
AWIA Risk & Resiliency Assessment 5 Year Update	83,750	23,750
Capital Dr. Traffic Signal	80,697	111,657
Office Furinture (Westside)	77,389	-
COT PD Training	72,989	9,011
Group 8 Project	71,490	8,395,563

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

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

E. Interfund Receivables, Payables, and Transfers

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

The composition of interfund balances as of September 30, 2025, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	NM Governmental Funds	\$1,302,051
General Fund	NM Internal Service Funds	214,013
General Fund	Airport Fund	571,935
		\$2,087,999

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

The composition of interfund transfers as of September 30, 2025, is as follows:

	Transfer In					Total
	General Fund	One-Half Cent Sales Tax Fund	Nonmajor Governmental Funds	Airport Enterprise Funds	Internal Service Funds	
Transfers Out:						
General Fund	\$ -	\$ -	\$ 4,471,229	\$ -	\$ 101,305	\$ 4,572,534
One-Half Cent Sales Tax Fund	-	-	-	220,457	-	220,457
Nonmajor Governmental Funds	2,977,002	-	-	72,000	25,000	3,074,002
Utilities Enterprise Funds	-	-	175,000	-	50,653	225,653
Sanitation Enterprise Funds	-	-	-	-	50,653	50,653
Totals	\$ 2,977,002	\$ -	\$ 4,646,229	\$ 292,457	\$ 227,611	\$ 8,143,299

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CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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, 2025, operating leases consisted of the following:

GOVERNMENTAL ACTIVITIES

	Balance as of			Balance as of
	October 1, 2024	Additions	Reductions	September 30, 2025
Lease Assets				
Equipment				
Pitney Bowes Lease-SLA Equipment	\$ 19,294	\$ -	\$ -	\$ 19,294
Pitney Bowes Lease-Send Pro P Series	28,759	-	-	28,759
Xerox Copiers	348,249	-	-	348,249
PD Body Cams	451,480	-	-	451,480
Breathing Apparatus	236,499	-	-	236,499
Dell servers	1,057,113	-	-	1,057,113
Dell Financial Services	-	590,173	-	590,173
Fire Truck 2025	-	2,927,901	-	2,927,901
Total Equipment Lease Assets	2,141,394	3,518,074	-	5,659,468
Infrastructure				
702 West Cumberland Rd - Radio Tower	161,241	-	-	161,241
Total Infrastructure Lease Assets	161,241	-	-	161,241
Total Lease Assets	2,302,635	3,518,074	-	5,820,709
Lease Accumulated Amortization				
Equipment				
Pitney Bowes Lease-SLA Equipment	11,820	3,940	-	15,760
Pitney Bowes Lease-Send Pro P Series	17,598	5,866	-	23,464
Xerox Copiers	239,421	87,062	-	326,483
PD Body Cams	360,476	91,004	-	451,480
Breathing Apparatus	177,374	59,125	-	236,499
Dell servers	166,814	222,421	-	389,235
Dell Financial Services	-	58,050	-	58,050
Fire Truck 2025	-	496,544	-	496,544
Total Equipment Lease Accumulated Amortization	973,503	1,024,012	-	1,997,515
Infrastructure				
702 West Cumberland Rd - Radio Tower	21,031	7,010	-	28,041
Total Infrastructure Lease Assets	21,031	7,010	-	28,041
Total Lease Accumulated Amortization	994,534	1,031,022	-	2,025,556
Total Governmental Lease Assets, Net	\$ 1,308,101	\$ 2,487,052	\$ -	\$ 3,795,153

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

F. Leases – continued

Principal and interest requirements to maturity for the lease liability at September 30, 2025 are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 940,954	\$ 40,283	\$ 981,237
2027	908,417	28,196	936,613
2028	898,594	15,433	914,027
2029	652,334	1,908	654,242
2030	104,960	1,802	106,762
2031 - 2035	140,760	7,369	148,129
2036 - 2040	37,534	4,466	42,000
2041 - 2044	32,279	1,320	33,599
Total	\$ 3,715,832	\$ 100,777	\$ 3,816,609

City as Lessor

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

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

Principal and interest to maturity for the lease receivable at September 30, 2025 are as follows:

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	23,530	358	23,888
2027	23,705	184	23,889
2028	11,919	26	11,945
Total	\$ 59,154	\$ 568	\$ 59,722

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	4,036	1,964	6,000
2027	4,104	1,895	5,999
2028	4,174	1,825	5,999
2029	4,245	1,755	6,000
2030	4,318	1,682	6,000
2031 - 2035	22,717	7,283	30,000
2036 - 2040	24,718	5,282	30,000
2041 - 2045	27,444	3,101	30,545
2046 - 2049	19,587	678	20,265
Total	\$ 115,343	\$ 25,465	\$ 140,808

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

F. Leases – continued

The balance of the deferred inflows of resources related to lease payments receivable as of September 30, 2025 were as follows:

Deferred Inflows of Resources	Balance as of September 30, 2025
Business-Type Activities	\$ 54,993
Government Type Activities	112,637
Total	\$ 167,630

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

Inflows of Resources	Governmental Activities	Total
Lease Revenue	27,453	\$ 27,453
Interest Revenue	2,563	\$ 2,563

Regulated Leases

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

The City has regulated leases for the following City property:

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

The future expected minimum rentals to be received related to existing regulated leases as of September 30, 2025 are as follows:

Fiscal Year	Future Minimum Expected Receipts
2026	\$ 137,697
2027	115,334
2028	115,334
2029	115,334
2030	103,563
2031 - 2035	500,380
2036 - 2040	406,619
2041 - 2045	353,522
2046 - 2050	328,562
2051 - 2053	64,773
	\$ 2,241,118

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

G. Subscription-based information technology arrangements - SBITAs

As of September 30, 2025, the City has several active subscriptions. The subscriptions have payments that range from \$6,753 to \$237,140 and interest rates that range from 2.7857% to 3.2687%. As of September 30, 2025, the total combined value of the subscription liability is \$998,016 and the total combined value of the short-term subscription liability is \$286,596. The combined value of the right to use asset, as of September 30, 2025 of \$1,446,103 with accumulated amortization of \$335,599 is included within the Subscription Class activities table found below.

At September 30, 2025, SBITAs consisted of the following:

GOVERNMENTAL ACTIVITIES:	Balance as of			Balance as of
	October 1, 2024	Additions	Reductions	September 30, 2025
Subscription Assets				
Software				
Bibliotheca SaaS	\$ 19,637	\$ -	\$ -	\$ 19,637
Darktrace DETECT Platform	195,218	-	-	195,218
Microsoft 365 - Azure	876,048	-	876,048	-
DebtBook	45,548	-	-	45,548
Granicus at Carahsoft	-	1,185,700	-	1,185,700
Total Subscription Assets	\$ 1,136,451	\$ 1,185,700	\$ 876,048	\$ 1,446,103
Subscription Accumulated Amortization				
Software				
Bibliotheca SaaS	\$ 9,866	\$ 4,933	\$ -	\$ 14,799
Darktrace DETECT Platform	61,006	48,805	-	109,811
Microsoft 365 - Azure	657,035	219,013	876,048	-
DebtBook	17,292	15,183	-	32,475
Granicus at Carahsoft	-	178,514	-	178,514
Total Software Subscription Accumulated Amortization	\$ 745,199	\$ 466,448	\$ 876,048	\$ 335,599
Total Governmental Subscription Assets, Net	\$ 391,252	\$ 719,252	\$ -	\$ 1,110,504

Principal and interest requirements to maturity for the lease liability at September 30, 2025 are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 286,596	\$ 37,803	\$ 324,399
2027	237,140	27,319	264,459
2028	237,140	18,212	255,352
2029	237,140	9,106	246,246
	\$ 998,016	\$ 92,440	\$ 1,090,456

H. Long-term debt

Revenue Bonds

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

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

H. Long-term debt - continued

Revenue bonds currently outstanding are as follows:

Issue	Purpose	Interest Rates	Amount
Series 2012	Water and sewer refunding	1.50 to 2.625%	\$ 280,000
Series 2013	Customer facility use	3.76%	290,000
Series 2015A	Water refunding and improvements	2.00 to 4.00%	5,820,000
Series 2015B	Water and sewer refunding	2.00 to 5.00%	6,460,000
Series 2017A	Water and sewer refunding	3.00 to 4.00%	2,135,000
Series 2017B	Water and sewer refunding	2.00 to 3.50%	7,950,000
Series 2018A	Water and sewer revenue	3.00 to 4.00%	6,160,000
Series 2018B	Water and sewer refunding	3.00%	3,000,000
Series 2019	Water and sewer revenue	2.00 to 5.00%	17,330,000
Series 2020	Water and sewer revenue	2.00 to 3.00%	2,285,000
Series 2021	Hotel occupancy tax revenue	2.00 to 5.00%	8,350,000
Series 2021	Water and Sewer revenue	2.00 to 5.00%	24,775,000
Series 2022	Water and sewer revenue	2.00 to 5.00%	38,745,000
Series 2023	Water and Sewer revenue	2.00 to 5.00%	59,605,000
Series 2025	Water and sewer revenue	5.00%	43,930,000
Total outstanding revenue bonds			<u><u>\$ 227,115,000</u></u>

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

Year ending September 30	Principal	Interest	Total
2026	\$ 8,250,000	\$ 9,504,658	\$ 17,754,658
2027	8,905,000	8,827,188	17,732,188
2028	9,145,000	8,453,966	17,598,966
2029	8,780,000	8,060,506	16,840,506
2030	9,200,000	7,672,506	16,872,506
2031-2035	37,685,000	33,585,510	71,270,510
2036-2040	34,485,000	26,863,135	61,348,135
2041-2045	38,950,000	19,939,352	58,889,352
2046-2050	43,535,000	11,742,870	55,277,870
2051-2055	28,180,000	3,198,700	31,378,700
	<u><u>\$ 227,115,000</u></u>	<u><u>\$ 137,848,391</u></u>	<u><u>\$ 364,963,391</u></u>

Cash in the amount of \$3,630,487 as restricted at September 30, 2025 in order to fund the City's annual debt service requirements, to meet the debt service reserve fund requirements of bond covenants and for construction costs in connection with the 2013 Customer Facility Charge Bonds. Revenue bonds are subject to the provisions of the Internal Revenue Code of 1986 related to arbitrage and interest tax regulations under these provisions.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

H. Long-term debt - continued

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Beginning Balance 10/1/2024	Additions	Reductions	Ending Balance 9/30/2025	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Revenue bonds payable	\$ 8,600,000	\$ -	\$ 250,000	\$ 8,350,000	\$ 260,000	\$ 8,090,000
ADD: bond premiums/(discounts)	1,459,864	-	66,357	1,393,507	-	1,393,507
Claims and judgements	100,000	-	-	100,000	100,000	-
Lease liability	1,248,482	3,518,075	1,050,725	3,715,832	940,954	2,774,878
Subscription liability	121,817	1,185,700	309,501	998,016	286,596	711,420
Net pension liability	80,467,395	-	8,914,630	71,552,765	-	71,552,765
Net OPEB liability	2,548,086	-	541,323	2,006,763	-	2,006,763
Compensated absences	15,678,324	944,481	618,938	16,003,867	627,533	15,376,334
Governmental activities						
Long-term liabilities	<u>\$ 110,223,968</u>	<u>\$ 5,648,256</u>	<u>\$ 11,751,474</u>	<u>\$ 104,120,750</u>	<u>\$ 2,215,083</u>	<u>\$ 101,905,667</u>
Business-Type Activities:						
Revenue bonds payable	\$ 182,160,000	\$ 43,930,000	\$ 7,325,000	\$ 218,765,000	\$ 7,990,000	\$ 210,775,000
ADD: bond premium/(discount)	9,417,630	1,237,915	538,702	10,116,843	-	10,116,843
Net pension liability	16,028,611	-	2,382,027	13,646,584	-	13,646,584
Net OPEB liability	962,203	-	198,866	763,337	-	763,337
Compensated absences	978,923	43,195	39,156	982,962	39,319	943,643
Business-Type Activities						
Long-Term Liabilities	<u>\$ 209,547,367</u>	<u>\$ 45,211,110</u>	<u>\$ 10,483,751</u>	<u>\$ 244,274,726</u>	<u>\$ 8,029,319</u>	<u>\$ 236,245,407</u>

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

The City has defeased certain bonds by placing the proceeds of new bond issues in an irrevocable trust for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. The 2017A Series bonds were issued to refund the remaining portion of the 2008 Series bonds and resulted in a \$80,000 reduction in the City's debt service fund. The 2017B Series bonds were issued to retire the 2009 Series bonds and this issue resulted in an economic gain of \$286,681 to the City and the debt service fund was reduced by \$273,921 as a result of the issuance of these bonds. The 2020A Series bonds were issued to retire the 2011 Series bond, which resulted in the City's debt service fund being reduced by \$395,000. At September 30, 2025, \$16,180,000 of bonds outstanding are considered defeased. The issues and amounts of outstanding defeased bonds are as follows:

Bond Issue	Year Refunded	Outstanding
Series 2017A Water and Sewer System Refunding Bonds	2008	\$ 2,335,000
Series 2017B Water and Sewer System Refunding Bonds	2009	8,230,000
Series 2018B Water and Sewer System Refunding Bonds	2009	3,365,000
Series 2020A Water and Sewer System Refunding Bonds	2011	2,250,000
Total Bonds Defeased		<u>\$ 16,180,000</u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 5: OTHER INFORMATION

A. Risk management

Property and Casualty Insurance Plans

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

Worker's Compensation Plan

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

Health, Dental, and Life Plans

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

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

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

Medicare Eligible Retirees/Dependents

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

DENTAL - Employees/Retirees

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

A. Risk management - continued

LIFE INSURANCE - Employees/Retirees

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

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

Other Self-Insurance Plans

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

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

B. Contingent liabilities

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

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's management and collective legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City. City management and the collective legal counsel have determined the estimated liability for outstanding lawsuit contingencies at September 30, 2025, was \$100,000. See Note 4: G for a reconciliation of changes in claims and judgments.

The City's self-insurance program is described in Note 5: A. The following is a reconciliation of the changes in the estimated liabilities for claims payable within 90 days for the years ended September 30, 2025 and 2024:

	Insurance Claims Payable At Beginning of Year	Current Year Claims and Changes In Estimates	Actual Claim Payments	Insurance Claims Payable At End of Year
Employees Benefits Fund				
FYE 2024	\$ 465,331	\$ 14,235,878	\$ 13,822,845	\$ 878,364
FYE 2025	878,364	13,121,968	13,260,649	739,683
Retiree Benefits Fund				
FYE 2024	\$ 57,381	\$ 1,735,841	\$ 1,796,986	\$ (3,314)
FYE 2025	(3,314)	1,101,966	1,063,891	34,761

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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, 2025, the City budgeted funding of \$200,000 for the District. The City's equity interest in the District at September 30, 2025 is \$4,197,980. The Health District’s total fund balance at September 30, 2025 was approximately \$6.8 million. Financial statements for the Health District may be obtained at the entity's administrative offices.

D. Deferred Compensation

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement death, or an unforeseeable emergency. The plan assets are not part of the City’s financial statements because a third-party administrator holds these plan assets in trust. The market value and carrying value of deferred compensation plan assets is \$33,276,719 for September 30, 2025.

E. Pension Plans

	<u>Net Pension Asset/(Liability)</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension Expense (Income)</u>
Tyler Fire Department Retirement Fund	\$ (36,583,308)	\$ 9,159,974	\$ (621,659)	\$ 5,434,804
TMRS Pension	(48,616,041)	26,020,639	(18,513,832)	11,264,319
	<u>\$ (85,199,349)</u>	<u>\$ 35,180,613</u>	<u>\$ (19,135,491)</u>	<u>\$ 16,699,123</u>

1. Texas Municipal Retirement System Plan

TMRS Plan Description

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

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

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

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

E. Pension Plans - continued

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:

	Plan Year 2024	Plan Year 2023
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Year required for vesting	5	5
Service retirement eligibility	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating Transfers	100% Repeating Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Employees Covered by Benefit Terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2024	12/31/2023
Inactive employees or beneficiaries currently receiving benefits	646	639
Inactive employees entitled to but not yet receiving benefits	376	368
Active employees	722	707
	1,744	1,714

Contributions

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

Employees for the City of Tyler were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Tyler were 22.03% and 22.27% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$11,493,654, and exceeded the required contributions by \$1,364.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

E. Pension Plans - continued

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary Increases	3.60% to 11.85%, including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are 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 the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.10%
Core Fixed Income	6.00%	5.00%
Non-Core Fixed Income	6.00%	6.80%
Hedge Funds	5.00%	6.40%
Private equity	13.00%	8.50%
Private Debt	13.00%	8.20%
Real Estate	12.00%	6.70%
Infrastructure	6.00%	6.00%
Other Private Markets	4.00%	7.30%
Total	100.00%	

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

E. Pension Plans - continued

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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 12/31/2023	\$ 319,263,092	\$ 261,627,300	\$ 57,635,792
Changes for the year:			
Service cost	8,807,900	-	8,807,900
Interest	21,317,554	-	21,317,554
Change of benefit terms	-	-	-
Difference between expected and actual experience	2,252,636	-	2,252,636
Changes of assumptions	-	-	-
Contributions - employer	-	10,880,137	(10,880,137)
Contributions - employee	-	3,529,240	(3,529,240)
Net investment income	-	27,166,884	(27,166,884)
Benefit payments, including refunds of employee contributions	(15,702,847)	(15,702,847)	-
Administrative expense	-	(174,343)	174,343
Other changes	-	(4,077)	4,077
Net changes	16,675,243	25,694,994	(9,019,751)
Balance at 12/31/2024	\$ 335,938,335	\$ 287,322,294	\$ 48,616,041

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 94,127,507	\$ 48,616,041	\$ 11,124,234

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2025, the City recognized pension expense of \$11,264,319.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

E. Pension Plans - continued

At September 30, 2025, 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	\$ 3,624,541	\$ -
Changes in actuarial assumptions	-	1,211,295
Difference between projected and actual investment earnings	14,379,264	17,302,537
Contributions subsequent to the measurement date	8,016,834	-
Total	\$ 26,020,639	\$ 18,513,832

E. Pension Plans - continued

\$8,016,834 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, 2026. 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	
2025	\$ 1,660,450
2026	3,565,602
2027	(3,834,674)
2028	(1,901,405)
2029	-
Thereafter	-
	\$ (510,027)

2. Tyler Firefighter's Relief and Retirement Fund

Plan Description

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

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

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

E. Pension Plans - continued

Benefits Provided

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

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

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

Members Covered by the Fund

In the December 31, 2024 actuarial valuation, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	117
Inactive employees entitled to but not yet receiving bene	-
Active employees	165
	282

Funding Policy

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

The funding policy of the Tyler Firefighters' Relief and Retirement Fund requires contributions equal to 13.50% of pay by the firefighters, the rate elected by the firefighters according to TLFFRA. The City currently contributes according to an agreement between the City and the Fund's board of trustees. In 2020, the City agreed to a new contribution policy that will contribute 23% over the remainder of the unfunded liability amortization period. This new policy will gradually phase in from the 21.38% contribution rate to an ultimate rate of 23%. The actual City contribution rate was 22.50% in 2024 and 23.00% in 2025. The costs of administering the plan are paid from the Fund assets.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

E. Pension Plans - continued

Ultimately, the funding policy also depends upon the total return of the Fund’s assets, which varies from year to year. Investment policy decisions are established and maintained by the board of trustees. The board selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year ending December 31, 2024, the money-weighted rate of return on pension plan investments was 13.15%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

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

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, 2024.

Total pension liability		\$ 127,679,498
Plan fiduciary net position		<u>91,096,190</u>
City's net pension liability		\$ 36,583,308
Plan fiduciary net position as a		
percentage of the total pension liability		71.3%

Actuarial Method and Assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

E. Pension Plans - continued

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 4.08%) and by adding expected inflation (2.75%). In addition, the final 7% assumption was selected by “rounding up”. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities		
Large cap domestic	29.00%	5.94%
Mid cap domestic	9.00%	5.83%
Small cap domestic	6.00%	5.88%
International developed	7.00%	6.50%
International developing	5.00%	7.26%
Alternatives		
Real estate	5.00%	3.88%
Commodities	5.50%	1.11%
Fixed income		
Domestic core	19.30%	2.00%
Domestic high yield	4.00%	2.77%
Global	5.00%	1.70%
Domestic bank loan	3.70%	2.14%
Cash	1.50%	0.00%
Total	100.00%	
Weighted Average		4.33%

Discount Rate

The discount rate used to measure the total pension liability was 7%. No projection of cash flows was used to determine the discount rate because the December 31, 2024 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 25 years. Because of the 25-year amortization period of the UAAL, the pension plan’s fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

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

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

	1% Decrease in Discount Rate (6%)	Discount Rate (7%)	1% Increase in Discount Rate (8%)
City's net pension liability	\$ 51,953,471	\$ 36,583,308	\$ 23,696,151

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

E. Pension Plans - continued

Plan Fiduciary Net Position

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance as of September 30, 2024	\$ 122,212,262	\$ 83,352,048	\$ 38,860,214
Changes for the year:			
Service cost	3,146,502	-	3,146,502
Interest	8,556,849	-	8,556,849
Difference between expected and actual experience	-	-	-
Contributions by the City	-	3,573,905	(3,573,905)
Firefighter contributions	-	2,144,501	(2,144,501)
Net investment income	-	8,396,978	(8,396,978)
Benefit payments	(6,236,115)	(6,236,115)	-
Administrative expenses	-	(135,127)	135,127
Assumption changes	-	-	-
Other changes	-	-	-
Net changes	5,467,236	7,744,142	(2,276,906)
Balance as of September 30, 2025	<u>\$ 127,679,498</u>	<u>\$ 91,096,190</u>	<u>\$ 36,583,308</u>

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

For the year ended September 30, 2025, the City's GASB 68 pension expense was \$5,634,804. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

Components of Pension Expense for the Fiscal Year Ended September 30, 2025:

Components of Pension Expense	
Service cost	\$ 3,146,502
Interest	8,556,849
Firefighter contributions	(2,144,501)
Projected earnings on pension plan investments	(5,811,794)
Amortization of differences between projected and actual earnings on plan investments	546,888
Amortization of changes of assumptions	1,057,459
Amortization of differences between expected and actual experience	(51,726)
Pension plan administrative expenses	135,127
Changes in benefit provisions	-
Total pension expense	<u>\$ 5,434,804</u>

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

E. Pension Plans - continued

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	\$ 1,467,760	\$ 621,659
Changes in actuarial assumptions	3,090,779	-
Difference between projected and actual investment earnings	1,838,294	-
Contributions subsequent to the measurement date	2,763,141	-
Total	<u>\$ 9,159,974</u>	<u>\$ 621,659</u>

\$2,763,141 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, 2026. 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	
2026	\$ 2,463,414
2027	3,306,547
2028	(629,199)
2029	112,156
2030	388,816
Thereafter	133,440
Total	<u>\$ 5,775,174</u>

F. Post-Employment Benefits Other Than Pensions

1. Health Plan

	Net OPEB Asset/(Liability)	Deferred Outflows	Deferred Inflows	OPEB Expense (Income)
Health Plan	\$ 4,612,023	\$ 369,458	\$ (3,743,642)	\$ (2,352,159)
TMRS Supplemental Death Benefit	(2,770,100)	619,656	(527,680)	181
	<u>\$ 1,841,923</u>	<u>\$ 989,114</u>	<u>\$ (4,271,322)</u>	<u>\$ (2,351,978)</u>

Plan Description

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

The plan does not issue a stand-alone report.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

F. Post-Employment Benefits Other Than Pensions - continued

Benefits Provided

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

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

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

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

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

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

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

Employees Covered by Benefit Terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	502
Inactive employees entitled to but not yet receiving benefits	-
Active employees	864
	1,366

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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

F. Post-Employment Benefits Other Than Pensions

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

	Medical Plan	Dental Plan	Vision Plan	
			Gold 100	Gold 150
Employee only	\$ 117.84	\$ 9.82	\$ 5.23	\$ 5.84
Employee + Spouse	392.96	36.10	8.84	9.98
Employee + Child(ren)	305.34	34.96	9.41	10.59
Employee + Family	532.46	54.34	14.06	15.87

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, 2024, 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, 2024, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	TMRS: 3.60% to 11.85%, including inflation FIRE: 2.75% to 8.92%, including inflation
Healthcare cost trend rates	Initial rates of 7.20% declining to ultimate rates of 4.25% after 15 years

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

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

The actuarial assumptions for TMRS members are based on the assumptions that were developed for the defined benefit plan in which the City participates. The assumptions are based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement Plan (TMRS). The assumptions for firefighters are based on the pension valuation report provided by the City as of December 31, 2022.

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

F. Post-Employment Benefits Other Than Pensions

Discount Rate

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

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.25%; the municipal bond rate is 4.08% (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 December 31, 2023	\$ 21,737,427	\$ 21,085,621	\$ 651,806
Changes for the year:			
Service cost	392,760	-	392,760
Interest on the total OPEB liability	1,307,340	-	1,307,340
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(14,629)	-	(14,629)
Changes in assumptions	-	-	-
Employer contributions	-	4,807,323	(4,807,323)
Net investment income	-	2,187,917	(2,187,917)
Benefit payments	(2,032,748)	(2,032,748)	-
Administrative expenses	-	(45,940)	45,940
Other	-	-	-
Net Changes	(347,277)	4,916,552	(5,263,829)
Balances as of December 31, 2024	\$ 21,390,150	\$ 26,002,173	\$ (4,612,023)

Sensitivity Analysis

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

	1% Decrease in Discount Rate (5.25%)	Discount Rate (6.25%)	1% Increase in Discount Rate (7.25%)
Net OPEB Liability	\$ (3,206,187)	\$ (4,612,023)	\$ (5,884,089)

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

F. Post-Employment Benefits Other Than Pensions – continued

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ (5,839,798)	\$ (4,612,023)	\$ (3,230,449)

OPEB Income

For the year ended September 30, 2025, the City recognized OPEB income of \$2,352,159.

Components of OPEB Expense	
Service cost	\$ 392,760
Interest on total OPEB liability	1,307,340
Current-period benefit changes	-
Employee contributions	-
Projected earnings on OPEB plan investments	(1,403,121)
OPEB plan administrative expenses	45,939
Other changes in plan fiduciary net position	-
Recognition of current year outflow/(inflow) due to liabilities	(2,373)
Recognition of current year outflow/(inflow) due to assets	(156,959)
Amortization of prior year outflow/(inflow) due to liabilities	(2,784,308)
Amortization of prior year outflow/(inflow) due to assets	248,563
Total OPEB expense	<u>\$ (2,352,159)</u>

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

At September 30, 2025, 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	\$ 185,850	\$ 2,612,415
Changes in actuarial assumptions	105,477	1,112,650
Difference between projected and actual investment earnings	78,131	18,577
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 369,458</u>	<u>\$ 3,743,642</u>

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

F. Post-Employment Benefits Other Than Pensions – continued

The City had \$0 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction/(addition) of the total OPEB liability for the year ending September 30, 2026. The employer contributions include trust contributions of \$2,888,712 plus the benefit payments paid by the City of \$2,348,770 minus the trust reimbursements of \$2,265,307. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2025	\$ (930,722)
2026	(684,734)
2027	(953,004)
2028	(726,005)
2029	(79,328)
Thereafter	(391)
	\$ (3,374,184)

2. Supplemental Death Benefits Plan

Plan Description

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

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

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

Benefits Provided

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

Employees Covered by Benefit Terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2023	12/31/2023
Inactive employees currently receiving benefits	509	507
Inactive employees entitled to but not yet receiving benefits	90	86
Active employees	722	707
	1,321	1,300

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

F. Post-Employment Benefits Other Than Pensions - continued

Contributions

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

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

For calendar year 2025, the total SDB contributions rate for the City was 0.41%, while the retiree portion of the SDB contribution was 0.22%. The City's contributions for the year ended September 30, 2025, were \$112,420 for the retiree portion, and \$217,403 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, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.60% to 11.85% including inflation
Discount rate *	4.08%
Retiree's share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality

* The discount rate was based on the Bond Buyer "20-Bond GO Index" rate as of December 31, 2024.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 actuarial valuation.

Changes in the Total OPEB Liability

	Increase (Decrease)
	Total OPEB
	Liability
Balance at 12/31/2023	\$ 2,858,483
Changes for the year:	
Service cost	95,738
Interest	107,480
Change of benefit terms	-
Difference between expected and actual experience	(47,137)
Changes of assumptions or other inputs	(133,609)
Benefit payments	(110,855)
Net changes	(88,383)
Balance at 12/31/2024	\$ 2,770,100

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.08%, would be if it were calculated using a discount rate that is 1-percentage-point lowers (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

	1% Decrease in		Discount Rate (4.08%)		1% Increase in
	Discount Rate (3.08%)				Discount Rate (5.08%)
Total OPEB Liability	\$ 3,236,585	\$	2,770,100	\$	2,397,099

**CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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, 2025, the City recognized OPEB expense of \$181.

Components of OPEB Expense	
Service cost	\$ 95,738
Interest on total OPEB liability	107,480
Changes in benefit terms	-
Employer administrative costs	-
Recognition of deferred outflows/inflows of resources:	
Differences between expected and actual experience	(41,732)
Changes in assumptions or other inputs	(161,305)
Total OPEB expense	<u>\$ 181</u>

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

At September 30, 2025, 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	\$ -	\$ 71,545
Changes in actuarial assumptions	-	456,135
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	619,656	-
Total	<u>\$ 619,656</u>	<u>\$ 527,680</u>

The City had \$619,656 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, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2025	\$ (263,800)
2026	(213,508)
2027	(24,446)
2028	(25,926)
2029	-
Thereafter	-
	<u>\$ (527,680)</u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

G. Commitments

The City invested in other projects and contracts with outside parties. The more significant of these at September 30, 2025, 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.

H. Landfill Closure and Post-closure Costs

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

J. Subsequent Events

Subsequent to year ended September 30, 2025, the City began the process for issuance on Revenue Bonds to assist with refunding of old debt and create funding for new projects that have been approved by Council. On March 25, 2026, the Council will vote to approve the issuance of Water & Sewer System Revenue Bonds in the amount of \$82,240,000, with \$12,240,000 being used to refund the existing 2015A and 2015B Series and \$70,000,000 will be new debt to use for future projects. Subsequent events were evaluated through March 9, 2026, 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, 2025

	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total pension liability										
Service Cost	\$ 5,126,201	\$ 5,561,888	\$ 5,616,579	\$ 5,645,418	\$ 5,888,461	\$ 6,538,350	\$ 7,005,071	\$ 7,462,072	\$ 7,838,386	\$ 8,807,900
Interest (on the Total Pension Liability)	14,704,123	14,812,165	15,456,387	16,127,408	16,704,156	17,359,476	18,090,098	19,191,678	20,441,509	21,317,554
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual results	(331,903)	(473,353)	(196,987)	(1,686,661)	(1,141,178)	(159,058)	4,626,384	5,894,474	2,240,320	2,252,636
Change of assumptions	(478,359)	-	-	-	347,014	-	-	-	(2,754,349)	-
Benefit payments, including refunds of employee contributions	(9,713,879)	(10,000,772)	(10,767,252)	(11,131,440)	(12,195,107)	(12,634,794)	(13,661,415)	(13,599,266)	(14,841,488)	(15,702,847)
Net Change in Total Pension Liability	9,306,183	9,899,928	10,108,727	8,954,725	9,603,346	11,103,974	16,060,138	18,948,958	12,924,378	16,675,243
Total Pension Liability - Beginning	212,352,735	221,658,918	231,558,846	241,667,573	250,622,298	260,225,644	271,329,618	287,389,756	306,338,714	319,263,092
Total Pension Liability - Ending (a)	\$ 221,658,918	\$ 231,558,846	\$ 241,667,573	\$ 250,622,298	\$ 260,225,644	\$ 271,329,618	\$ 287,389,756	\$ 306,338,714	\$ 319,263,092	\$ 335,938,335
Plan Fiduciary Net Position										
Contributions - Employer	\$ 7,010,794	\$ 7,040,230	\$ 7,170,297	\$ 7,214,614	\$ 7,579,707	\$ 8,375,887	\$ 8,969,352	\$ 9,363,589	\$ 9,792,055	\$ 10,880,137
Contributions - Employee	2,327,022	2,388,648	2,420,194	2,438,458	2,539,876	2,801,479	2,982,695	3,175,209	3,319,341	3,529,239
Net Investment Income	238,696	10,912,920	23,797,094	(5,816,547)	28,874,055	16,195,750	29,723,296	(18,674,379)	27,328,225	27,166,884
Benefit payments, including refunds of employee contributions	(9,713,879)	(10,000,772)	(10,767,252)	(11,131,440)	(12,195,107)	(12,634,794)	(13,661,415)	(13,599,266)	(14,841,488)	(15,702,847)
Administrative Expense	(145,395)	(123,252)	(123,321)	(112,418)	(163,154)	(104,816)	(137,546)	(161,649)	(173,918)	(174,343)
Other	(7,181)	(6,641)	(6,250)	(5,873)	(4,901)	(4,089)	942	192,895	(1,215)	(4,076)
Net Change in Plan Fiduciary Net Position	(289,943)	10,211,133	22,490,762	(7,413,206)	26,630,476	14,629,417	27,877,324	(19,703,601)	25,423,000	25,694,994
Plan Fiduciary Net Position - Beginning	161,771,939	161,481,996	171,693,129	194,183,891	186,770,685	213,401,161	228,030,578	255,907,901	236,204,300	261,627,300
Plan Fiduciary Net Position - Ending (b)	\$ 161,481,996	\$ 171,693,129	\$ 194,183,891	\$ 186,770,685	\$ 213,401,161	\$ 228,030,578	\$ 255,907,901	\$ 236,204,300	\$ 261,627,300	\$ 287,322,294
Net Pension Liability (Asset) - Ending (a)-(b)	\$ 60,176,922	\$ 59,865,717	\$ 47,483,682	\$ 63,851,613	\$ 46,824,483	\$ 43,299,040	\$ 31,481,855	\$ 70,134,414	\$ 57,635,792	\$ 48,616,041
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.85%	74.15%	80.35%	74.52%	82.01%	84.04%	89.05%	77.11%	81.95%	85.53%
Covered Payroll	\$ 33,222,301	\$ 34,080,198	\$ 34,542,306	\$ 34,783,842	\$ 36,281,338	\$ 39,817,416	\$ 42,609,922	\$ 45,362,142	\$ 47,419,151	\$ 50,388,445
Net Pension Liability as a Percentage of Covered Payroll	181.13%	175.66%	137.47%	183.57%	129.06%	108.74%	73.88%	154.61%	121.55%	96.48%

**CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 7,323,791	\$ 7,067,763	\$ 7,242,722	\$ 7,480,539	\$ 7,930,591	\$ 8,631,602	\$ 9,404,910	\$ 9,711,882	\$ 10,666,266	\$ 11,492,290
Contributions in relation to the actuarially determined contributions	7,323,791	7,067,763	7,242,722	7,480,539	7,930,591	8,631,602	9,404,910	9,711,604	10,669,216	11,493,654
Contribution deficiency (Overpayment)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278	\$ (2,950)	\$ (1,364)
Covered payroll	\$ 35,299,165	\$ 34,107,320	\$ 34,968,816	\$ 35,884,086	\$ 37,823,838	\$ 41,049,345	\$ 44,647,369	\$ 47,037,135	\$ 49,998,205	\$ 52,026,995
Contributions as a percentage of covered payroll	20.75%	20.72%	20.71%	20.85%	20.97%	21.03%	21.06%	20.65%	21.34%	22.09%

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	21 Years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement PUB(10) mortality rates, with the 110% of the Public Safety table used for males and th 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other Information:	There were no benefit changes during the year.

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' RELIEF AND RETIREMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total pension liability										
Service Cost	\$ 2,215,179	\$ 2,248,539	\$ 2,327,238	\$ 2,303,706	\$ 2,382,032	\$ 2,548,466	\$ 2,624,920	\$ 2,802,208	\$ 2,879,269	\$ 3,146,502
Interest (on the Total Pension Liability)	6,277,350	6,474,280	6,684,234	6,849,003	7,121,777	7,296,397	7,506,525	7,849,328	8,153,409	8,556,849
Changes in benefit terms	-	-	-	158,198	-	-	-	-	-	-
Difference between expected and actual experience	198,165	-	(1,038,495)	-	(1,839,950)	-	1,726,837	-	713,621	-
Change of assumptions	808,186	-	1,214,295	-	4,861,656	-	2,949,576	-	-	-
Benefit payments, including refunds of employee contributions	(5,498,546)	(6,299,846)	(5,814,190)	(4,940,827)	(6,247,265)	(7,770,776)	(6,275,210)	(6,505,116)	(6,264,071)	(6,236,115)
Net Change in Total Pension Liability	4,000,334	2,422,973	3,373,082	4,370,080	6,278,250	2,074,087	8,532,648	4,146,420	5,482,228	5,467,236
Total Pension Liability - Beginning	81,532,160	85,532,494	87,955,467	91,328,549	95,698,629	101,976,879	104,050,966	112,583,614	116,730,034	122,212,262
Total Pension Liability - Ending (a)	\$ 85,532,494	\$ 87,955,467	\$ 91,328,549	\$ 95,698,629	\$ 101,976,879	\$ 104,050,966	\$ 112,583,614	\$ 116,730,034	\$ 122,212,262	\$ 127,679,498
Plan Fiduciary Net Position										
Contributions - Employer	\$ 2,452,070	\$ 2,336,615	\$ 2,405,117	\$ 2,430,912	\$ 2,511,677	\$ 2,708,618	\$ 2,739,984	\$ 2,858,276	\$ 3,213,284	\$ 3,573,905
Contributions - Employee	1,555,182	1,512,916	1,549,098	1,568,701	1,605,481	1,722,252	1,730,935	1,794,764	1,972,462	2,144,501
Net Investment Income	(2,891,814)	5,091,311	9,480,792	(4,565,736)	12,119,485	9,868,054	10,095,696	(12,570,100)	9,754,690	8,396,978
Benefit payments, including refunds of employee contributions	(5,498,546)	(6,299,846)	(5,814,190)	(4,940,827)	(6,247,265)	(7,770,776)	(6,275,210)	(6,505,116)	(6,264,071)	(6,236,115)
Administrative Expense	(30,035)	(54,206)	(15,132)	(35,836)	(15,903)	(46,062)	(48,171)	(110,092)	(89,939)	(135,127)
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(4,413,143)	2,586,790	7,605,685	(5,542,786)	9,973,475	6,482,086	8,243,234	(14,532,268)	8,586,426	7,744,142
Plan Fiduciary Net Position - Beginning	64,362,549	59,949,406	62,536,196	70,141,881	64,599,095	74,572,570	81,054,656	89,297,890	74,765,622	83,352,048
Plan Fiduciary Net Position - Ending (b)	\$ 59,949,406	\$ 62,536,196	\$ 70,141,881	\$ 64,599,095	\$ 74,572,570	\$ 81,054,656	\$ 89,297,890	\$ 74,765,622	\$ 83,352,048	\$ 91,096,190
Net Pension Liability (Asset) - Ending (a)-(b)	\$ 25,583,088	\$ 25,419,271	\$ 21,186,668	\$ 31,099,534	\$ 27,404,309	\$ 22,996,310	\$ 23,285,724	\$ 41,964,412	\$ 38,860,214	\$ 36,583,308
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	70.09%	71.10%	76.80%	67.50%	73.13%	77.90%	79.32%	64.05%	68.20%	71.35%
Covered Payroll	\$ 11,519,867	\$ 11,206,785	\$ 11,474,800	\$ 11,620,007	\$ 11,892,452	\$ 12,757,422	\$ 12,821,741	\$ 13,294,548	\$ 14,610,830	\$ 15,885,193
Net Pension Liability as a Percentage of Covered Payroll	222.08%	226.82%	184.64%	267.64%	230.43%	180.26%	181.61%	315.65%	265.97%	230.30%

CITY OF TYLER, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 FIREFIGHTERS' RELIEF AND RETIREMENT FUND
 FISCAL YEAR ENDED SEPTEMBER 30, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 2,508,633	\$ 2,244,357	\$ 2,640,922	\$ 2,525,746	\$ 2,578,616	\$ 2,696,067	\$ 2,838,333	\$ 3,228,787	\$ 3,492,809	\$ 3,827,623
Contributions in relation to the actuarially determined contributions	2,442,540	2,189,346	2,620,919	2,487,004	2,578,616	2,697,932	2,838,333	3,229,058	3,510,567	3,769,844
Contribution deficiency	\$ 66,093	\$ 55,011	\$ 20,003	\$ 38,742	\$ -	\$ (1,865)	\$ -	\$ (271)	\$ (17,758)	\$ 57,779
Covered payroll	\$ 11,963,428	\$ 10,721,551	\$ 12,616,845	\$ 11,985,380	\$ 12,160,729	\$ 12,634,170	\$ 13,219,703	\$ 14,760,951	\$ 15,876,405	\$ 15,876,405
Contributions as a percentage of covered payroll	20.42%	20.42%	20.77%	20.75%	21.20%	21.35%	21.47%	21.88%	22.11%	23.74%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll Method
Remaining Amortization Period	26 years
Inflation	2.75%
Salary Increases	2.75%, plus promotion, step and longevity increases that vary by service
Investment Rate of Return	7%, net of pension plan investment expense, including inflation
Retirement Age	Firefighters become eligible for normal service retirement at age 50 with 25 years of service or at age 55 with 20 years of service.
Mortality	Based on the PubS-2010 (public safety) total dataset mortality tables for employees and retirees (sex distinct), projected using projection scale MP-2019
Other Information:	There were no benefit changes during the year.

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
HEALTH PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total OPEB liability								
Service Cost	\$ 617,273	\$ 656,975	\$ 660,205	\$ 597,389	\$ 578,751	\$ 532,651	\$ 540,515	\$ 392,760
Interest (on the Total OPEB Liability)	2,303,993	2,317,569	2,329,351	1,780,085	1,791,868	1,516,111	1,527,917	1,307,340
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	(736,059)	(9,134,915)	(517,661)	(3,838,670)	371,763	(1,826,279)	(14,629)
Change of assumptions	-	-	(477,666)	-	316,309	-	(1,650,708)	-
Benefit payments	(3,459,056)	(2,005,477)	(2,112,205)	(1,479,405)	(1,859,031)	(2,410,244)	(2,060,867)	(2,032,748)
Net Change in Total OPEB Liability	(537,790)	233,008	(8,735,230)	380,408	(3,010,773)	10,281	(3,469,422)	(347,277)
Total OPEB Liability - Beginning	36,866,945	36,329,155	36,562,163	27,826,933	28,207,341	25,196,568	25,206,849	21,737,427
Total OPEB Liability - Ending (a)	\$ 36,329,155	\$ 36,562,163	\$ 27,826,933	\$ 28,207,341	\$ 25,196,568	\$ 25,206,849	\$ 21,737,427	\$ 21,390,150
Plan Fiduciary Net Position								
Contributions - Employer	\$ 6,125,793	\$ 2,880,184	\$ 3,188,005	\$ 2,119,542	\$ 1,862,790	\$ 3,590,759	\$ 4,626,632	\$ 4,807,323
Contributions - Employee	-	-	-	-	-	-	-	-
OPEB plan net investment income	1,042,478	(539,956)	2,019,451	1,709,041	1,869,730	(3,126,981)	2,522,210	2,187,916
Benefit payments	(3,459,056)	(2,005,477)	(2,112,205)	(1,479,405)	(1,859,031)	(2,410,244)	(2,060,867)	(2,032,748)
OPEB plan administrative Expense	(23,966)	(29,550)	(37,313)	(35,395)	(44,114)	(43,346)	(38,066)	(45,939)
Other	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,685,249	305,201	3,057,938	2,313,783	1,829,375	(1,989,812)	5,049,909	4,916,552
Plan Fiduciary Net Position - Beginning	6,833,978	10,519,227	10,824,428	13,882,366	16,196,149	18,025,524	16,035,712	21,085,621
Plan Fiduciary Net Position - Ending (b)	\$ 10,519,227	\$ 10,824,428	\$ 13,882,366	\$ 16,196,149	\$ 18,025,524	\$ 16,035,712	\$ 21,085,621	\$ 26,002,173
Net OPEB Liability (Asset) - Ending (a)-(b)	\$ 25,809,928	\$ 25,737,735	\$ 13,944,567	\$ 12,011,192	\$ 7,171,044	\$ 9,171,137	\$ 651,806	\$ (4,612,023)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	28.96%	29.61%	49.89%	57.42%	71.54%	63.62%	97.00%	121.56%
Covered-Employee Payroll	\$ 45,211,468	\$ 45,363,280	\$ 48,419,528	\$ 52,976,140	\$ 55,515,984	\$ 58,782,015	\$ 62,292,667	\$ 66,480,282
Net OPEB Liability as a Percentage of Covered-Employee Payroll	57.09%	56.74%	28.80%	22.67%	12.92%	15.60%	1.05%	-6.94%

Notes to Schedule:
This schedule will present 10 years information when it becomes available.

**CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 2,988,214	\$ 2,988,214	\$ 2,748,039	\$ 2,769,150	\$ 1,627,754	\$ 1,627,754	\$ 1,112,972	\$ 1,112,972
Contributions in relation to the actuarially determined contributions	3,226,151	3,129,268	3,414,231	3,421,369	3,413,596	4,188,625	2,231,387	2,972,175
Contribution excess	\$ (237,937)	\$ (141,054)	\$ (666,192)	\$ (652,219)	\$ (1,785,842)	\$ (2,560,871)	\$ (1,118,415)	\$ (1,859,203)
Covered-Employee Payroll	\$ 44,647,862	\$ 48,416,755	\$ 50,375,986	\$ 53,826,836	\$ 57,964,136	\$ 61,269,497	\$ 48,294,197	\$ 50,567,005
Contributions as a percentage of Covered-Employee Payroll	7.23%	6.46%	6.78%	6.36%	5.89%	6.84%	4.62%	5.88%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: The actuarially determined contribution for fiscal year ending September 30, 2025 was developed in the December 31, 2023 valuation, rolled forward to December 31, 2024.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Closed, 17 years as of FYE25
Asset Valuation Method	Market Value
Investment Rate of Return	6.25%, as of December 31, 2024
Inflation	2.50%
Salary Increases	TMRS: 3.60% to 11.85%, including inflation FIRE: 2.75% to 8.92%, including inflation

Demographic Assumptions TMRS: Based on the 2023 experience study conducted by the Texas Municipal Retirement System.

Mortality FIRE: Based on the pension valuation report for the Tyler Firefighters' Relief and Retirement Fund as of December 31, 2023.

TMRS: For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.

FIRE: PubS-2010 (public safety) total dataset mortality tables for employees and retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2019.

Participation Rates It was assumed that 85% of future retirees who were hired before January 1, 1997 and 15% 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 13 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, 2025

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total OPEB liability								
Service Cost	\$ 72,539	\$ 86,960	\$ 79,819	\$ 115,476	\$ 144,874	\$ 167,840	\$ 90,096	\$ 95,738
Interest	86,877	86,971	95,473	84,548	71,588	69,930	107,719	107,480
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	(27,611)	(111,448)	(85,897)	(18,292)	(32,526)	(34,004)	(47,137)
Change of assumptions and other inputs	190,285	(168,451)	451,855	442,998	108,151	(1,207,422)	132,155	(133,609)
Benefit payments	(27,634)	(27,827)	(29,025)	(35,837)	(98,003)	(95,260)	(104,322)	(110,855)
Net Change in Total OPEB Liability	322,067	(49,958)	486,674	521,288	208,318	(1,097,438)	191,644	(88,383)
Total OPEB Liability - Beginning	2,275,888	2,597,955	2,547,997	3,034,671	3,555,959	3,764,277	2,666,839	2,858,483
Total OPEB Liability - Ending (a)	\$ 2,597,955	\$ 2,547,997	\$ 3,034,671	\$ 3,555,959	\$ 3,764,277	\$ 2,666,839	\$ 2,858,483	\$ 2,770,100
Covered Payroll	\$ 34,542,306	\$ 34,783,842	\$ 36,281,338	\$ 39,819,429	\$ 42,609,992	\$ 47,037,135	\$ 47,419,151	\$ 50,388,445
Net OPEB Liability as a Percentage of Covered Payroll	7.52%	7.33%	8.36%	8.93%	8.83%	5.67%	6.03%	5.50%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Summary of Actuarial Assumptions:

Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Discount Rate*	4.08%
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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

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

* The discount rate was based on the Fidelity Index's "20-Year Bond GO Index", rate as of December 31, 2024.

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

ADDITIONAL SUPPLEMENTARY INFORMATION

CITY OF TYLER, TEXAS
COMBINING BALANCE SHEET
GENERAL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	GENERAL	DEVELOPMENT SERVICES	TOURISM AND CONVENTION	RAINY DAY	FAIR PARKING GARAGE	ELIMINATIONS	TOTAL GENERAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 9,762,783	\$ 4,885,180	\$ 389,963	\$ 7,642,774	\$ 711	\$ -	\$ 22,681,411
Receivables (net of allowance for doubtful accounts):							
Property taxes	884,933	-	-	-	-	-	884,933
Other	26,099,537	49,272	1,028	27,065	-	-	26,176,902
Due from other funds	2,087,999	-	-	-	-	-	2,087,999
Inventories	63,809	-	-	-	-	-	63,809
Prepaid items	125,152	1,215	2,683	-	-	-	129,050
Cash and cash equivalents - restricted	44,081	-	-	-	-	-	44,081
Total assets	\$ 39,068,294	\$ 4,935,667	\$ 393,674	\$ 7,669,839	\$ 711	\$ -	\$ 52,068,185
LIABILITIES							
Accounts payable	\$ 4,512,006	\$ 190,034	\$ 190,506	\$ -	\$ 711	\$ -	\$ 4,893,257
Due to other funds	-	-	-	-	-	-	-
Deposits and other refundable balances	36,976	2,012,471	95,729	5,000	-	-	2,150,176
Unearned revenue	74,445	-	-	-	-	-	74,445
Total liabilities	4,623,427	2,202,505	286,235	5,000	711	-	7,117,878
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	855,467	-	-	-	-	-	855,467
Unavailable revenue - fines	16,395,852	-	-	-	-	-	16,395,852
Unavailable revenue - permits	-	40,113	-	-	-	-	40,113
Total deferred inflows of resources	17,251,319	40,113	-	-	-	-	17,291,432
FUND BALANCES							
Restricted	44,081	-	-	-	-	-	44,081
Nonspendable:							
Inventories	63,809	-	-	-	-	-	63,809
Prepaid items	125,152	1,215	2,683	-	-	-	129,050
Assigned to:							
Development services	-	2,691,834	-	-	-	-	2,691,834
Capital improvements	-	-	-	-	-	-	-
Tourism and convention	-	-	104,756	-	-	-	104,756
Unassigned	16,960,506	-	-	7,664,839	-	-	24,625,345
Total fund balances	17,193,548	2,693,049	107,439	7,664,839	-	-	27,658,875
Total liabilities, deferred inflows of resources, and fund balances	\$ 39,068,294	\$ 4,935,667	\$ 393,674	\$ 7,669,839	\$ 711	\$ -	\$ 52,068,185

CITY OF TYLER, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	GENERAL	DEVELOPMENT SERVICES	TOURISM AND CONVENTION	RAINY DAY	FAIR PARKING GARAGE	ELIMINATIONS	TOTAL GENERAL GOVERNMENTAL FUNDS
REVENUES							
Taxes:							
Property	\$ 30,207,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,207,651
Franchise	11,924,136	-	-	-	-	-	11,924,136
Sales and use	42,829,212	-	-	-	-	-	42,829,212
Licenses and permits	309,050	2,362,392	-	-	-	-	2,671,442
Fines, forfeitures and penalties	4,947,801	-	-	-	-	-	4,947,801
Revenues from use of money or property	1,292,944	215,113	852,148	331,748	-	-	2,691,953
Charges for current services	3,242,123	68,371	85,461	-	-	-	3,395,955
Revenues from other agencies	1,156,656	-	-	-	-	-	1,156,656
Miscellaneous	389,760	35,075	27,431	35,936	-	-	488,202
Total revenues	96,299,333	2,680,951	965,040	367,684	-	-	100,313,008
EXPENDITURES							
Current:							
General government	9,754,276	39,399	21,330	-	(2,581)	-	9,812,424
Public safety	66,589,755	-	980	-	-	-	66,590,735
Public services	1,523,717	2,964,550	9,309	-	-	-	4,497,576
Highways and streets	7,250,450	-	-	-	-	-	7,250,450
Culture and recreations	7,313,169	-	3,662,009	-	-	-	10,975,178
Capital Outlay	151,969	-	125,203	-	-	-	277,172
Total expenditures	92,583,336	3,003,949	3,818,831	-	(2,581)	-	99,403,535
Excess (deficiency) of revenues over (under) expenditures	3,715,997	(322,998)	(2,853,791)	367,684	2,581	-	909,473
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	2,977,002	-	-	-	2,977,002
Transfers out	(4,572,534)	-	-	-	-	-	(4,572,534)
Total other financing sources (uses)	(4,572,534)	-	2,977,002	-	-	-	(1,595,532)
Net change in fund balances	(856,537)	(322,998)	123,211	367,684	2,581	-	(686,059)
Fund balances - beginning of year	18,050,085	3,016,047	(15,772)	7,297,155	(2,581)	-	28,344,934
Fund balances - end of year	\$ 17,193,548	\$ 2,693,049	\$ 107,439	\$ 7,664,839	\$ -	\$ -	\$ 27,658,875

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 *One-Half Cent Sales Tax Fund* is funded solely through city sales tax revenues and is used for City infrastructure projects.

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

DEBT SERVICE FUND

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

PERMANENT FUND

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

CITY OF TYLER, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2025

SPECIAL REVENUE FUND												
	POLICE FORFEITURE	PARK IMPROVEMENT	COURT SPECIAL FEE	ECONOMIC DEVELOPMENT	HOTEL- MOTEL OCCUPANCY	DONATIONS	PASSENGER FACILITY CHARGE	PEG FEE	CDBG	HOME GRANT	HOMEOWNERS AND HOUSING	HOUSING ASSISTANCE PAYMENT
ASSETS												
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ 460,616	\$ 772,934	\$ -	\$ 803,026	\$ 1,143,759	\$ 84,814	\$ 1,194,618	\$ 485	\$ -
Accounts and grants receivable	699	1,349	1,038	853	738,311	-	95	38,429	6,137	4,450	-	4,035
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	925	-	-	250	-	-	-	-	-	-
Cash - restricted	377,738	728,589	559,685	-	-	1,685,987	-	-	-	-	-	2,090,346
Total assets	\$ 378,437	\$ 729,938	\$ 561,648	\$ 461,469	\$ 1,531,245	\$ 1,686,237	\$ 803,121	\$ 1,182,188	\$ 118,738	\$ 1,205,205	\$ 485	\$ 2,094,381
LIABILITIES												
Accounts payable	\$ -	\$ -	\$ 5,556	\$ 8,264	\$ 17,189	\$ 29,968	\$ -	\$ 5,760	\$ 10,021	\$ 25,314	\$ -	\$ 45,881
Deposits and other refundable balances	72,589	-	-	-	-	-	-	-	-	-	-	280,424
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	\$ 72,589	\$ -	\$ 5,556	\$ 8,264	\$ 17,189	\$ 29,968	\$ -	\$ 5,760	\$ 10,021	\$ 25,314	\$ -	\$ 326,305
FUND BALANCES												
Nonspendable:												
Inventories	-	-	-	-	-	-	-	-	-	4,450	-	-
Prepaid items	-	-	925	-	-	250	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for:												
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	305,848	-	555,167	453,205	-	-	-	-	-	-	-	-
Capital improvements	-	729,938	-	-	-	-	-	-	-	-	-	-
Tourism and convention	-	-	-	-	1,514,056	-	-	-	-	-	-	-
Donor restrictions	-	-	-	-	-	1,656,019	-	-	-	-	-	-
Airport improvements	-	-	-	-	-	-	803,121	-	-	-	-	-
Communications	-	-	-	-	-	-	-	1,176,428	-	-	-	-
Housing assistance	-	-	-	-	-	-	-	-	-	-	485	1,768,076
Grant restrictions	-	-	-	-	-	-	-	-	108,717	1,175,441	-	-
Assign to:												
Capital projects	-	-	-	-	-	-	-	-	-	-	-	-
Cemetery maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	\$ 305,848	\$ 729,938	\$ 556,092	\$ 453,205	\$ 1,514,056	\$ 1,656,269	\$ 803,121	\$ 1,176,428	\$ 108,717	\$ 1,179,891	\$ 485	\$ 1,768,076
Total liabilities and fund balances	\$ 378,437	\$ 729,938	\$ 561,648	\$ 461,469	\$ 1,531,245	\$ 1,686,237	\$ 803,121	\$ 1,182,188	\$ 118,738	\$ 1,205,205	\$ 485	\$ 2,094,381

CITY OF TYLER, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2025

	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	QUALITY STREET IMPROVEMENT FUND	ROSE COMPLEX DEBT SERVICE	CEMETERIES	
ASSETS										
Equity in pooled cash and investments	\$ -	\$ -	\$ 749,552	\$ 994,211	\$ 6,204,015	\$ 1,230,338	\$ 1,609,719	\$ 963	\$ 263,223	\$ 9,308,258
Accounts and grants receivable	172,222	1,603,973	1,541	23,206	2,645,812	1,847	2,770	-	6,881	2,657,310
Inventories	-	-	-	-	4,450	-	-	-	-	4,450
Prepaid items	1,168	-	-	-	2,343	62,636	-	-	-	64,979
Cash - restricted	-	33,385	-	-	5,475,730	-	-	-	3,449,348	8,925,078
Total assets	\$ 173,390	\$ 1,637,358	\$ 751,093	\$ 1,017,417	\$ 14,332,350	\$ 1,294,821	\$ 1,612,489	\$ 963	\$ 3,719,452	\$ 20,960,075
LIABILITIES										
Accounts payable	\$ 51,427	\$ 409,893	\$ 419,726	\$ 22,202	\$ 1,051,201	\$ 14,061	\$ 180,227	\$ -	\$ 55,497	\$ 1,300,986
Accrued interest payable	-	-	-	-	-	5,202	-	-	-	5,202
Deposits and other refundable balances	-	-	-	-	353,013	-	-	-	-	353,013
Due to other funds	121,133	1,180,918	-	-	1,302,051	-	-	-	-	1,302,051
Unearned revenue	829	33,135	-	-	33,964	-	-	-	-	33,964
Total Liabilities	\$ 173,389	\$ 1,623,946	\$ 419,726	\$ 22,202	\$ 2,740,229	\$ 19,263	\$ 180,227	\$ -	\$ 55,497	\$ 2,995,216
FUND BALANCES										
Nonspendable:										
Inventories	-	-	-	-	4,450	-	-	-	-	4,450
Prepaid items	1,168	-	-	-	2,343	62,636	-	-	-	64,979
Permanent fund principal	-	-	-	-	-	-	-	-	3,455,736	3,455,736
Restricted for:										
Debt service	-	-	-	-	-	-	-	963	-	963
Public safety	-	-	-	-	1,314,220	-	-	-	-	1,314,220
Capital improvements	-	-	331,367	995,215	2,056,520	-	-	-	208,219	2,264,739
Tourism and convention	-	-	-	-	1,514,056	-	-	-	-	1,514,056
Donor restrictions	-	-	-	-	1,656,019	-	-	-	-	1,656,019
Airport improvements	-	-	-	-	803,121	-	-	-	-	803,121
Communications	-	-	-	-	1,176,428	-	-	-	-	1,176,428
Housing assistance	-	-	-	-	1,768,561	-	-	-	-	1,768,561
Grant restrictions	-	13,412	-	-	1,297,570	-	-	-	-	1,297,570
Assign to:										
Capital projects	-	-	-	-	-	1,212,922	1,432,262	-	-	2,645,184
Unassigned	(1,167)	-	-	-	(1,167)	-	-	-	-	(1,167)
Total fund balances	\$ 173,390	\$ 1,637,358	\$ 751,093	\$ 1,017,417	\$ 14,332,350	\$ 1,275,558	\$ 1,432,262	\$ 963	\$ 3,663,955	\$ 17,964,859
Total liabilities and fund balances	\$ 173,390	\$ 1,637,358	\$ 751,093	\$ 1,017,417	\$ 14,332,350	\$ 1,294,821	\$ 1,612,489	\$ 963	\$ 3,719,452	\$ 20,960,075

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, 2025

	SPECIAL REVENUE FUND											
	POLICE FORFEITURE	PARK IMPROVEMENT	COURT SPECIAL FEE	ECONOMIC DEVELOPMENT	HOTEL- MOTEL OCCUPANCY	DONATIONS	PASSENGER FACILITY CHARGE	PEG FEE	CDBG	HOME GRANT	HOUSING	HOUSING ASSISTANCE PAYMENT
REVENUES												
Taxes:												
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise	-	-	-	-	-	-	-	157,446	-	-	-	-
Sales and use	-	-	-	-	4,394,662	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Grants	-	11,457	-	-	-	-	-	-	410,367	145,740	-	12,736,979
Fines, forfeitures and penalties	21,932	-	508,026	-	-	-	-	-	-	-	-	-
Revenues from use of money and property	17,669	-	19,824	18,869	15,168	-	32,708	51,398	-	-	21	87,956
Donations	-	-	-	-	-	689,883	-	-	-	-	-	-
Charges for services	-	741,735	-	-	-	-	203,906	-	-	-	-	-
Miscellaneous	-	-	-	-	505,196	-	-	524	17,635	503,342	-	-
Total revenues	39,601	753,192	527,850	18,869	4,915,026	689,883	236,614	209,368	428,002	649,082	21	12,824,935
EXPENDITURES												
Current:												
General government	-	-	-	180,019	-	10,161	-	351,308	-	-	-	969
Public safety	1,096	-	268,210	-	-	20,465	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	206,055	-	-	-	-	-	-
Public services	-	-	-	-	977,601	42,553	-	-	443,098	631,309	-	12,369,952
Capital outlay	60,781	540,858	-	-	456,495	68,674	-	1,189,806	-	-	-	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	3,405	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	65,282	540,858	268,210	180,019	1,434,096	347,908	-	1,541,114	443,098	631,309	-	12,370,921
Excess (deficiency) of revenues over (under) expenditures	(25,681)	212,334	259,640	(161,150)	3,480,930	341,975	236,614	(1,331,746)	(15,096)	17,773	21	454,014
OTHER FINANCING SOURCES (USES)												
Capital lease proceeds	-	-	-	-	-	-	-	1,185,700	-	-	-	-
Transfers in	-	-	-	175,000	(3,596,002)	-	(72,000)	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	175,000	(3,596,002)	-	(72,000)	1,185,700	-	-	-	-
Change in net assets	(25,681)	212,334	259,640	13,850	(115,072)	341,975	164,614	(146,046)	(15,096)	17,773	21	454,014
Fund balances - beginning of year	331,529	517,604	296,452	439,355	1,629,128	1,314,294	638,507	1,322,474	123,813	1,162,118	464	1,314,062
Fund balances - end of year	\$ 305,848	\$ 729,938	\$ 556,092	\$ 453,205	\$ 1,514,056	\$ 1,656,269	\$ 803,121	\$ 1,176,428	\$ 108,717	\$ 1,179,891	\$ 485	\$ 1,768,076

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, 2025

	SPECIAL REVENUE FUND				CAPITAL PROJECTS FUND			DEBT SERVICE		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	QUALITY STREET IMPROVEMENT FUND	ROSE COMPLEX DEBT SERVICE	PERMANENT FUNDS	
REVENUES										
Taxes:										
Property	\$ -	\$ -	\$ 208,400	\$ 481,085	\$ 689,485	\$ -	\$ -	\$ -	\$ -	\$ 689,485
Franchise	-	-	-	-	157,446	-	-	-	-	157,446
Sales and use	-	-	-	-	4,394,662	-	-	-	-	4,394,662
Licenses and permits	-	-	-	-	-	-	-	-	124,711	124,711
Grants	460,044	4,531,691	-	59,439	18,355,717	-	-	-	-	18,355,717
Fines, forfeitures and penalties	-	-	-	-	529,958	-	-	-	-	529,958
Revenues from use of money and property	-	16,260	52,389	38,398	350,660	50,740	79,651	-	150,821	631,872
Donations	-	15,454	-	-	705,337	-	-	-	-	705,337
Charges for services	-	153,714	-	-	1,099,355	-	-	-	106,300	1,205,655
Miscellaneous	-	62,173	-	-	1,088,870	7,791	-	-	-	1,096,661
Total revenues	460,044	4,779,292	260,789	578,922	27,371,490	58,531	79,651	-	381,832	27,891,504
EXPENDITURES										
Current:										
General government	-	-	-	-	1,614,259	345,166	-	-	-	1,959,425
Public safety	-	-	1,071,802	-	289,771	-	-	-	-	289,771
Culture and recreation	-	-	-	-	206,055	-	-	-	533,584	739,639
Public services	460,043	4,498,592	-	143,714	19,566,862	-	-	-	-	19,566,862
Capital outlay	-	1,531,553	-	-	3,848,167	3,858,963	1,628,843	-	-	9,335,973
Debt service:										
Principal	-	-	-	-	-	-	-	250,000	-	250,000
Interest and fiscal charges	-	-	-	-	3,405	-	-	345,400	-	348,805
Total expenditures	460,043	6,030,145	1,071,802	143,714	25,528,519	4,204,129	1,628,843	595,400	533,584	32,490,475
Excess (deficiency) of revenues over (under) expenditures	1	(1,250,853)	(811,013)	435,208	1,842,971	(4,145,598)	(1,549,192)	(595,400)	(151,752)	(4,598,971)
OTHER FINANCING SOURCES (USES)										
Capital lease proceeds	-	-	-	-	1,185,700	2,927,901	-	-	-	4,113,601
Transfers in	-	1,252,517	-	-	1,427,517	665,000	2,228,712	594,000	477,602	5,392,831
Transfers out	-	-	-	-	(3,668,002)	-	-	-	(152,602)	(3,820,604)
Total other financing sources (uses)	-	1,252,517	-	-	(1,054,785)	3,592,901	2,228,712	594,000	325,000	5,685,828
Change in net assets	1	1,664	(811,013)	435,208	788,186	(552,697)	679,520	(1,400)	173,248	1,086,857
Fund balances - beginning of year	-	11,748	1,142,380	560,007	10,803,935	1,828,255	752,742	2,363	3,490,707	16,878,002
Fund balances - end of year	1	13,412	331,367	995,215	11,592,121	1,275,558	1,432,262	963	3,663,955	17,964,859

**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, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fines, forfeitures and penalties	\$ 41,000	\$ 21,932	\$ (19,068)
Revenues from use of money and property	12,000	17,669	5,669
Total revenues	<u>53,000</u>	<u>39,601</u>	<u>(13,399)</u>
EXPENDITURES			
Public safety:			
Supplies and services	7,000	1,096	5,904
Building maintenance	95,000	-	95,000
Capital outlay	85,000	60,781	24,219
Debt service:			
Interest	-	3,405	(3,405)
Total expenditures	<u>187,000</u>	<u>65,282</u>	<u>121,718</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ (134,000)</u>	<u>(25,681)</u>	<u>\$ 108,319</u>
Fund balance - beginning of year		<u>331,529</u>	
Fund balance - end of year		<u>\$ 305,848</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, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Charges for services	\$ 799,119	\$ 741,735	\$ (57,384)
Miscellaneous	385	11,457	(11,072)
Total revenues	799,504	753,192	(68,456)
EXPENDITURES			
Capital outlay	1,216,694	540,858	675,836
Total expenditures	1,216,694	540,858	675,836
Excess of revenues over (under) expenditures - GAAP basis	(417,190)	212,334	607,380
Fund balance - beginning of year		517,604	
Fund balance - end of year		\$ 729,938	

**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, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fines, forfeitures and penalties	\$ 494,800	\$ 508,026	\$ 13,226
Revenues from use of money and property	-	19,824	19,824
Total revenues	<u>494,800</u>	<u>527,850</u>	<u>33,050</u>
EXPENDITURES			
Public safety:			
Salaries and benefits	142,526	82,513	60,013
Supplies and services	185,850	181,679	4,171
Maintenance	6,907	4,018	2,889
Total expenditures	<u>335,283</u>	<u>268,210</u>	<u>67,073</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 159,517</u>	259,640	<u>\$ (34,023)</u>
Fund balance - beginning of year		<u>296,452</u>	
Fund balance - end of year		<u>\$ 556,092</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, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 15,000	\$ 18,869	\$ 3,869
Total revenues	<u>15,000</u>	<u>18,869</u>	<u>3,869</u>
EXPENDITURES			
General government:			
Supplies and services	<u>208,750</u>	<u>180,019</u>	<u>28,731</u>
Total expenditures	<u>208,750</u>	<u>180,019</u>	<u>28,731</u>
Excess of revenues over (under) expenditures	<u>(193,750)</u>	<u>(161,150)</u>	<u>28,731</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>275,000</u>	<u>175,000</u>	<u>-</u>
Total other financing sources (uses)	<u>275,000</u>	<u>175,000</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 81,250</u>	13,850	<u>\$ 32,600</u>
Fund balance - beginning of year		<u>439,355</u>	
Fund balance - end of year		<u>\$ 453,205</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, 2025

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 4,424,809	\$ 4,394,662	\$ (30,147)
Revenues from use of money and property	15,000	15,168	168
Miscellaneous	500,000	505,196	(5,196)
Total revenues	<u>4,939,809</u>	<u>4,915,026</u>	<u>(35,175)</u>
EXPENDITURES			
Hotel-motel administration:			
Texas Rose Festival	15,000	15,000	-
Discovery Place	25,000	25,000	-
East Texas Symphony	45,000	45,000	-
Tyler Museum of Art	30,000	30,000	-
Historical Museum	10,000	10,000	-
Historic Aviation Museum	13,000	13,000	-
Visitors and Convention Bureau	737,000	737,000	-
Sports Tyler Award	25,000	25,000	-
Supplies and services	65,000	77,601	(12,601)
Capital outlay	535,798	456,495	79,303
Total expenditures	<u>1,500,798</u>	<u>1,434,096</u>	<u>66,702</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>3,439,011</u>	<u>3,480,930</u>	<u>31,527</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(3,596,002)</u>	<u>(3,596,002)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,596,002)</u>	<u>(3,596,002)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (156,991)</u>	<u>(115,072)</u>	<u>\$ 31,527</u>
Fund balance - beginning of year		<u>1,629,128</u>	
Fund balance - end of year		<u>\$ 1,514,056</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, 2025

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Donations	\$ 671,241	\$ 689,883	\$ 18,642
Total revenues	<u>671,241</u>	<u>689,883</u>	<u>18,642</u>
EXPENDITURES			
General Government			
Supplies and services	230,922	10,161	220,761
Public safety			
Supplies and services	305,114	20,465	284,649
Public services			
Supplies and services	161,594	42,553	119,041
Culture and recreation			
Supplies and services	696,865	206,055	490,810
Capital Outlay	<u>149,434</u>	<u>68,674</u>	<u>80,760</u>
Total expenditures	<u>1,543,929</u>	<u>347,908</u>	<u>1,196,021</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ (872,688)</u>	341,975	<u>\$ 1,214,663</u>
Fund balance - beginning of year		<u>1,314,294</u>	
Fund balance - end of year		<u>\$ 1,656,269</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, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 4,000	\$ 32,708	\$ 28,708
Charges for services	<u>180,000</u>	<u>203,906</u>	<u>23,906</u>
Total revenues	<u>184,000</u>	<u>236,614</u>	<u>52,614</u>
EXPENDITURES			
Public services			
Supplies and services	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>184,000</u>	<u>236,614</u>	<u>52,614</u>
OTHER FINANCING SOURCES (USES)			
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>\$ 112,000</u>	164,614	<u>\$ 52,614</u>
Fund balance - beginning of year		<u>638,507</u>	
Fund balance - end of year		<u>\$ 803,121</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, 2025

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Franchise fees	\$ 206,565	\$ 157,446	\$ (49,119)
Revenues from use of money and property	7,875	51,398	43,523
Miscellaneous	-	524	524
Total revenues	<u>214,440</u>	<u>209,368</u>	<u>(5,072)</u>
EXPENDITURES			
General government	119,025	351,308	(232,283)
Capital outlay	<u>292,566</u>	<u>1,189,806</u>	<u>(897,240)</u>
Total expenditures	<u>411,591</u>	<u>1,541,114</u>	<u>(1,129,523)</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>(197,151)</u>	<u>(1,331,746)</u>	<u>(1,134,595)</u>
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	-	1,185,700	1,185,700
Total other financing sources (uses)	<u>-</u>	<u>1,185,700</u>	<u>1,185,700</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (197,151)</u>	<u>(146,046)</u>	<u>\$ 51,105</u>
Fund balance - beginning of year		<u>1,322,474</u>	
Fund balance - end of year		<u>\$ 1,176,428</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, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Grants	\$ 1,367,390	\$ 410,367	\$ (957,023)
Miscellaneous	7,000	17,635	10,635
Total revenues	1,374,390	428,002	(946,388)
EXPENDITURES			
Public services:			
Salaries and benefits	233,097	152,615	80,482
Supplies and services	972,874	258,676	714,198
Premiums	30,822	30,822	-
Utilities	75	10	65
Maintenance	1,500	975	525
Total expenditures	1,238,368	443,098	795,270
Excess of revenues over (under) expenditures - GAAP basis	\$ 136,022	(15,096)	\$ (151,118)
Fund balance - beginning of year		123,813	
Fund balance - end of year		\$ 108,717	

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, 2025

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Grants	\$ 2,611,212	\$ 145,740	\$ (2,465,472)
Miscellaneous	672,000	503,342	(168,658)
Total revenues	<u>3,283,212</u>	<u>649,082</u>	<u>(2,634,130)</u>
EXPENDITURES			
Public services:			
Homebuyers services	2,767,767	560,348	2,207,419
Salaries and benefits	48,385	61,294	(12,909)
Supplies and services	21,414	9,667	11,747
Contingencies	476,787	-	476,787
Total expenditures	<u>3,314,353</u>	<u>631,309</u>	<u>2,683,044</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ (31,141)</u>	17,773	<u>\$ 48,914</u>
Fund balance - beginning of year		<u>1,162,118</u>	
Fund balance - end of year		<u>\$ 1,179,891</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, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenue from use of money and property	\$ 12	\$ 21	\$ 9
Total revenues	<u>12</u>	<u>21</u>	<u>9</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>12</u>	<u>21</u>	<u>9</u>
Fund balance - beginning of year		<u>464</u>	
Fund balance - end of year		<u><u>\$ 485</u></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, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from other agencies	\$ 10,998,021	\$ 12,736,979	\$ 1,738,958
Revenue from use of money and property	36,000	87,956	51,956
Total revenues	11,034,021	12,824,935	1,790,914
EXPENDITURES			
Government services:			
General government	838,257	969	837,288
Public services:			
Salaries and benefits	842,094	695,330	146,764
Supplies and services	10,114,157	11,639,639	(1,525,482)
Utilities	22,200	14,082	8,118
Maintenance	32,500	20,901	11,599
Total expenditures	11,849,208	12,370,921	(521,713)
Excess of revenues over (under) expenditures - GAAP basis	\$ (815,187)	454,014	\$ 1,269,201
Fund balance - beginning of year		1,314,062	
Fund balance - end of year		\$ 1,768,076	

**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, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from other agencies	\$ 552,701	\$ 460,044	\$ (92,657)
Total revenues	<u>552,701</u>	<u>460,044</u>	<u>(92,657)</u>
EXPENDITURES			
Public services:			
Salaries and benefits	253,971	269,465	(15,494)
Supplies and services	278,991	190,578	88,413
Utilities	50	-	50
Total expenditures	<u>533,012</u>	<u>460,043</u>	<u>72,969</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ 19,689</u>	1	<u>\$ (19,688)</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, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Grants	\$ 4,937,413	\$ 4,531,691	\$ (405,722)
Charges for services	156,000	153,714	(2,286)
Donations	105,000	15,454	(89,546)
Revenue from use of money and property	15,000	16,260	1,260
Miscellaneous	<u>30,200</u>	<u>62,173</u>	<u>31,973</u>
Total revenues	<u>5,243,613</u>	<u>4,779,292</u>	<u>(464,321)</u>
EXPENDITURES			
Public services			
Salaries and benefits	2,368,740	2,186,696	182,044
Supplies and services	1,012,850	1,623,776	(610,926)
Utilities	20,174	15,882	4,292
Maintenance	655,900	672,238	(16,338)
Capital outlay	<u>1,980,214</u>	<u>1,531,553</u>	<u>448,661</u>
Total expenditures	<u>6,037,878</u>	<u>6,030,145</u>	<u>7,733</u>
Excess of revenues over (under) expenditures	<u>(794,265)</u>	<u>(1,250,853)</u>	<u>(456,588)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>853,806</u>	<u>1,252,517</u>	<u>398,711</u>
Total other financing sources (uses)	<u>853,806</u>	<u>1,252,517</u>	<u>398,711</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 59,541</u>	1,664	<u>\$ (57,877)</u>
Fund balance - beginning of year		<u>11,748</u>	
Fund balance - end of year		<u>\$ 13,412</u>	

CITY OF TYLER, TEXAS
TIF / TRIZ #3 FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Taxes	\$ 223,142	\$ 208,400	\$ (14,742)
Revenue from use of money and property	28,630	52,389	23,759
Total revenues	<u>251,772</u>	<u>260,789</u>	<u>9,017</u>
EXPENDITURES			
Special services	1,220,000	1,071,802	148,198
Total expenditures	<u>1,220,000</u>	<u>1,071,802</u>	<u>148,198</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ (968,228)</u>	(811,013)	<u>\$ 157,215</u>
Fund balance - beginning of year		<u>1,142,380</u>	
Fund balance - end of year		<u>\$ 331,367</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, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 613,503	\$ 481,085	\$ (132,418)
Grants	72,327	59,439	(12,888)
Revenue from use of money and property	<u>3,000</u>	<u>38,398</u>	<u>35,398</u>
Total revenues	<u>688,830</u>	<u>578,922</u>	<u>(109,908)</u>
EXPENDITURES			
Public Services			
Salaries and benefits	133,484	123,816	(9,668)
Special services	<u>20,000</u>	<u>19,898</u>	<u>102</u>
Total expenditures	<u>153,484</u>	<u>143,714</u>	<u>(9,566)</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ 535,346</u>	435,208	<u>\$ (100,138)</u>
Fund balance - beginning of year		<u>560,007</u>	
Fund balance - end of year		<u>\$ 995,215</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, 2025

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenue from use of money and property	\$ 50,000	\$ 50,740	\$ 740
Miscellaneous	8,000	7,791	(209)
Total revenues	<u>58,000</u>	<u>58,531</u>	<u>531</u>
EXPENDITURES			
General government	500,000	345,166	154,834
Special services	69	-	69
Capital outlay	1,308,701	3,858,963	(2,550,262)
Total expenditures	<u>1,808,770</u>	<u>4,204,129</u>	<u>(2,395,359)</u>
Excess of revenues over (under) expenditures	<u>(1,750,770)</u>	<u>(4,145,598)</u>	<u>(2,394,828)</u>
OTHER FINANCING SOURCES (USES)			
Interest and fiscal charges	69	-	(69)
Capital lease proceeds	-	2,927,901	2,927,901
Transfers in	-	665,000	665,000
Total other financing sources (uses)	<u>69</u>	<u>3,592,901</u>	<u>3,592,832</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (1,750,701)</u>	<u>(552,697)</u>	<u>\$ 1,198,004</u>
Fund balance - beginning of year		<u>1,828,255</u>	
Fund balance - end of year		<u>\$ 1,275,558</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, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenue from use of money and property	\$ 65,000	\$ 79,651	\$ 14,651
Total revenues	65,000	79,651	14,651
EXPENDITURES			
Capital outlay	2,937,059	1,628,843	1,308,216
Total expenditures	2,937,059	1,628,843	1,308,216
Excess of revenues over (under) expenditures	(2,872,059)	(1,549,192)	1,322,867
OTHER FINANCING SOURCES (USES)			
Transfers in	2,228,712	2,228,712	-
Total other financing sources (uses)	2,228,712	2,228,712	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	\$ (643,347)	679,520	\$ 1,322,867
Fund balance - beginning of year		752,742	
Fund balance - end of year		\$ 1,432,262	

CITY OF TYLER, TEXAS
ONE-HALF CENT SALES TAX FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Sales and use taxes	\$ 21,185,460	\$ 21,220,271	\$ 34,811
Revenue from use of money and property	1,520,454	1,502,054	(18,400)
Miscellaneous	164,142	1,264,605	1,100,463
Revenues from other agencies	-	11,216,626	11,216,626
	<u>22,870,056</u>	<u>35,203,556</u>	<u>12,333,500</u>
Total revenues			
EXPENDITURES			
General government	30,432,511	526,843	29,905,668
Public services	1,281,499	1,679,038	(397,539)
Capital outlay	22,032,216	19,329,930	2,702,286
	<u>53,746,226</u>	<u>21,535,811</u>	<u>32,210,415</u>
Total expenditures			
Excess of revenues over (under) expenditures	<u>(30,876,170)</u>	<u>13,667,745</u>	<u>44,543,915</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(137,456)</u>	<u>(220,457)</u>	<u>(83,001)</u>
Total other financing sources (uses)	<u>(137,456)</u>	<u>(220,457)</u>	<u>(83,001)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (31,013,626)</u>	13,447,288	<u>\$ 44,460,914</u>
Fund balance - beginning of year		<u>31,198,336</u>	
Fund balance - end of year		<u>\$ 44,645,624</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, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Miscellaneous	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service:			
Principal	250,000	250,000	-
Interest and fiscal charges	<u>344,000</u>	<u>345,400</u>	<u>(1,400)</u>
Total expenditures	<u>594,000</u>	<u>595,400</u>	<u>(1,400)</u>
Excess of revenues over (under) expenditures	<u>(594,000)</u>	<u>(595,400)</u>	<u>(1,400)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>594,000</u>	<u>594,000</u>	<u>-</u>
Total other financing sources (uses)	<u>594,000</u>	<u>594,000</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ -</u>	<u>(1,400)</u>	<u>\$ (1,400)</u>
Fund balance - beginning of year		<u>2,363</u>	
Fund balance - end of year		<u>\$ 963</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, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Trust fund:			
Revenue from use of money and property	\$ 65,000	\$ 150,821	\$ 85,821
Charges for services	109,600	106,300	(3,300)
Operations:			
Licenses and permits	8,000	3,000	(5,000)
Chareges for services	127,369	121,711	(5,658)
Total revenues	<u>309,969</u>	<u>381,832</u>	<u>71,863</u>
EXPENDITURES			
Operations:			
Salaries and benefits	164,774	155,800	8,974
Supplies and services	240,212	220,639	19,573
Utilities	55,950	85,969	(30,019)
Maintenance	71,951	71,176	775
Capital outlay	2,815	-	2,815
Total expenditures	<u>535,702</u>	<u>533,584</u>	<u>2,118</u>
Excess of revenues over (under) expenditures	<u>(225,733)</u>	<u>(151,752)</u>	<u>73,981</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	390,000	477,602	87,602
Transfers out	(65,000)	(152,602)	(87,602)
Total other financing sources (uses)	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 99,267</u>	173,248	<u>\$ 73,981</u>
Fund balance - beginning of year		<u>3,490,707</u>	
Fund balance - end of year		<u>\$ 3,663,955</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, 2025

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	TOTAL
ASSETS								
Current assets:								
Equity in pooled cash and investments	\$ 1,531,099	\$ 4,705,931	\$ 6,041,467	\$ 4,576,617	\$ -	\$ 828,104	\$ 3,815,296	\$ 21,498,514
Prepaid expenses	2,371	-	-	-	93,120	-	4,919	100,410
Accounts receivable (net)	2,999	8,966	31,459	148,209	238,327	2,179	9,536	441,675
Inventories - at average cost	-	382,768	-	-	-	-	-	382,768
Lease receivable	-	-	-	-	-	-	4,036	4,036
Total current assets	1,536,469	5,097,665	6,072,926	4,724,826	331,447	830,283	3,833,787	22,427,403
Noncurrent assets:								
Lease receivable	-	-	-	-	-	-	111,308	111,308
Net OPEB asset (health plan)	7,436	79,020	12,690	7,468	3,198	12,062	110,152	232,026
Capital assets:								
Land	-	104,249	-	-	-	-	170,723	274,972
Construction in progress	-	964,692	-	-	-	174,963	170,975	1,310,630
Buildings	-	587,725	-	-	-	924,643	686,160	2,198,528
Improvements other than buildings	-	1,840,628	-	-	-	1,493,939	6,488	3,341,055
Machinery and equipment	-	52,559,625	-	-	-	625,785	10,439,625	63,625,035
Infrastructure	-	-	-	-	-	194,329	-	194,329
Subscription asset	-	-	-	-	-	-	214,855	214,855
Right-of-use lease asset	-	-	-	-	-	-	2,656,310	2,656,310
Less: accumulated depreciation and amortization	-	(31,276,729)	-	-	-	(1,803,347)	(11,966,365)	(45,046,441)
Total capital assets, net of accumulated depreciation	-	24,780,190	-	-	-	1,610,312	2,378,771	28,769,273
Total assets	1,543,905	29,956,875	6,085,616	4,732,294	334,645	2,452,657	6,434,018	51,540,010
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to pensions	34,270	421,021	76,179	80,814	14,977	73,873	647,278	1,348,412
Deferred outflows related to OPEB	194	8,725	1,455	797	91	1,381	7,770	20,413
Total deferred outflows of resources	34,464	429,746	77,634	81,611	15,068	75,254	655,048	1,368,825
LIABILITIES								
Current liabilities:								
Accounts and contracts payable	38,497	501,477	35,757	28,731	3,755	49,187	458,475	1,115,879
Insurance claims payable	-	-	529,194	739,683	34,761	-	-	1,303,638
Due to other funds	-	-	-	-	214,013	-	-	214,013
Accrued interest payable	-	4,428	-	-	-	-	30,083	34,511
Current portion of compensated absences payable	361	3,631	1,028	-	-	2,510	5,801	13,331
Current portion of lease liability	-	-	-	-	-	-	325,501	325,501
Current portion of SBITA payable	-	-	-	-	-	-	49,457	49,457
Total current liabilities	38,858	509,536	565,979	768,414	252,529	51,697	869,317	3,056,330
Noncurrent liabilities:								
Compensated absences payable	8,659	87,148	24,663	-	-	60,244	139,228	319,942
Net pension obligation	64,099	776,889	139,008	141,464	27,968	134,548	1,182,325	2,466,301
Net OPEB obligation	3,820	45,630	7,883	6,631	1,569	7,571	66,325	139,429
Lease liability	-	-	-	-	-	-	1,064,502	1,064,502
Total noncurrent liabilities	76,578	909,667	171,554	148,095	29,537	202,363	2,452,380	3,990,174
Total Liabilities	115,436	1,419,203	737,533	916,509	282,066	254,060	3,321,697	7,046,504
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to OPEB	5,755	74,778	13,486	7,502	2,226	11,607	96,229	211,583
Deferred inflows related to pensions	26,213	310,224	51,349	40,241	11,633	50,201	439,381	929,242
Deferred inflows related to leases	-	-	-	-	-	-	112,637	112,637
Total deferred inflows of resources	31,968	385,002	64,835	47,743	13,859	61,808	648,247	1,253,462
NET POSITION								
Net investment in capital assets	-	24,780,190	-	-	-	1,610,312	939,311	27,329,813
Unrestricted	1,430,965	3,802,226	5,360,882	3,849,653	53,788	601,731	2,179,811	17,279,056
Total net position	\$ 1,430,965	\$ 28,582,416	\$ 5,360,882	\$ 3,849,653	\$ 53,788	\$ 2,212,043	\$ 3,119,122	\$ 44,608,869

CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	ELIMINATIONS	TOTAL
OPERATING REVENUES									
Charges for services	\$ 300,000	\$ 14,228,263	\$ 4,278,774	\$ 5,949	\$ -	\$ 674,524	\$ 7,526,493	\$ -	\$ 27,014,003
Contributions	-	-	-	11,920,531	633,730	-	-	-	12,554,261
Miscellaneous	-	4,546	3,199	5,103,782	1,801,747	-	48,031	-	6,961,305
Total operating revenues	300,000	14,232,809	4,281,973	17,030,262	2,435,477	674,524	7,574,524	-	46,529,569
OPERATING EXPENSES									
Garage operations	-	8,283,644	-	-	-	-	-	-	8,283,644
Depreciation and amortization	-	5,226,172	-	-	-	190,062	1,119,284	-	6,535,518
Insurance claims	-	-	2,773,426	13,260,649	1,063,891	-	-	-	17,097,966
Administrative	374,672	-	219,669	1,526,141	1,322,284	332,649	7,457,742	-	11,233,157
Special services	479,341	-	-	1,882,098	46,409	-	-	-	2,407,848
Maintenance	-	-	-	-	-	738,671	-	-	738,671
Total operating expenses	854,013	13,509,816	2,993,095	16,668,888	2,432,584	1,261,382	8,577,026	-	46,296,804
Operating income (loss)	(554,013)	722,993	1,288,878	361,374	2,893	(586,858)	(1,002,502)	-	232,765
NON-OPERATING REVENUES (EXPENSES)									
Revenues from use of money and property	85,150	291,216	248,350	201,036	303	78,898	223,145	-	1,128,098
Gain (loss) on sale of assets	-	381,765	-	-	-	-	-	-	381,765
Interest expense	-	(13,417)	-	-	-	-	(58,505)	-	(71,922)
Total non-operating revenues (expenses)	85,150	659,564	248,350	201,036	303	78,898	164,640	-	1,437,941
Income (loss) before transfers	(468,863)	1,382,557	1,537,228	562,410	3,196	(507,960)	(837,862)	-	1,670,706
Transfers in	-	-	-	-	-	227,611	-	-	227,611
Transfers out	-	-	-	-	-	-	-	-	-
Change in net position	(468,863)	1,382,557	1,537,228	562,410	3,196	(280,349)	(837,862)	-	1,898,317
Net position - beginning of year	1,899,828	27,199,859	3,823,654	3,287,243	50,592	2,492,392	3,956,984	-	42,710,552
Net position - end of year	\$ 1,430,965	\$ 28,582,416	\$ 5,360,882	\$ 3,849,653	\$ 53,788	\$ 2,212,043	\$ 3,119,122	\$ -	\$ 44,608,869

**CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025**

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIRE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	ELIMINATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash received from customers and users	\$ 300,235	\$ 14,632,824	\$ 4,262,483	\$ 16,887,075	\$ 2,756,514	\$ 673,274	\$ 7,573,678	\$ -	\$ 47,086,083
Cash paid to suppliers for goods and services	(564,608)	(6,915,090)	(7,824)	(3,297,767)	(1,329,386)	(889,860)	(5,424,119)	-	(18,428,654)
Cash paid to employees for services	(322,977)	(1,465,583)	(225,772)	(120,123)	(55,886)	(232,949)	(1,963,004)	-	(4,386,294)
Insurance claims paid	-	-	(2,754,071)	(13,399,330)	(1,025,816)	-	-	-	(17,179,217)
Net cash provided by (used in) operating activities	(587,350)	6,252,151	1,274,816	69,855	345,426	(449,535)	186,555	-	7,091,918
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES									
Advances from (to) other funds	-	-	-	-	(345,729)	-	-	-	(345,729)
Transfers in from other funds	-	-	-	-	-	227,611	-	-	227,611
Transfers out to other funds	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) non-capital financing activities	-	-	-	-	(345,729)	227,611	-	-	(118,118)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES									
Acquisition, construction, and retirement of capital assets	-	(5,080,562)	-	-	-	(181,494)	(108,782)	-	(5,370,638)
Interest paid	-	(13,417)	-	-	-	-	(57,224)	-	(70,641)
Payment on subscription (SBITA) liabilities	-	-	-	-	-	-	(54,868)	-	(54,868)
Payment of lease liabilities	-	-	-	-	-	-	(388,100)	-	(388,100)
Proceeds from sale of assets and leases	-	487,646	-	-	-	-	-	-	487,646
Net cash provided by (used in) capital and related financing activities	-	(4,606,133)	-	-	-	(181,494)	(608,974)	-	(5,396,601)
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and dividends	85,150	291,216	248,350	201,036	303	78,898	223,145	-	1,128,098
Net cash provided by investing activities	85,150	291,216	248,350	201,036	303	78,898	223,145	-	1,128,098
Net increase (decrease) in cash and cash equivalents	(502,200)	1,937,234	1,523,166	270,891	-	(324,520)	(199,274)	-	2,705,297
Cash and cash equivalents - beginning of year	2,033,299	2,768,697	4,518,301	4,305,726	-	1,152,624	4,014,570	-	18,793,217
Cash and cash equivalents - end of year	\$ 1,531,099	\$ 4,705,931	\$ 6,041,467	\$ 4,576,617	\$ -	\$ 828,104	\$ 3,815,296	\$ -	\$ 21,498,514

CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025

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

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	TOTAL
Operating income (loss)	\$ (554,013)	\$ 722,993	\$ 1,288,878	\$ 361,374	\$ 2,893	\$ (586,858)	\$ (1,002,502)	\$ 232,765
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation expense	-	5,226,172	-	-	-	190,062	1,119,284	6,535,518
(Increase) decrease in accounts receivable	235	400,015	(19,490)	(143,187)	321,037	(1,250)	(846)	556,514
(Increase) decrease in prepaid expenses	(2,371)	-	-	-	(12,071)	-	(4,919)	(19,361)
(Increase) decrease in inventories	-	(98,283)	-	-	-	-	-	(98,283)
(Increase) decrease in net OPEB asset	(7,436)	(79,020)	(12,690)	(7,468)	(3,198)	(12,062)	(110,152)	(232,026)
(Increase) decrease in deferred outflows related to pensions	(28,801)	138,848	22,318	12,930	5,542	21,193	192,033	364,063
(Increase) decrease in deferred outflows related to OPEB	46,953	56,873	9,200	5,128	2,270	8,681	78,658	207,763
Increase (decrease) in accounts payable	(26,149)	83,372	(35,042)	(2,391)	(1,311)	(42,897)	185,057	160,639
Increase (decrease) in claims payable	-	-	54,397	(138,681)	38,075	-	-	(46,209)
Increase (decrease) in compensated absences payable	2,378	(1,982)	(1,106)	-	-	3,639	1,312	4,241
Increase (decrease) in post employment benefits liability	(1,095)	(12,967)	(2,095)	(956)	(474)	(1,978)	(17,070)	(36,635)
Increase (decrease) in deferred inflows related to pensions	15,659	(51,756)	3,286	2,133	817	3,496	31,679	5,314
Increase (decrease) in deferred inflows related to OPEB	(18,334)	22,905	(7,923)	(4,591)	(1,967)	(7,900)	(71,581)	(89,391)
Increase (decrease) in net pension obligation	(14,376)	(155,019)	(24,917)	(14,436)	(6,187)	(23,661)	(214,398)	(452,994)
Total adjustments	(33,337)	5,229,158	(14,062)	(291,519)	342,533	137,323	1,189,057	6,859,153
Net cash provided by (used in) operating activities	\$ (587,350)	\$ 6,252,151	\$ 1,274,816	\$ 69,855	\$ 345,426	\$ (449,535)	\$ 186,555	\$ 7,091,918

**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, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 55,000	\$ 85,150	\$ 30,150
Charges for services	550,000	300,000	(250,000)
Total revenues - budget and GAAP basis	\$ 605,000	\$ 385,150	\$ (219,850)
EXPENSES			
Salaries and benefits	\$ 281,783	\$ 317,925	\$ (36,142)
Supplies and services	66,370	64,177	2,193
Special services	696,864	479,341	217,523
Total expenses - budget basis	\$ 1,045,017	861,443	\$ 183,574
Financial statement adjustments:			
Adjustment for net pension liability		625	
Adjustment for OPEB liability		(8,055)	
Total expenses - GAAP basis		\$ 854,013	

CITY OF TYLER, TEXAS
FLEET MAINTENANCE AND REPLACEMENT FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 40,000	\$ 291,216	\$ 251,216
Current service charges	15,504,197	14,228,263	(1,275,934)
Miscellaneous	1,000	4,546	3,546
Sale of assets	308,000	285,059	(22,941)
Total revenues - budget basis	<u>\$ 15,853,197</u>	14,809,084	<u>\$ (1,044,113)</u>
Financial statement adjustments:			
Gain on disposal of assets		96,706	
Total revenues - budget and GAAP basis		<u>\$ 14,905,790</u>	
EXPENSES			
Garage administration and operations:			
Salaries and benefits	\$ 1,341,145	\$ 1,383,465	\$ (42,320)
Supplies and services	7,293,015	6,628,505	664,510
Utilities	86,382	61,231	25,151
Maintenance	308,596	200,496	108,100
Capital outlay	7,773,061	5,074,687	2,698,374
Total garage administration and operations	<u>16,802,199</u>	<u>13,348,384</u>	<u>3,453,815</u>
Transfers out	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenses - budget basis	<u>\$ 16,902,199</u>	13,448,384	<u>\$ 3,453,815</u>
Financial statement adjustments:			
Adjustment for net pension liability		6,734	
Adjust OPEB assets and liabilities		(86,870)	
Capital outlay items not expensed		(5,071,187)	
Depreciation expense		5,226,172	
Total expenses - GAAP basis		<u>\$ 13,523,233</u>	

CITY OF TYLER, TEXAS
PROPERTY AND LIABILITY INSURANCE FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 85,000	\$ 248,350	\$ 163,350
Collections - subrogation	-	3,199	3,199
Charges for services	3,391,400	4,278,774	887,374
Total revenues - budget and GAAP basis	\$ 3,476,400	\$ 4,530,323	\$ 1,053,923
EXPENSES			
Claims and premiums	\$ 3,332,892	\$ 2,773,426	\$ 559,466
Administrative	719,840	232,491	487,349
	4,052,732	3,005,917	1,046,815
Transfers out	1,880	-	1,880
Total expenses - budget basis	\$ 4,054,612	\$ 3,005,917	\$ 1,048,695
Financial statement adjustments:			
Adjustment for net pension liability		1,082	
Adjustment for OPEB liability		(13,904)	
Total expenses - GAAP basis		\$ 2,993,095	

**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, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 26,339	\$ 201,036	\$ 174,697
Charges for services	26,196	5,949	(20,247)
Contributions from City of Tyler	12,740,331	9,470,787	(3,269,544)
Contributions from employees	3,278,167	2,449,744	(828,423)
Miscellaneous	1,067,739	5,103,782	4,036,043
Total revenues - budget and GAAP basis	<u>\$ 17,138,772</u>	<u>\$ 17,231,298</u>	<u>\$ 92,526</u>
EXPENSES			
Employee insurance fund administration:			
Special services	\$ 1,664,283	\$ 1,882,098	\$ (217,815)
Claims	13,362,719	12,866,125	496,594
Contributions	40,000	27,000	13,000
Administrative	1,574,161	1,506,401	67,760
Life insurance	401,983	394,524	7,459
Total expenses - budget and GAAP basis	<u>\$ 17,043,146</u>	16,676,148	<u>\$ 366,998</u>
Financial statement adjustments:			
Adjustment for net pension liability		627	
Adjustment for OPEB liability		<u>(7,887)</u>	
Total expenses - GAAP basis		<u>\$ 16,668,888</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, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ -	\$ 303	\$ 303
Contributions from retirees	566,124	633,730	67,606
Contributions - OPEB Trust and RDS Reimbursement	<u>2,659,407</u>	<u>1,801,747</u>	<u>(857,660)</u>
Total revenues - budget and GAAP basis	<u>\$ 3,225,531</u>	<u>\$ 2,435,780</u>	<u>\$ (789,751)</u>
EXPENSES			
Employee insurance fund administration:			
Special services	\$ 46,470	\$ 46,409	\$ 61
Claims	1,840,980	1,063,891	777,089
Administrative fees	1,295,638	1,295,761	(123)
Life insurance	<u>36,571</u>	<u>29,720</u>	<u>6,851</u>
Total expenses - budget and GAAP basis	<u>\$ 3,219,659</u>	<u>2,435,781</u>	<u>\$ 783,878</u>
Financial statement adjustments:			
Adjustment for net pension liability		269	
Adjustment for OPEB liability		<u>(3,466)</u>	
Total expenses - GAAP basis		<u>\$ 2,432,584</u>	

CITY OF TYLER, TEXAS
PROPERTY AND FACILITY MANAGEMENT FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 30,000	\$ 78,898	\$ 48,898
Charges for services	<u>686,113</u>	<u>674,524</u>	<u>(11,589)</u>
Total revenues	716,113	753,422	37,309
Transfers in	<u>227,611</u>	<u>227,611</u>	<u>-</u>
Total revenues - budget and GAAP basis	<u>\$ 943,724</u>	<u>\$ 981,033</u>	<u>\$ 37,309</u>
EXPENSES			
Salaries and benefits	\$ 203,956	\$ 224,357	\$ (20,401)
Supplies and services	106,196	111,339	(5,143)
Maintenance	736,503	738,671	(2,168)
Capital Outlay	<u>488,816</u>	<u>190,680</u>	<u>298,136</u>
Total property and facility administration	<u>1,535,471</u>	<u>1,265,047</u>	<u>270,424</u>
Total expenses - budget basis	<u>\$ 1,535,471</u>	<u>1,265,047</u>	<u>\$ 270,424</u>
Financial statement adjustments:			
Adjust OPEB assets and liabilities		(13,159)	
Adjustment for net pension liability		928	
Capital outlay items not expensed		(181,496)	
Depreciation expense		<u>190,062</u>	
Total expenses - GAAP basis		<u>\$ 1,261,382</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, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 105,275	\$ 223,145	\$ 117,870
Charges for services	7,471,430	7,526,493	55,063
Miscellaneous	331,743	48,031	(283,712)
	<u>\$ 7,908,448</u>	<u>\$ 7,797,669</u>	<u>\$ (110,779)</u>
EXPENSES			
Office technology fund administration:			
Salaries and benefits	\$ 1,775,864	\$ 1,853,485	\$ (77,621)
Supplies and services	415,576	18,442	397,134
Utilities	150	11	139
Maintenance	9,514	7,323	2,191
	<u>2,201,104</u>	<u>1,879,261</u>	<u>321,843</u>
Office technology services:			
Supplies and services	2,862,094	2,654,391	207,703
Utilities	249,867	172,091	77,776
Maintenance	4,443,406	3,363,022	1,080,384
Capital outlay	107,975	107,975	-
	<u>7,663,342</u>	<u>6,297,479</u>	<u>1,365,863</u>
Total expenses - budget basis	<u>\$ 9,864,446</u>	<u>8,176,740</u>	<u>\$ 1,687,706</u>
Financial statement adjustments:			
Adjustment for net pension liability		6,310	
Adjust OPEB assets and liabilities		(117,141)	
Capital outlay items not expensed		(107,975)	
Principal paid on capital leases		(445,323)	
Amortization of subscription assets		272,750	
Amortization of capital leases		475,352	
Principal paid on subscription liabilities		(54,869)	
Interest expense		58,505	
Depreciation expense		371,182	
Total expenses - GAAP basis		<u>\$ 8,635,531</u>	

FIDUCIARY FUNDS

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

Employee Benefit Trust Funds

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

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

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

Private Purpose Trust Funds

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

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

**CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
EMPLOYEE BENEFIT TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	EMPLOYEE BENEFIT PLAN (SECTION 125 PLAN)	OPEB TRUST	TYLER FIRE DEPARTMENT RELIEF AND RETIREMENT FUND	TOTAL
ASSETS				
Equity in pooled cash	1,693,667	\$ 547,953	\$ 1,056,347	\$ 3,297,967
Investments, at fair value				
Equities	-	-	67,741,481	67,741,481
Mutual funds	-	15,140,406	4,528,343	19,668,749
Fixed income	-	10,189,515	27,415,204	37,604,719
Total investments	-	25,329,921	99,685,028	125,014,949
Receivables				
Contributions receivable	802	-	97,349	98,151
Interest receivable	-	1,487,591	96,857	1,584,448
Total receivables	802	1,487,591	194,206	1,682,599
Total assets	1,694,469	27,365,465	100,935,581	129,995,515
LIABILITIES				
Accounts payable	1,301,571	167,986	-	1,469,557
Total liabilities	1,301,571	167,986	-	1,469,557
NET POSITION				
Held in trust for OPEB benefits	-	27,197,479	-	27,197,479
Held in trust for pension benefits	-	-	100,935,581	100,935,581
Held in trust for other purposes	392,898	-	-	392,898
Total net position	\$ 392,898	\$ 27,197,479	\$ 100,935,581	\$ 128,525,958

CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
EMPLOYEE BENEFIT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	EMPLOYEE BENEFIT PLAN (SECTION 125 PLAN)	OPEB TRUST	TYLER FIRE DEPARTMENT RELIEF AND RETIREMENT FUND	TOTAL
ADDITIONS				
Contributions				
Employees	\$ 232,320	\$ -	\$ 2,227,093	\$ 2,459,413
Employer	-	2,888,712	3,769,459	6,658,171
Total contributions	<u>232,320</u>	<u>2,888,712</u>	<u>5,996,552</u>	<u>9,117,584</u>
Investment income				
Interest and dividend income	-	1,951,004	2,590,927	4,541,931
Net depreciation in fair value of investments	-	524,731	8,689,306	9,214,037
Less investment expense	-	(105,950)	(322,501)	(428,451)
Total investment income	<u>-</u>	<u>2,369,785</u>	<u>10,957,732</u>	<u>13,327,517</u>
Other income	-	-	-	-
Total additions	<u>232,320</u>	<u>5,258,497</u>	<u>16,954,284</u>	<u>22,445,101</u>
DEDUCTIONS				
Reimbursement for benefit claims	-	1,525,848	-	1,525,848
Other expenses	-	-	1,650,829	1,650,829
Benefits	149,849	-	6,434,256	6,584,105
Total deductions	<u>149,849</u>	<u>1,525,848</u>	<u>8,085,085</u>	<u>8,109,953</u>
Change in net position	82,471	3,732,649	8,869,199	12,684,319
Net position- beginning of year	<u>310,427</u>	<u>23,464,830</u>	<u>92,066,382</u>	<u>115,841,639</u>
Net position - end of year	<u>\$ 392,898</u>	<u>\$ 27,197,479</u>	<u>\$ 100,935,581</u>	<u>\$ 128,525,958</u>

**CITY OF TYLER, TEXAS
 FIDUCIARY FUNDS
 PRIVATE-PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF NET POSITION
 SEPTEMBER 30, 2025**

	GREENWOOD LANDFILL PRIVATE-PURPOSE TRUST	LINDSEY TRUST PRIVATE-PURPOSE TRUST	TOTAL
ASSETS			
Equity in pooled cash	\$ 3,851,157	\$ -	\$ 3,851,157
Investments, at fair value			
Equities	-	103,163	103,163
Total investments	-	103,163	103,163
Receivables			
Interest receivable	7,089	-	7,089
Total receivables	7,089	-	7,089
Total assets	3,858,246	103,163	3,961,409
NET POSITION			
Held in trust for other purposes	\$ 3,858,246	\$ 103,163	\$ 3,961,409

CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	GREENWOOD LANDFILL PRIVATE-PURPOSE TRUST	LINDSEY TRUST PRIVATE-PURPOSE TRUST	TOTAL
ADDITIONS			
Contributions	\$ 270,833	\$ -	\$ 270,833
Investment income			
Interest and dividend income	161,430	3,062	164,492
Net appreciation in fair value of investments	-	5,892	5,892
Less investment expense	-	(3,288)	(3,288)
Total investment income	161,430	5,666	167,096
Total additions	432,263	5,666	437,929
DEDUCTIONS			
Benefits	-	-	-
Total deductions	-	-	-
Change in net position	432,263	5,666	437,929
Net position - beginning of year	3,425,983	97,497	3,523,480
Net position - end of year	\$ 3,858,246	\$ 103,163	\$ 3,961,409

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, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
PROPERTY TAX COLLECTIONS			
Current taxes	\$ 30,108,410	\$ 29,839,452	\$ (268,958)
Delinquent taxes	185,000	132,178	(52,822)
Penalty and interest	235,000	236,021	1,021
Total property tax collections	<u>30,528,410</u>	<u>30,207,651</u>	<u>(320,759)</u>
FRANCHISE FEES			
Franchise - light and power	4,624,221	4,737,279	113,058
Franchise - natural gas	1,045,704	1,021,955	(23,749)
Franchise - telephone	525,000	417,507	(107,493)
Franchise - cable television	1,001,517	787,165	(214,352)
Franchise - street use fee	1,214,239	1,157,431	(56,808)
Franchise - water and sewer	3,800,914	3,802,799	1,885
Total franchise fees	<u>12,211,595</u>	<u>11,924,136</u>	<u>(287,459)</u>
SALES AND USE TAXES			
General sales tax	40,901,127	42,149,181	1,248,054
Mixed drink tax	627,212	649,920	22,708
Bingo tax	38,000	30,111	(7,889)
Total sales and use taxes	<u>41,566,339</u>	<u>42,829,212</u>	<u>1,262,873</u>
LICENSES AND PERMITS			
Parking meter	25,724	14,173	(11,551)
Taxicab and limousine	4,250	3,150	(1,100)
Burglar alarm	325,000	291,027	(33,973)
ROW Permits	3,750	700	(3,050)
Building	1,506,439	1,754,755	248,316
Electrical	230,000	179,967	(50,033)
Plumbing	160,000	118,762	(41,238)
Zoning	95,000	81,257	(13,743)
Mechanical	90,000	94,311	4,311
Cert. of Occupancy	30,000	23,310	(6,690)
TABC Fee	20,000	10,925	(9,075)
Billboard Registration	15,045	15,130	85
Sign	40,000	30,725	(9,275)
Contractor license	50,000	53,250	3,250
Total licenses and permits	<u>2,595,208</u>	<u>2,671,442</u>	<u>76,234</u>
FINES, FORFEITURES AND PENALTIES			
Moving violation fines	2,216,000	2,649,229	433,229
Tax service fees on fines	140,000	170,377	30,377
Arrest fee fines	107,000	120,596	13,596
Municipal court administrative fees	80,000	100,378	20,378
Warrant fees	317,000	325,539	8,539
Child safety fees	134,000	170,315	36,315
Miscellaneous municipal court fines	60,000	66,771	6,771
Special court fees	851,000	877,502	26,502
Collection firm fee	322,000	383,400	61,400
Parking fees	32,000	27,570	(4,430)
Scofflaw	2,200	3,857	1,657
Animal fines	9,000	12,481	3,481
Omnibase program	36,000	39,786	3,786
Total fines, forfeitures and penalties	<u>4,306,200</u>	<u>4,947,801</u>	<u>641,601</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES FROM USE OF MONEY OR PROPERTY			
Rent - miscellaneous	\$ 1,032,780	\$ 896,667	\$ (136,113)
Distributed interest	2,058,761	1,795,286	(263,475)
Total revenues from use of money or property	<u>3,091,541</u>	<u>2,691,953</u>	<u>(399,588)</u>
CHARGES FOR CURRENT SERVICES			
Swimming pool admissions	25,000	27,167	2,167
Fire inspection fees	150,000	178,107	28,107
Lot mowing	61,138	33,444	(27,694)
Glass membership fees	75,000	79,141	4,141
Copying fees	15,000	16,788	1,788
Utility cut fees	132,000	132,000	-
Open records	25,000	43,370	18,370
Participant fees	28,205	22,383	(5,822)
Sports field maintenance	116,650	151,743	35,093
Recreation classes and events	60,000	44,586	(15,414)
Reimbursement of overhead from tourism and convention fund	48,993	48,993	-
One-Half cent administration costs	524,702	524,702	-
Reimbursement of overhead from water and sewer operating fund	1,470,075	1,470,075	-
Reimbursement of overhead from sanitation fund	272,194	272,914	720
Platting	85,000	68,315	(16,685)
Animal adoption fees	30,000	13,100	(16,900)
Animal shelter fees	18,000	5,680	(12,320)
Liberty hall tickets sales	106,400	85,461	(20,939)
Fire cost recovery	180,000	142,955	(37,045)
Library	56,822	35,031	(21,791)
Total charges for current services	<u>3,480,179</u>	<u>3,395,955</u>	<u>(84,224)</u>
REVENUES FROM OTHER AGENCIES			
State government	26,000	23,955	(2,045)
County hazardous material service	6,000	5,692	(308)
Prior year restitution income	250	279	29
Auto theft task force grant	145,000	161,087	16,087
Safe and Sober grant	74,755	81,968	7,213
FEMA Grant	-	13,787	13,787
TIFMAS Grant	-	39,452	39,452
PSAP SC 911 Grant	-	94,239	94,239
SHSG PD Grant	23,591	23,591	-
Police safety OOG	99,475	-	(99,475)
SAFER grant	483,928	657,348	173,420
Fire TCLEOSE allocation	1,000	-	(1,000)
Federal JAG	34,000	28,802	(5,198)
Justice assistance	26,455	26,456	1
Total revenues from other agencies	<u>920,454</u>	<u>1,156,656</u>	<u>236,202</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
MISCELLANEOUS			
Oil and lease royalties	\$ 555,000	\$ 260,837	\$ (294,163)
Miscellaneous charges	203,276	135,937	(67,339)
Unclaimed property revenue	12,500	24,872	12,372
Returned check fees	-	225	225
Funeral escorts	10,000	3,900	(6,100)
Merchandise sales	29,000	27,431	(1,569)
Subdivision plan review	60,000	35,000	(25,000)
Sale of equipment	400	-	(400)
Total miscellaneous	<u>870,176</u>	<u>488,202</u>	<u>(381,974)</u>
Total revenues before other financing sources	<u>99,570,102</u>	<u>100,313,008</u>	<u>742,906</u>
OTHER FINANCING SOURCES			
Transfers in from other funds	<u>2,977,002</u>	<u>2,977,002</u>	<u>-</u>
Total other financing sources	<u>2,977,002</u>	<u>2,977,002</u>	<u>-</u>
Total revenue	<u>\$ 102,547,104</u>	<u>\$ 103,290,010</u>	<u>\$ 742,906</u>

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
GENERAL GOVERNMENT			
GENERAL GOVERNMENT SERVICES			
Salaries and benefits	\$ 2,764,341	\$ 3,055,533	\$ (291,192)
Supplies and services	2,103,407	1,858,646	244,761
Utilities	98,518	80,901	17,617
Maintenance	36,395	35,100	1,295
Total general government services	5,002,661	5,030,180	(27,519)
COMMUNICATIONS			
Salaries and benefits	505,893	523,661	(17,768)
Supplies and services	166,096	150,276	15,820
Maintenance	300	147	153
Total communications	672,291	674,084	(1,793)
FINANCE			
Salaries and benefits	1,138,454	1,114,379	24,075
Supplies and services	797,549	814,620	(17,071)
Utilities	100	3	97
Maintenance	1,000	-	1,000
Total finance	1,937,103	1,929,002	8,101
HUMAN RESOURCES			
Salaries and benefits	604,673	552,747	51,926
Supplies and services	113,443	133,761	(20,318)
Utilities	126	17	109
Total human resources	718,242	686,525	31,717
LEGAL			
Salaries and benefits	1,157,581	1,241,643	(84,062)
Supplies and services	285,313	237,802	47,511
Utilities	260	3	257
Maintenance	839	-	839
Total legal	1,443,993	1,479,448	(35,455)
INNOVATION PIPELINE			
Supplies and services	4,480	4,163	317
Utilities	1,584	1,718	(134)
Maintenance	7,603	7,304	299
Total innovation pipeline	13,667	13,185	482
Total general government	9,787,957	9,812,424	(24,467)

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
PUBLIC SAFETY			
POLICE			
Salaries and benefits	\$ 32,018,092	\$ 32,326,504	\$ (308,412)
Supplies and services	3,453,082	3,330,575	122,507
Utilities	161,010	125,694	35,316
Maintenance	<u>2,025,411</u>	<u>1,919,803</u>	<u>105,608</u>
Total police	<u>37,657,595</u>	<u>37,702,576</u>	<u>(44,981)</u>
FIRE			
Salaries and benefits	22,232,986	23,569,659	(1,336,673)
Supplies and services	1,773,220	1,537,539	235,681
Utilities	192,125	192,648	(523)
Maintenance	<u>1,213,314</u>	<u>1,036,923</u>	<u>176,391</u>
Total fire	<u>25,411,645</u>	<u>26,336,769</u>	<u>(925,124)</u>
MUNICIPAL COURT			
Salaries and benefits	1,474,649	1,219,642	255,007
Supplies and services	1,046,158	1,229,943	(183,785)
Utilities	9,300	9,329	(29)
Maintenance	<u>65,521</u>	<u>59,350</u>	<u>6,171</u>
Total municipal court	<u>2,595,628</u>	<u>2,518,264</u>	<u>77,364</u>
COPS			
Salaries and benefits	<u>19,540</u>	<u>33,126</u>	<u>(13,586)</u>
Total cops	<u>19,540</u>	<u>33,126</u>	<u>(13,586)</u>
Total public safety	<u>65,684,408</u>	<u>66,590,735</u>	<u>(906,327)</u>
PUBLIC SERVICES			
ANIMAL SERVICES			
Salaries and benefits	1,086,263	1,086,911	(648)
Supplies and services	362,881	287,585	75,296
Utilities	42,890	29,467	13,423
Maintenance	<u>132,488</u>	<u>129,063</u>	<u>3,425</u>
Total animal services	<u>1,624,522</u>	<u>1,533,026</u>	<u>91,496</u>
PLANNING AND ZONING SERVICES			
Salaries and benefits	849,509	808,122	41,387
Supplies and services	663,188	545,582	117,606
Utilities	<u>750</u>	<u>1</u>	<u>749</u>
Total planning and zoning services	<u>1,513,447</u>	<u>1,353,705</u>	<u>159,742</u>
BUILDING SERVICES			
Salaries and benefits	1,233,107	1,276,887	(43,780)
Supplies and services	312,755	290,885	21,870
Utilities	400	18	382
Maintenance	<u>45,839</u>	<u>43,055</u>	<u>2,784</u>
Total building services	<u>1,592,101</u>	<u>1,610,845</u>	<u>(18,744)</u>
Total public services	<u>4,730,070</u>	<u>4,497,576</u>	<u>232,494</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
HIGHWAYS AND STREETS			
ENGINEERING			
Salaries and benefits	\$ 1,067,730	\$ 903,752	\$ 163,978
Supplies and services	86,953	88,644	(1,691)
Utilities	50	38	12
Maintenance	66,768	65,381	1,387
Total engineering	<u>1,221,501</u>	<u>1,057,815</u>	<u>163,686</u>
STREET ADMINISTRATION			
Salaries and benefits	2,093,581	1,840,767	252,814
Supplies and services	345,943	315,835	30,108
Utilities	3,850	4,631	(781)
Maintenance	1,301,466	1,332,201	(30,735)
Total street administration	<u>3,744,840</u>	<u>3,493,434</u>	<u>251,406</u>
TRAFFIC OPERATIONS			
Salaries and benefits	841,830	774,926	66,904
Supplies and services	175,326	157,876	17,450
Utilities	1,263,952	1,219,344	44,608
Maintenance	638,840	547,055	91,785
Total traffic operations	<u>2,919,948</u>	<u>2,699,201</u>	<u>220,747</u>
Total highways and streets	<u>7,886,289</u>	<u>7,250,450</u>	<u>635,839</u>
CULTURE AND RECREATION			
LIBRARY			
Salaries and benefits	1,619,879	1,613,312	6,567
Supplies and services	452,712	444,077	8,635
Utilities	45,201	45,003	198
Maintenance	69,091	63,416	5,675
Total library	<u>2,186,883</u>	<u>2,165,808</u>	<u>21,075</u>
PARKS ADMINISTRATION			
Salaries and benefits	1,332,829	1,265,066	67,763
Supplies and services	975,818	994,274	(18,456)
Utilities	675,968	645,373	30,595
Maintenance	596,291	673,790	(77,499)
Total parks administration	<u>3,580,906</u>	<u>3,578,503</u>	<u>2,403</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CULTURE AND RECREATION (cont'd)			
INDOOR RECREATION			
Salaries and benefits	\$ 584,293	\$ 607,719	\$ (23,426)
Supplies and services	131,750	113,554	18,196
Utilities	100	6	94
Maintenance	90,601	86,149	4,452
Total indoor recreation	<u>806,744</u>	<u>807,428</u>	<u>(684)</u>
OUTDOOR RECREATION			
Salaries and benefits	239,400	205,774	33,626
Supplies and services	129,068	107,690	21,378
Maintenance	1,500	227	1,273
Total outdoor recreation	<u>369,968</u>	<u>313,691</u>	<u>56,277</u>
MEDIAN MAINTENANCE AND ARBORIST			
Salaries and benefits	316,404	277,716	38,688
Supplies and services	127,159	113,858	13,301
Maintenance	47,580	56,165	(8,585)
Total median maintenance and arborist	<u>491,143</u>	<u>447,739</u>	<u>43,404</u>
ROSE GARDEN CENTER			
Salaries and benefits	393,043	416,616	(23,573)
Supplies and services	33,809	24,536	9,273
Utilities	50,000	33,943	16,057
Maintenance	44,018	44,309	(291)
Total rose garden center	<u>520,870</u>	<u>519,404</u>	<u>1,466</u>
ROSE GARDEN MAINTENANCE			
Salaries and benefits	558,589	409,329	149,260
Supplies and services	164,444	294,731	(130,287)
Utilities	45,650	34,395	11,255
Maintenance	156,398	169,976	(13,578)
Total rose garden maintenance	<u>925,081</u>	<u>908,431</u>	<u>16,650</u>
VISITOR FACILITIES			
Salaries and benefits	991,166	976,110	15,056
Supplies and services	224,597	252,359	(27,762)
Utilities	207,075	161,423	45,652
Maintenance	72,993	69,586	3,407
Total visitor facilities	<u>1,495,831</u>	<u>1,459,478</u>	<u>36,353</u>
MAIN STREET			
Salaries and benefits	255,779	281,626	(25,847)
Supplies and services	223,092	191,482	31,610
Utilities	3,020	1,158	1,862
Total main street	<u>481,891</u>	<u>474,266</u>	<u>7,625</u>

(Continued)

**CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
CULTURE AND RECREATION (cont'd)			
LIBERTY HALL			
Salaries and benefits	\$ 81,351	\$ 103,729	\$ (22,378)
Supplies and services	212,464	117,911	94,553
Utilities	19,276	11,527	7,749
Maintenance	48,008	42,074	5,934
	<u>361,099</u>	<u>275,241</u>	<u>85,858</u>
PLANNING AND ZONING SERVICES			
Supplies and services	5,050	\$ 5,050	\$ -
Utilities	150	139	11
Maintenance	20,000	20,000	-
	<u>25,200</u>	<u>25,189</u>	<u>11</u>
Total culture and recreation	<u>11,245,616</u>	<u>10,975,178</u>	<u>270,438</u>
OTHER FINANCING USES			
Transfer to transit system	853,806	1,252,517	(398,711)
Transfer to capital projects	70,000	665,000	(595,000)
Transfer to property and facility	101,305	101,305	-
Transfer to street projects	2,228,712	2,228,712	-
Transfer to cemeteries	325,000	325,000	-
	<u>3,578,823</u>	<u>4,572,534</u>	<u>(993,711)</u>
Capital outlay	<u>405,643</u>	<u>277,172</u>	<u>128,471</u>
Total expenditures	<u>\$ 103,318,806</u>	<u>\$ 103,976,069</u>	<u>\$ (657,263)</u>

CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money or property	\$ 894,234	3,261,400	\$ 2,367,166
Charges for current services	71,032,971	66,456,010	(4,576,961)
Revenues from other agencies	-	125,129	125,129
Miscellaneous income	10,523,336	10,202,408	(320,928)
	<u>\$ 82,450,541</u>	<u>\$ 80,044,947</u>	<u>\$ (2,405,594)</u>
Total revenue - budget and GAAP basis			

**CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
WATER ADMINISTRATION AND SUNDRY			
Salaries and benefits	\$ 1,661,121	1,734,423	\$ (73,302)
Supplies and services	5,103,732	4,429,234	674,498
Utilities	16,350	12,811	3,539
Maintenance	98,314	83,387	14,927
Total water administration and sundry	<u>6,879,517</u>	<u>6,259,855</u>	<u>619,662</u>
WATER OFFICE			
Salaries and benefits	1,500,048	1,522,675	(22,627)
Supplies and services	1,520,960	1,976,121	(455,161)
Utilities	60	8	52
Maintenance	82,541	92,948	(10,407)
Total water office	<u>3,103,609</u>	<u>3,591,752</u>	<u>(488,143)</u>
WATER DISTRIBUTION			
Salaries and benefits	3,048,207	2,578,542	469,665
Supplies and services	511,778	775,668	(263,890)
Utilities	69,764	36,195	33,569
Maintenance	1,058,775	1,141,316	(82,541)
Total water distribution	<u>4,688,524</u>	<u>4,531,721</u>	<u>156,803</u>
WATER PLANT			
Salaries and benefits	2,420,197	2,296,660	123,537
Supplies and services	8,258,017	3,546,903	4,711,114
Utilities	1,655,061	1,447,653	207,408
Maintenance	930,340	930,668	(328)
Total water plant	<u>13,263,615</u>	<u>8,221,884</u>	<u>5,041,731</u>
WASTE COLLECTION			
Salaries and benefits	2,436,360	2,168,840	267,520
Supplies and services	336,819	438,495	(101,676)
Utilities	275	-	275
Maintenance	1,380,056	1,390,249	(10,193)
Total waste collection	<u>4,153,510</u>	<u>3,997,584</u>	<u>155,926</u>
CD/CMOM (REGULATORY)			
Supplies and services	4,748,000	3,941,499	806,501
Total cd/cmom (regulatory)	<u>4,748,000</u>	<u>3,941,499</u>	<u>806,501</u>
WASTE TREATMENT PLANT			
Salaries and benefits	2,504,793	2,452,933	51,860
Supplies and services	1,749,367	1,739,197	10,170
Utilities	760,840	681,793	79,047
Maintenance	1,072,330	1,055,506	16,824
Total waste treatment plant	<u>6,087,330</u>	<u>5,929,429</u>	<u>157,901</u>

(Continued)

**CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
LAKE TYLER			
Salaries and benefits	\$ 601,945	559,683	\$ 42,262
Supplies and services	372,090	354,498	17,592
Utilities	10,800	11,834	(1,034)
Maintenance	540,823	463,909	76,914
Total Lake Tyler	<u>1,525,658</u>	<u>1,389,924</u>	<u>135,734</u>
STORM WATER MANAGEMENT			
Salaries and benefits	1,345,888	1,250,944	94,944
Supplies and services	307,554	225,717	81,837
Utilities	34,910	28,082	6,828
Maintenance	891,471	831,229	60,242
Total storm water management	<u>2,579,823</u>	<u>2,335,972</u>	<u>243,851</u>
GEOGRAPHICAL INFORMATION SYSTEMS			
Salaries and benefits	850,638	855,507	(4,869)
Supplies and services	511,072	480,131	30,941
Total geographical information systems	<u>1,361,710</u>	<u>1,335,638</u>	<u>26,072</u>
SLUDGE HAULING			
Salaries and benefits	353,896	381,582	(27,686)
Supplies and services	931,015	848,415	82,600
Utilities	12,000	5,822	6,178
Maintenance	783,599	798,451	(14,852)
Total sludge hauling	<u>2,080,510</u>	<u>2,034,270</u>	<u>46,240</u>
PURCHASING			
Salaries and benefits	286,290	295,425	(9,135)
Supplies and services	728,024	722,111	5,913
Utilities	150	2	148
Maintenance	10,886	9,806	1,080
Total purchasing	<u>1,025,350</u>	<u>1,027,344</u>	<u>(1,994)</u>
Capital outlay	<u>105,159,518</u>	<u>69,530,496</u>	<u>35,629,022</u>
Principal payments on bonds	<u>6,930,000</u>	<u>7,235,000</u>	<u>(305,000)</u>
Interest expense	<u>5,527,512</u>	<u>7,313,526</u>	<u>(1,786,014)</u>
Transfers (in)/out	<u>225,653</u>	<u>225,653</u>	<u>-</u>
Total expenditures - budget basis	<u>\$ 169,339,839</u>	<u>128,901,547</u>	<u>\$ 40,438,292</u>
Financial statement adjustments:			
Adjustment for net pension liability		49,508	
Adjustment OPEB assets and liabilities		(919,135)	
Capital outlay items not expensed		(69,530,496)	
Principal payments of bonds		(7,235,000)	
Amortization expense		(581,390)	
Depreciation expense		<u>12,908,345</u>	
Total expenditures - GAAP basis		<u>\$ 63,593,379</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, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Franchise fees	\$ 950,000	\$ 891,110	\$ (58,890)
Revenue from use of money or property	10,000	42,499	32,499
Current service charges	18,286,741	16,946,871	(1,339,870)
Miscellaneous	93,462	98,804	5,342
	<u> </u>	<u> </u>	<u> </u>
Total revenues - budget and GAAP basis	<u>\$ 19,340,203</u>	<u>\$ 17,979,284</u>	<u>\$ (1,360,919)</u>
EXPENSES			
Solid waste administration			
Salaries and benefits	966,470	1,015,124	(48,654)
Supplies and services	1,608,960	1,501,327	107,633
Utilities	5,570	4,007	1,563
	<u> </u>	<u> </u>	<u> </u>
Total solid waste administration	<u>2,581,000</u>	<u>2,520,458</u>	<u>60,542</u>
Residential collections			
Salaries and benefits	2,346,375	1,999,423	346,952
Supplies and services	2,790,818	3,189,163	(398,345)
Utilities	2,890	3,076	(186)
Maintenance	2,250,000	1,808,483	441,517
	<u> </u>	<u> </u>	<u> </u>
Total residential collections	<u>7,390,083</u>	<u>7,000,145</u>	<u>389,938</u>
Commercial collections			
Salaries and benefits	1,674,313	1,643,044	31,269
Supplies and services	2,791,064	2,615,093	175,971
Utilities	7,305	11,073	(3,768)
Maintenance	1,050,000	1,177,595	(127,595)
	<u> </u>	<u> </u>	<u> </u>
Total commercial collections	<u>5,522,682</u>	<u>5,446,805</u>	<u>75,877</u>
Litter control			
Salaries and benefits	83,482	87,812	(4,330)
Supplies and services	117,070	134,605	(17,535)
Utilities	800	1,473	(673)
	<u> </u>	<u> </u>	<u> </u>
Total litter control	<u>201,352</u>	<u>223,890</u>	<u>(22,538)</u>

(Continued)

**CITY OF TYLER, TEXAS
SANITATION FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENSES (cont'd)			
Code enforcement			
Salaries and benefits	\$ 1,056,158	\$ 1,134,496	\$ (78,338)
Supplies and services	142,897	132,867	10,030
Utilities	100	10	90
Maintenance	107,700	117,837	(10,137)
Total code enforcement	1,306,855	1,385,210	(78,355)
Capital outlay	880,000	1,457,943	(577,943)
Transfers out	50,653	50,653	-
Total expenses - budget basis	\$ 17,932,625	18,085,104	\$ (152,479)
Financial statement adjustments:			
Adjustment for net pension liability		25,950	
Adjust OPEB assets and liabilities		(334,763)	
Capital outlay items not expensed		(1,457,943)	
Loss on sale of assets		77,921	
Depreciation expense		634,710	
Total expenses - GAAP basis		\$ 17,030,979	

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, 2025

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Airport services	\$ 254,600	\$ 320,105	\$ 65,505
Revenues from use of money and property	1,171,216	1,297,849	126,633
Income from other agencies	5,489,319	2,249,845	(3,239,474)
Miscellaneous revenues	14,472	21,739	7,267
Total revenues	<u>6,929,607</u>	<u>3,889,538</u>	<u>(3,040,069)</u>
Transfers in	<u>72,000</u>	<u>292,457</u>	<u>220,457</u>
Total revenues - budget and GAAP basis	<u>\$ 7,001,607</u>	<u>\$ 4,181,995</u>	<u>\$ (2,819,612)</u>
EXPENSES			
Municipal airport operations			
Salaries and benefits	887,788	911,975	(24,187)
Supplies and services	1,162,293	917,372	244,921
Utilities	180,180	149,861	30,319
Maintenance	265,749	228,691	37,058
Total municipal airport operations	<u>2,496,010</u>	<u>2,207,899</u>	<u>288,111</u>
Principal payments on bonds	90,000	90,000	-
Capital outlay	<u>4,599,784</u>	<u>1,547,986</u>	<u>3,051,798</u>
Total expenses- budget basis	<u>\$ 7,185,794</u>	<u>3,845,885</u>	<u>\$ 3,339,909</u>
Financial statement adjustments:			
Adjustment for net pension liability		3,197	
Adjust OPEB assets and liabilities		(50,574)	
Principal payments on bonds		(90,000)	
Capital outlay items not expensed		(1,459,038)	
Depreciation expense		<u>3,713,331</u>	
Total expenses - GAAP basis		<u>\$ 5,962,801</u>	



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.

Contents	Pages
Financial Trends	
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	152-157
Revenue Capacity	
These schedules contain information to help the reader assess the City’s most significant local revenue source, property taxes.	158-162
Debt Capacity	
These Schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	163-168
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	169-170
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	171-173



TABLE 1

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Invested in capital assets	\$ 255,335,707	\$ 254,071,947	\$ 250,403,768	\$ 257,564,279	\$ 265,255,743	\$ 262,616,982	\$ 286,947,161	\$ 302,253,762	\$ 321,905,410	\$ 330,058,714
Restricted	19,998,703	24,687,498	34,538,182	36,220,286	34,968,630	47,018,449	57,958,272	58,646,738	57,837,543	59,819,353
Unrestricted	(29,206,408)	(29,239,172)	(44,703,390)	(42,727,945)	(40,259,967)	(29,568,057)	(31,639,493)	(24,526,398)	(20,010,326)	(2,552,430)
Total governmental activities net position	\$ 246,128,002	\$ 249,520,273	\$ 240,238,560	\$ 251,056,620	\$ 259,964,406	\$ 280,067,374	\$ 313,265,940	\$ 336,374,102	\$ 359,732,627	\$ 387,325,637
Business-type activities										
Invested in capital assets	\$ 185,888,696	\$ 199,364,645	\$ 207,347,257	\$ 220,412,254	\$ 219,486,636	\$ 209,627,651	\$ 203,399,552	\$ 243,814,226	\$ 266,903,741	\$ 275,562,540
Restricted	13,984,060	11,622,220	17,540,832	16,738,113	28,681,236	41,650,116	51,496,593	16,720,857	10,182,032	17,797,404
Unrestricted	803,659	1,418,179	(989,693)	(207,880)	324,881	3,599,915	1,839,804	5,091,529	1,454,220	694,411
Total business-type activities net position	\$ 200,676,415	\$ 212,405,044	\$ 223,898,396	\$ 236,942,487	\$ 248,492,753	\$ 254,877,682	\$ 256,735,949	\$ 265,626,612	\$ 278,539,993	\$ 294,054,355
Primary government										
Invested in capital assets	\$ 441,224,403	\$ 453,436,592	\$ 457,751,025	\$ 477,976,533	\$ 484,742,379	\$ 472,244,633	\$ 490,346,713	\$ 546,067,988	\$ 588,809,151	\$ 605,621,254
Restricted	33,982,763	36,309,718	52,079,014	52,958,399	63,649,866	88,668,565	109,454,865	75,367,595	68,019,575	77,616,757
Unrestricted	(28,402,749)	(27,820,993)	(45,693,083)	(42,935,825)	(39,935,086)	(25,968,142)	(29,799,689)	(19,434,869)	(18,556,106)	(1,858,019)
Total primary government net position	\$ 446,804,417	\$ 461,925,317	\$ 464,136,956	\$ 487,999,107	\$ 508,457,159	\$ 534,945,056	\$ 570,001,889	\$ 602,000,714	\$ 638,272,620	\$ 681,379,992

Source: Government-wide Statement of Net Position

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 10,454,415	\$ 8,541,513	\$ 7,135,438	\$ 6,929,613	\$ 8,546,671	\$ 12,525,483	\$ 27,066,638	\$ 13,865,317	\$ 11,368,621	\$ 12,773,180
Public safety	50,776,656	50,698,376	49,127,207	54,290,654	52,163,878	47,833,820	47,800,696	59,232,613	65,286,494	68,611,166
Highways and streets	12,564,341	12,901,307	12,904,261	12,863,503	14,331,423	14,403,381	12,417,649	15,093,538	16,319,951	17,743,056
Public services	15,609,073	15,935,764	16,243,252	16,293,667	18,825,525	16,021,187	18,045,764	20,597,159	25,085,635	26,271,736
Cultures and recreation	7,933,036	7,629,494	8,284,920	8,573,123	11,208,328	8,130,411	9,554,147	11,081,250	12,131,549	13,096,942
Interest on long term debt	60,341	29,600	31,629	68,488	43,768	500,109	3,850,936	275,485	335,862	354,370
Total governmental activities expenses	<u>97,397,862</u>	<u>95,736,054</u>	<u>93,726,707</u>	<u>99,019,048</u>	<u>105,119,593</u>	<u>99,414,391</u>	<u>118,735,830</u>	<u>120,145,362</u>	<u>130,528,112</u>	<u>138,850,450</u>
Business-type activities:										
Water and sewer	32,754,688	34,766,700	37,299,452	38,465,495	39,991,263	40,830,853	50,266,374	54,848,189	61,018,114	63,367,726
Sanitation	11,997,643	12,102,806	13,182,876	13,836,676	14,135,998	13,347,311	15,083,456	17,899,836	18,457,758	16,980,326
Airport	3,421,977	3,235,501	3,057,006	3,390,497	3,735,130	4,184,540	5,192,442	4,980,865	5,059,987	5,957,257
Total business-type activities expenses	<u>48,174,308</u>	<u>50,105,007</u>	<u>53,539,334</u>	<u>55,692,668</u>	<u>57,862,391</u>	<u>58,362,704</u>	<u>70,542,272</u>	<u>77,728,890</u>	<u>84,535,859</u>	<u>86,305,309</u>
Total primary government expenses	<u>145,572,170</u>	<u>145,841,061</u>	<u>147,266,041</u>	<u>154,711,716</u>	<u>162,981,984</u>	<u>157,777,095</u>	<u>189,278,102</u>	<u>197,874,252</u>	<u>215,063,971</u>	<u>225,155,759</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 3,144,517	\$ 3,666,701	\$ 3,674,604	\$ 2,919,670	\$ 2,602,642	\$ 5,228,000	\$ 4,719,311	\$ 5,625,573	\$ 5,705,315	\$ 5,962,915
Public safety	7,278,868	5,820,726	8,113,402	7,411,401	3,401,998	4,907,296	7,250,359	5,628,794	8,088,555	7,304,096
Highways and streets	142,380	38,880	-	-	-	-	-	-	-	-
Public services	2,317,480	2,070,577	2,015,878	2,328,149	2,832,501	2,725,747	3,484,014	3,088,347	3,374,704	3,647,050
Cultures and recreation	1,141,469	1,300,735	1,566,802	1,578,234	123,850	5,204	179,286	2,224,549	2,713,912	1,868,154
Operating grants and contributions	11,447,285	13,517,732	12,456,026	11,744,468	19,981,326	12,606,998	34,247,902	17,161,327	21,348,056	29,076,815
Capital grants and contributions	1,010,989	476,557	454,666	411,605	308,143	463,061	354,955	582,190	1,611,531	1,652,184
Total governmental activities program revenues	<u>26,482,988</u>	<u>26,891,908</u>	<u>28,281,378</u>	<u>26,393,327</u>	<u>29,250,460</u>	<u>25,936,306</u>	<u>50,235,827</u>	<u>34,310,780</u>	<u>42,842,073</u>	<u>49,511,214</u>
Business-type activities:										
Charges for services:										
Water and sewer	36,512,873	38,567,044	44,496,473	43,571,235	47,113,899	48,402,804	51,996,254	60,605,479	70,010,494	76,458,694
Sanitation	11,378,673	11,842,892	14,037,513	14,793,110	14,164,974	14,409,981	15,629,328	18,188,567	18,018,440	18,093,628
Airport	1,345,440	1,185,962	1,299,196	1,274,805	217,900	228,115	217,867	295,132	725,500	274,476
Capital grants and contributions	11,482,387	9,500,432	10,402,222	8,459,328	5,804,364	1,797,054	2,839,431	5,132,433	3,565,759	2,249,845
Total business-type activities program revenues	<u>60,719,373</u>	<u>61,096,330</u>	<u>70,235,404</u>	<u>68,098,478</u>	<u>67,301,137</u>	<u>64,837,954</u>	<u>70,682,880</u>	<u>84,221,611</u>	<u>92,320,193</u>	<u>97,076,643</u>
Total primary government program revenues	<u>87,202,361</u>	<u>87,988,238</u>	<u>98,516,782</u>	<u>94,492,005</u>	<u>96,551,597</u>	<u>90,774,260</u>	<u>120,918,707</u>	<u>118,532,391</u>	<u>135,162,266</u>	<u>146,587,857</u>
Net (expense)/revenue	\$ (70,914,874)	\$ (68,844,146)	\$ (65,445,329)	\$ (72,625,521)	\$ (75,869,133)	\$ (73,478,085)	\$ (68,500,003)	\$ (85,834,582)	\$ (87,686,039)	\$ (89,339,236)
Governmental activities	12,545,065	10,991,323	16,696,070	12,405,810	9,438,746	6,475,250	140,608	6,492,721	7,784,334	10,771,334
Business-type activities	(58,369,809)	(57,852,823)	(48,749,259)	(60,219,711)	(66,430,387)	(67,002,835)	(68,359,395)	(79,341,861)	(79,901,705)	(78,567,902)
Total primary government net expense										

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	\$ 16,464,898	\$ 17,722,103	\$ 19,125,723	\$ 20,736,120	\$ 22,858,131	\$ 23,485,458	\$ 25,387,943	\$ 27,403,562	\$ 29,073,015	\$ 31,018,766
Franchise taxes	10,592,842	10,847,085	11,187,605	11,019,217	11,124,504	10,896,182	11,243,225	11,462,535	11,705,110	12,081,582
Sales and use taxes	43,321,470	44,434,519	47,178,374	50,168,540	49,273,911	57,065,720	62,847,166	66,519,588	65,639,395	68,444,145
Unrestricted investment earnings and use of money and property	181,013	349,543	434,301	1,264,860	1,531,778	855,460	829,440	3,372,781	3,807,411	5,022,139
Gain (loss) on sale of assets	294,107	(825,967)	191,946	170,908	(336,086)	(886,629)	646,760	189,360	692,360	381,765
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-
Equity in earnings of joint venture	-	-	-	-	-	-	-	-	-	-
Transfers	(1,059,892)	(290,866)	(1,168,328)	83,936	324,681	2,164,862	744,035	(5,082)	127,273	(16,151)
Total governmental activities	<u>69,794,438</u>	<u>72,236,417</u>	<u>76,949,621</u>	<u>83,443,581</u>	<u>84,776,919</u>	<u>93,581,053</u>	<u>101,698,569</u>	<u>108,942,744</u>	<u>111,044,564</u>	<u>116,932,246</u>
Business-type activities:										
Unrestricted investment earnings and use of money and property	251,601	342,277	469,638	661,536	2,406,201	1,919,575	2,461,694	2,392,860	5,277,541	4,726,877
Gain (loss) on sale of assets	185,203	104,163	342,894	60,681	30,000	154,966	-	-	(21,221)	-
Transfers	1,059,892	290,866	1,168,328	(83,936)	(324,681)	(2,164,862)	(744,035)	5,082	(127,273)	16,151
Total business-type activities	<u>1,496,696</u>	<u>737,306</u>	<u>1,980,860</u>	<u>638,281</u>	<u>2,111,520</u>	<u>(90,321)</u>	<u>1,717,659</u>	<u>2,397,942</u>	<u>5,129,047</u>	<u>4,743,028</u>
Total primary government	<u>\$ 71,291,134</u>	<u>\$ 72,973,723</u>	<u>\$ 78,930,481</u>	<u>\$ 84,081,862</u>	<u>\$ 86,888,439</u>	<u>\$ 93,490,732</u>	<u>\$ 103,416,228</u>	<u>\$ 111,340,686</u>	<u>\$ 116,173,611</u>	<u>\$ 121,675,274</u>
Change in Net Position										
Governmental activities	\$ (1,120,436)	\$ 3,392,271	\$ 11,504,292	\$ 10,818,060	\$ 8,907,786	\$ 20,102,968	\$ 33,198,566	\$ 23,108,162	\$ 23,358,525	\$ 27,593,010
Business-type activities	14,041,761	11,728,629	18,676,930	13,044,091	11,550,266	6,384,929	1,858,267	8,890,663	12,913,381	15,514,362
Total primary government	<u>\$ 12,921,325</u>	<u>\$ 15,120,900</u>	<u>\$ 30,181,222</u>	<u>\$ 23,862,151</u>	<u>\$ 20,458,052</u>	<u>\$ 26,487,897</u>	<u>\$ 35,056,833</u>	<u>\$ 31,998,825</u>	<u>\$ 36,271,906</u>	<u>\$ 43,107,372</u>

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)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Sales and Use Tax¹</u>	<u>Total</u>
2016	16,464,898	10,592,842	43,321,470	70,379,210
2017	17,722,103	10,847,085	44,434,519	73,003,707
2018	19,125,723	11,187,605	47,178,374	77,491,702
2019	20,736,120	11,019,217	50,168,540	81,923,877
2020	22,858,131	11,124,504	49,273,911	83,256,546
2021	23,485,458	10,896,182	57,065,720	91,447,360
2022	25,387,943	11,243,225	62,847,166	99,478,334
2023	27,403,562	11,462,535	66,519,588	105,385,685
2024	29,073,015	11,705,110	65,639,395	106,417,520
2025	31,018,766	12,081,582	68,444,145	111,544,493

Source: Government-wide Statement of Activities

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

TABLE 4

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Reserved For:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	98,179	95,719	136,805	128,379	168,872	172,995	171,677	190,862	167,975	192,859
Restricted	-	-	-	-	-	10,105,793	18,117,432	17,720,914	12,346,652	44,081
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,092,909	1,742,596	2,093,261	1,389,151	921,304	1,099,496	2,262,547	2,766,019	2,999,740	2,796,590
Unassigned	12,717,634	14,324,791	16,246,434	18,559,488	25,785,219	17,889,357	10,641,688	12,920,186	12,830,567	24,625,345
Total General Fund	<u>\$ 14,908,722</u>	<u>\$ 16,163,106</u>	<u>\$ 18,476,500</u>	<u>\$ 20,077,018</u>	<u>\$ 26,875,395</u>	<u>\$ 29,267,641</u>	<u>\$ 31,193,344</u>	<u>\$ 33,597,981</u>	<u>\$ 28,344,934</u>	<u>\$ 27,658,875</u>
One-Half Cent Sales Tax fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,765
Restricted	10,491,754	14,750,799	22,942,254	23,136,162	21,942,766	24,298,737	24,771,087	29,798,945	31,198,336	44,523,859
Total One-Half Cent Sales Tax fund	<u>\$ 10,491,754</u>	<u>\$ 14,750,799</u>	<u>\$ 22,942,254</u>	<u>\$ 23,136,162</u>	<u>\$ 21,942,766</u>	<u>\$ 24,298,737</u>	<u>\$ 24,771,087</u>	<u>\$ 29,798,945</u>	<u>\$ 31,198,336</u>	<u>\$ 44,645,624</u>
All Other Governmental Funds										
Reserved For:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	2,930,388	2,965,480	3,024,870	3,213,067	3,099,119	3,176,356	3,246,668	3,328,704	3,328,254	3,393,233
Restricted	7,576,542	6,976,269	8,577,798	9,875,815	9,931,297	19,547,806	11,651,408	7,803,075	10,968,751	11,927,609
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	586,738	313,516	497,286	490,429	671,931	1,670,510	4,134,745	3,445,636	2,580,997	2,645,184
Unassigned	-	-	-	-	142,420	15,843	(4,863)	54,418	-	(1,167)
Total All Other Governmental Funds	<u>\$ 11,093,668</u>	<u>\$ 10,255,265</u>	<u>\$ 12,099,954</u>	<u>\$ 13,579,311</u>	<u>\$ 13,844,767</u>	<u>\$ 24,410,515</u>	<u>\$ 19,027,958</u>	<u>\$ 14,631,833</u>	<u>\$ 16,878,002</u>	<u>\$ 17,964,859</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										
	2009	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues											
Taxes	\$ 60,296,164	\$ 70,367,919	\$ 72,992,685	\$ 77,480,218	\$ 81,904,923	\$ 83,224,890	\$ 91,452,903	\$ 99,430,169	\$ 105,314,839	\$ 106,404,889	\$ 111,422,863
Licenses and permits	1,069,993	1,818,538	1,687,299	2,446,051	1,769,360	1,734,830	2,197,199	3,218,225	2,938,950	3,239,492	2,796,153
Revenues from other agencies	13,623,265	12,458,274	13,994,289	12,910,692	12,156,073	20,289,469	13,070,059	16,846,154	17,743,517	22,959,587	30,728,999
Fines, forfeitures, and penalties	6,749,859	6,771,908	5,325,902	5,125,706	4,997,271	4,009,595	4,353,777	4,493,442	4,493,442	5,049,640	5,477,759
Revenues from use of money or property	825,692	750,320	845,170	915,646	1,696,680	1,160,080	667,202	841,284	4,082,668	4,721,655	4,825,879
Donations	403,659	374,071	586,470	365,044	682,566	168,415	406,590	388,457	755,453	729,619	705,337
Charges for current services	3,014,543	2,807,579	2,780,962	2,985,838	3,123,455	2,954,723	2,819,181	3,876,992	3,876,992	4,420,580	4,601,610
Miscellaneous	1,304,380	1,338,192	1,915,362	1,219,342	733,920	1,038,050	2,291,918	3,921,011	1,689,426	2,127,538	2,849,468
Total revenues	87,287,555	96,686,801	100,128,139	103,448,537	107,064,248	114,380,052	117,258,829	132,991,496	140,895,287	149,653,000	163,408,068
Expenditures											
General government	7,429,667	7,185,846	7,585,488	7,751,217	7,726,127	7,343,378	8,392,015	8,536,953	12,823,471	11,738,378	12,298,692
Public safety	36,927,994	45,249,043	45,075,237	45,801,648	48,017,964	49,788,910	51,164,922	53,656,640	58,950,821	64,874,215	66,880,506
Public services	15,948,148	15,072,374	15,234,239	15,548,886	15,729,247	15,767,993	16,240,888	18,127,995	20,176,824	24,818,836	25,743,476
Highways and streets	5,436,862	5,596,575	5,375,760	4,805,677	3,893,759	4,839,899	5,612,393	6,209,923	6,371,171	6,736,654	7,250,450
Culture and recreation	6,329,960	7,461,931	7,005,094	7,652,792	7,912,551	8,416,058	8,239,821	9,013,992	9,984,448	11,103,640	11,714,817
Capital outlay	28,292,242	16,659,253	12,717,841	8,292,421	18,494,375	20,806,944	22,407,603	35,606,264	28,770,982	30,786,528	28,943,075
Debt service	-	54,094	188,157	167,214	270,211	136,114	871,732	3,500,261	230,000	240,000	250,000
Principal	-	54,094	188,157	167,214	270,211	136,114	871,732	3,500,261	230,000	240,000	250,000
Interest	277	5,867	9,894	5,777	23,003	17,715	14,538	469,886	364,055	361,898	348,805
Total expenditures	100,365,150	97,284,983	93,191,710	90,025,632	102,067,237	107,117,011	112,943,912	135,121,914	137,671,772	150,660,149	153,429,821
Excess of revenues over (under) expenditures	(13,077,595)	(598,182)	6,936,429	13,422,905	4,997,011	7,463,041	4,314,917	(2,130,418)	3,223,515	(1,007,149)	9,978,247
Other financing sources (uses)											
Proceeds of long-term capital-related debt/leases	-	405,126	-	817,083	-	-	10,752,436	236,499	45,548	-	4,113,601
Transfers in	2,624,512	50,000	638,000	3,388,915	4,231,066	4,214,521	8,127,557	13,493,751	9,993,360	5,846,125	3,898,604
Transfers out	(2,616,280)	(1,369,619)	(1,913,993)	(5,231,692)	(5,954,294)	(5,807,127)	(8,042,299)	(14,584,327)	(10,226,053)	(6,446,463)	(4,142,366)
Sale of capital assets	348,691	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	356,923	(914,493)	(1,275,993)	(1,025,694)	(1,723,228)	(1,592,606)	10,837,694	(854,077)	(187,145)	(600,338)	3,869,839
Net Change in fund balances	\$ (12,720,672)	\$ (1,512,675)	\$ 5,660,436	\$ 12,397,211	\$ 3,273,783	\$ 5,870,435	\$ 15,152,611	\$ (2,984,495)	\$ 3,036,370	\$ (1,607,487)	\$ 13,848,086
Debt service as a percentage of noncapital expenditures	0.0004%	0.0744%	0.2461%	0.2117%	0.3508%	0.1782%	0.9789%	3.9895%	0.5455%	0.5021%	0.4810%

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
(modified accrual basis of accounting)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Sales and Use Tax ¹</u>	<u>Total</u>
2016	16,453,607	10,592,842	43,321,470	70,367,919
2017	17,711,081	10,847,085	44,434,519	72,992,685
2018	19,114,239	11,187,605	47,178,374	77,480,218
2019	20,717,166	11,019,217	50,168,540	81,904,923
2020	22,826,475	11,124,504	49,273,911	83,224,890
2021	23,491,001	10,896,182	57,065,720	91,452,903
2022	25,339,778	11,243,225	62,847,166	99,430,169
2023	27,332,716	11,462,535	66,519,588	105,314,839
2024	29,060,384	11,705,110	65,639,395	106,404,889
2025	30,897,136	12,081,582	68,444,145	111,422,863

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

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

Note: Current year revenues comes from Exh 5

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

Fiscal Year Ended September 30	Retail Sales Tax Revenue (Fiscal Year) ¹		
	General Fund	Capital Projects	Total
	Revenue - 1.0%	Special Revenue - 0.5%	Revenue ²
2016	26,338,713	13,169,356	39,508,069
2017	26,775,850	13,387,905	40,163,755
2018	28,494,304	14,247,152	42,741,456
2019	30,257,590	15,128,795	45,386,385
2020	30,442,521	15,221,261	45,663,782
2021	34,258,124	17,129,062	51,387,186
2022	37,874,791	18,937,935	56,812,726
2023	40,995,889	20,497,945	61,493,834
2024	40,009,730	20,004,865	60,014,595
2025	42,370,919	21,185,460	63,556,379

¹ Source: Texas Comptroller of Public Accounts

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

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

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

TABLE 8

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

Fiscal Year Ended September 30	Real Property			Personal Property	Mineral Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property						
2016	6,529,329,564	N/A		990,187,897	N/A	N/A	7,519,517,461	0.220000
2017	6,803,228,476	N/A		1,003,167,122	N/A	N/A	7,806,395,598	0.230000
2018	7,076,840,787	N/A		1,041,040,039	N/A	N/A	8,117,880,826	0.240000
2019	7,351,032,270	N/A		1,170,198,591	N/A	N/A	8,521,230,861	0.244452
2020	7,842,251,272	N/A		1,221,764,551	N/A	N/A	9,064,015,823	0.259900
2021	8,190,719,246	N/A		1,208,670,533	N/A	N/A	9,399,389,779	0.259000
2022	8,573,322,571	N/A		1,197,485,343	N/A	N/A	9,770,807,914	0.269900
2023	9,671,805,519	N/A		1,277,023,312	N/A	N/A	10,948,828,831	0.261850
2024	10,812,910,314	N/A		1,378,761,452	N/A	N/A	12,191,671,766	0.247920
2025	12,411,076,856	N/A		1,358,614,532	N/A	N/A	13,769,691,388	0.240085

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 Debt		Total**	Overlapping Rates			Total Direct and Overlapping Rates		
	Operating	Service		Smith County Total	Tyler ISD Total	Tyler Junior College Total		Chapel Hill ISD Total	Whitehouse ISD Total
2016	0.220000	-	0.220000	0.330000	1.37500	0.19926	1.240000	1.193000	4.55793
2017	0.230000	-	0.230000	0.330000	1.37500	0.19926	1.240000	1.193000	4.56793
2018	0.240000	-	0.240000	0.330000	1.40500	0.19926	1.230000	1.413000	4.81793
2019	0.244452	-	0.244452	0.337311	1.40500	0.19926	1.230000	1.413000	4.82969
2020	0.259900	-	0.259900	0.345000	1.33500	0.19926	1.145900	1.325000	4.61073
2021	0.259000	-	0.259000	0.345000	1.30410	0.19926	1.099000	1.274600	4.48163
2022	0.269900	-	0.269900	0.335000	1.28910	0.19926	1.099000	1.222600	4.41553
2023	0.261850	-	0.261850	0.330000	1.17930	0.188001	1.020500	1.132600	4.13225
2024	0.247920	-	0.247920	0.347264	0.96000	0.187993	1.105100	0.927200	3.77548
2025	0.240085	-	0.240085	0.364231	0.91000	0.186917	1.105100	0.924900	3.73123

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	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value *	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value ^b
Delek Refining LTD	\$ 277,275,205	1	2.07%	248,097,204	1	3.30%
Tyler Regional Hospital LLC	197,325,398	2	1.47%	-		
Trane Co / American Standard Inc	353,200,119	3	2.63%	86,070,165	3	1.14%
Brookshire Grocery Co	179,556,540	4	1.34%	112,017,835	2	1.49%
Oncor Electric Delivery	118,428,277	5	0.88%	63,959,665	5	0.85%
Wal-Mart Stores / Wal-Mart Rel Estate	90,030,260	6	0.67%	42,566,806	8	0.57%
Tyler Broadway / Centennial LP	88,386,574	7	0.66%	63,454,639	6	0.84%
Genecov Investments LTD	79,663,165	8	0.59%	82,830,365	4	1.10%
Simon Property Group	45,059,210	9	0.34%	43,575,000	7	0.58%
CWS SAF XII Cascades I Ownder LLC	42,520,000	10	0.32%	42,494,614	9	0.57%
Texas SJH Holdings LTD	-		0.00%	37,709,640	10	0.50%
Total	\$ 1,471,444,748		10.97%	\$ 822,775,933		10.94%

Source: Smith County Appraisal District

Note:

* Total taxable value including real and personal property for tax year 2024 (fiscal year 2025) is--

^b Total taxable value including real and personal property for tax year 2015 (fiscal year 2016) is --

\$ 13,410,271,543
7,519,517,461

TABLE 11

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

Fiscal Year	Total Tax Levy for		Collected within the		Collections in Subsequent Years	Total Collections to Date	
	Fiscal Year	Amount	Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2016	16,342,661	16,109,924		98.6%	214,742	16,324,667	99.9%
2017	17,589,933	17,391,772		98.9%	175,863	17,567,634	99.8%
2018	18,942,816	18,728,538		98.9%	186,041	18,914,579	99.8%
2019	20,582,774	20,493,070		99.6%	55,357	20,548,427	99.8%
2020	22,545,337	22,384,533		99.3%	113,028	22,497,561	99.7%
2021	23,372,081	23,110,215		98.9%	210,822	23,321,037	99.6%
2022	25,279,302	25,057,149		99.1%	155,390	25,212,539	99.5%
2023	27,164,224	26,880,577		99.0%	176,291	27,056,868	99.0%
2024	28,771,805	28,388,133		98.7%	218,556	28,606,689	99.4%
2025	30,514,778	30,078,454		98.6%	-	30,078,454	98.6%

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 Outstanding Debt	Percentage of Personal Income (2)	Population (3)	Debt per Capita
	General Obligation Bonds	Revenue Bonds (1)	Lease Liability	Subscription Liability	Sewer Revenue Bonds (1)	Water and Sewer Revenue Bonds (1)	Lease Liability				
2016	\$ -	\$ -	\$ 1,621,501	\$ -	\$ -	\$ 63,482,669	\$ 249,044	\$ 65,353,214	2.12%	103,700	\$ 630
2017	-	-	2,614,333	-	-	60,172,765	201,083	62,988,181	1.99%	115,453	546
2018	-	-	2,525,885	-	-	65,450,122	152,215	68,128,222	2.09%	104,991	649
2019	-	-	1,753,490	-	-	61,706,243	102,423	63,562,156	1.89%	105,729	601
2020	-	-	1,621,501	-	-	78,375,653	51,691	80,048,845	2.38%	107,479	745
2021	-	10,858,936	853,220	-	-	102,268,236	-	113,980,392	3.69%	104,798	1,088
2022	-	10,728,936	923,230	-	-	141,360,681	-	153,012,847	4.97%	105,719	1,447
2023	-	10,366,221	675,723	664,875	-	134,955,575	-	146,662,394	4.62%	105,995	1,384
2024	-	10,059,864	1,248,482	121,817	-	191,577,630	-	203,007,793	6.42%	110,327	1,840
2025	-	9,743,507	3,715,832	998,016	-	228,881,843	-	243,339,198	6.59%	113,030	2,153

(1) Presented net of original issuance discounts and premiums
(2) Personal income is disclosed on Demographic and Economic Statistics table
(3) U.S. Census Bureau

TABLE 13

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Debt Service Fund Balance	Total		
2016	-	-	-	n/a	-
2017	-	-	-	n/a	-
2018	-	-	-	n/a	-
2019	-	-	-	n/a	-
2020	-	-	-	n/a	-
2021	-	-	-	n/a	-
2022	-	-	-	n/a	-
2023	-	-	-	n/a	-
2024	-	-	-	n/a	-
2025	-	-	-	n/a	-

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

^aSee Table 8 for property value data.

^bSee Table 17 for population data.

TABLE 14

**CITY OF TYLER, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2025**

<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	\$ 211,065,000	50.08%	\$ 105,701,352
Tyler Independent School District	405,020,000	71.04%	287,726,208
Tyler Junior College	82,335,000	65.00%	53,517,750
Chapel Hill Independent School District	105,895,001	19.15%	20,278,893
Whitehouse Independent School District	95,990,000	27.37%	26,272,463
Subtotal, overlapping debt			<u>493,496,666</u>
City (direct debt)**	14,457,355	100%	14,457,355
Total direct and overlapping debt			<u><u>\$ 493,496,666</u></u>

Source: Debt outstanding data provided by each governmental unit.

Note:

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

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 751,851,746	\$ 780,639,560	\$ 811,788,083	\$ 852,123,086	\$ 906,410,582	\$ 939,938,978	\$ 977,080,791	\$ 10,948,828,831	\$ 12,191,634,699	\$ 13,410,271,543
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 751,851,746	\$ 780,639,560	\$ 811,788,083	\$ 852,123,086	\$ 906,410,582	\$ 939,938,978	\$ 977,080,791	\$ 10,948,828,831	\$ 12,191,634,699	\$ 13,410,271,543
Total net debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2023										
Assessed value										
Add back: exempt real property										
Total assessed value										
Debt limit (10% of total assessed value)										
Debt applicable to limit:										
General obligation bonds										
Less: Amount set aside for repayment of general obligation bond										
Total net debt applicable to limit										
Legal debt margin										
										\$ 13,410,271,543
										-
										13,410,271,543
										1,341,027,154
										-
										-
										1,341,027,154

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

TABLE 16

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

Fiscal Year	Water and Sewer Revenue Bonds					Times Coverage
	Total Revenues ^a	Operating Expenses ^b	Net Available Revenue	Annual Debt Service Requirement		
2016	38,535,182	26,166,490	12,368,692	5,542,223	2.232	
2017	40,076,947	28,637,471	11,439,476	6,137,685	1.864	
2018	44,516,891	30,341,446	14,175,445	5,336,960	2.656	
2019	43,746,419	31,211,611	12,534,808	5,795,915	2.163	
2020	47,331,799	37,185,066	10,146,733	6,674,173	1.520	
2021	48,630,919	29,595,705	19,035,214	5,727,149	3.324	
2022	52,214,121	33,561,700	18,652,421	8,786,087	2.123	
2023	60,900,611	42,311,336	18,589,275	8,275,012	2.246	
2024	69,758,968	46,062,430	23,696,538	10,770,070	2.200	
2025	77,000,262	30,976,575	46,023,687	10,770,070	4.273	

Note: ^aIncludes operating and non-operating revenues.

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

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

Source: Annual Comprehensive Financial Report

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

Fiscal Year	Estimated Population ¹	Estimated Personal Income (thousands of dollars)	Per Capita Personal Income ²	Median Age ²	Education Level in Years of		School Enrollment ³	Unemployment Rate ²
					Formal Schooling ²			
2016	103,700	2,796,996	26,972	33.9	13.6		18,172	4.2%
2017	115,453	2,979,034	25,803	32.9	13.6		18,139	4.3%
2018	104,991	2,790,355	26,577	33.4	13.6		18,130	3.3%
2019	105,729	2,894,268	27,374	33.1	13.6		18,260	3.2%
2020	107,479	3,030,439	28,196	33.7	13.6		17,721	5.9%
2021	104,798	3,043,492	29,042	35.2	13.6		18,147	3.3%
2022	105,719	3,162,346	29,913	34.3	13.6		17,705	4.2%
2023	105,995	3,265,720	30,810	33.4	13.6		18,328	3.3%
2024	110,327	3,501,165	31,734	34.9	13.6		18,719	3.9%
2025	113,030	3,694,552	32,686	35.5	13.8		18,304	4.0%

Data sources:

¹City Planning Department

²Tyler Economic Development Council

³Tyler Independent School District

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

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

Unemployment rate information is an adjusted yearly average.

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

TABLE 18

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

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment (1)	Employees	Rank	Percentage of Total City Employment (2)
CHRISTUS Trinity Mother Frances *	5,000	1	4.7%	3,523	1	7.3%
UT Health East Texas *	4,500	2	4.2%	3,460	2	7.2%
Tyler Independent School District*	2,550	3	2.4%	2,720	3	5.7%
Trane Technologies*	2,500	4	2.4%	1,319	8	2.7%
Sanderson Farms	1,750	5	1.6%	**		
Walmart	1,500	6	1.4%	1,191	9	2.5%
Brookshire Grocery Company*	1,450	7	1.4%	2,058	4	4.3%
UT Health Science Center at Tyler	1,450	8	1.4%	1,388	7	2.9%
The University of Texas at Tyler	1,200	9	1.1%	1,661	5	3.5%
Optimum Communications	1,150	10	1.1%	1,500	6	3.1%
John Soules Foods*	1,000	11	0.9%	735	13	1.5%
Tyler Junior College*	1,000	12	0.9%	941	10	2.0%
Target Distribution Center	1,000	13	0.9%	650	14	1.4%
City of Tyler*	850	14	0.8%	827	11	0.0%
Smith County*	850	15	0.8%	819	12	1.7%
Total	27,750		26.0%	22,792		45.8%

Source: Tyler Economic Development Council

* Headquarters located in Tyler

(1) total employment in the Tyler MSA

(2) total employment in the Tyler MSA

** Not part of top 10 in 2016

106,142

47,975

TABLE 19

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

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	84	77	98	96	97	99	102	101	101	99
Public safety	428	422	425	439	432	429	426	430	400	407
Highways and streets	53	47	53	51	55	58	58	58	58	68
Public Services	28	36	16	16	16	17	15	18	18	17
Culture and Recreation	76	64	68	75	73	75	67	76	80	82
Water & sewer	120	123	114	122	123	129	127	122	127	137
Sanitation	44	48	45	49	45	46	49	48	43	41
Airport	10	10	9	10	9	10	10	9	11	10
All Others	43	39	37	40	47	57	66	70	70	75
Total	886	866	865	898	897	920	920	932	908	936

Source: City Finance Department

TABLE 20

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Accounting										
Dollar value of accounts payable	\$ 93,396,592	\$ 88,948,885	\$ 90,615,261	\$ 95,296,379	\$ 107,598,733	\$ 103,307,589	\$ 141,819,950	\$ 145,191,927	\$ 156,838,821	\$ 164,500,222
Legal										
Number of ordinances prepared and adopted	113	107	88	110	129	106	109	121	109	85
Number of resolutions prepared and adopted	45	51	41	69	105	60	42	50	48	63
Public Safety										
Police										
Number of sworn officers authorized	194	188	191	198	200	200	202	202	202	204
Fire										
Number of structure fires	98	103	124	107	121	136	124	104	120	135
Highways and Streets										
Streets										
Streets PCI (Pavement Condition Index)	**	77.0%	**	**	**	74.0%	**	**	**	**
Traffic										
Number of traffic signals maintained	148	158	158	150	149	151	151	151	151	149
Public Services										
Planning										
Number of historic building designations awarded	117	124	130	132	134	134	134	134	134	134
Culture and Recreation										
Parks										
Amount of park acreage	1216	1216	1207	1207	1207	1207	1207	1207	1210.7	1213.6
Number of rose bushes planted	1337	205	300	362	308	700	400	1100	1600	1085
Library *										
Total number of volumes owned	179,668	208,838	215,431	228,019	216,411	235,184	382,665	212,894	213,081	136,723
Water & sewer										
Average volume of wastewater treated daily (gallons)	17.89 million	15.36 million	15.37 million	18.87 million	17.1 million	19.56 million	14.5 million	15 million	16 million	16 million
Average monthly volume of water production (gallons)	733.87 million	691.83 million	807.63 million	716.36 million	717.77 million	662.38 million	803.26 million	695 million	749 million	919 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	58 million	72 million	8.6 billion
Average monthly revenue billed	\$ 3,098,527	\$ 2,924,870	\$ 3,414,080	\$ 3,299,543	\$ 3,613,527	\$ 3,663,945	\$ 2,105,955	\$ 2,300,970.45	\$ 2,300,471.33	\$ 2,248,150.00
Sanitation										
Number of residential customers	35,681	35,916	36,209	36,479	36,952	37,504	31,333	31,478	32,115	33,220
Number of curbside garbage carts in use	29,261	29,488	29,928	30,123	30,463	30,793	31,117	31,277	31,901	32,995
Airport										
Annual gallons of fuel flowage	1,249,362	1,108,054	1,244,805	1,396,406	995,136	1,237,943	1,425,881	1,440,487	1,486,891	1,736,056
Number of annual implementations	55,693	49,226	48,505	60,038	26,430	40,179	40,707	43,170	55,653	51,084

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police Stations	3	3	3	2	2	2	2	2	2	3
Police Patrol Units	70	68	78	81	92	92	82	81	81	92
Police Motorcycle Units	15	10	9	7	6	5	5	5	5	5
Fire Stations	10	10	10	10	10	10	10	10	10	10
Highways and Streets										
City Maintained Paved Streets- (miles)***	1120	1169	1169	1169	1169	1169	1213	1273	1239	1240
Annual Street Overlays- (miles)***	32	39	11	35	44	56	67.5	84	41	38
Public Services										
Transit Buses	16	17	16	16	16	16	18	18	23	28
Culture and Recreation										
Parks (acres)	1,216.40	1,216.80	1,207.40	1,207.40	1,207.40	1,207.40	1,207.40	1207.4	1207.4	1213.6
Playgrounds	22	22	22	19	19	21	19	22	24	24
Splash Pads	*	*	*	*	*	4	4	5	5	5
Swimming Pools	2	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Public Library	1	1	1	1	1	1	1	1	1	1
Water & Sewer										
Water mains (miles)	745	734	734	734.24	734.24	734.24	734.5	745	763	770
Fire Hydrants	4310	4351	4379	4428	4434	4467	4493	4530	4771	4840
Water Plants	2	2	2	2	2	2	2	2	2	2
Sanitary Sewers (miles)	718	694	699	709.44	711.21	716.1	692	710	731	711
Sanitation										
Garbage Trucks	47	45	45	45	45	45	45	48	45	46
Airport										
Airport Terminal	1**	1**	1**	1**	1**	1**	1**	1**	1	1
Airport Runways	3	3	3	3	3	3	3	3	3	3

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

* Started tracking Splash Pads FY 21

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

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

GOVERNMENTAL COMPLIANCE SECTION



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of City of Tyler, Texas as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise City of Tyler, Texas's basic financial statements, and have issued our report thereon dated March 9, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Tyler, Texas's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Tyler, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Tyler, Texas's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Tyler, Texas's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GMP Assurance PLLC

Certified Public Accountants

Tyler, Texas
March 9, 2026



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Tyler, 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 City of Tyler, Texas's major federal programs for the year ended September 30, 2025. The City of Tyler, Texas's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Tyler, Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Tyler, 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Tyler, Texas's compliance with the requirements of each major federal program as a whole.

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Tyler, 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.

GMP Assurance PLLC

Certified Public Accountants

Tyler, Texas
March 9, 2026

CITY OF TYLER, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025

FEDERAL GRANTOR/PASS-THROUGH

GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTORS NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<u>CDBG - Entitlement Grants Cluster</u>				
Community Development Block Grant Entitlement Grants	14.218	B04MC480028		\$ 443,098
HOME Investment Partnership Grant	14.239	-		631,309
<u>Housing Voucher Cluster</u>				
Section 8 Housing Choice Voucher Program	14.871	TX456VO		12,280,614
Family Self Sufficiency Coordinator Grant	14.871	FSS8-TX456-5106		63,568
Total Housing Voucher Program				<u>12,344,182</u>
Total U.S. Department of Housing and Urban Development				<u>13,418,589</u>
U.S. DEPARTMENT OF THE INTERIOR				
Passed Through Texas State Library & Archives Commission:				
Texas Reads Grant Program	14.310	LS-256843-OLS-24		<u>15,268</u>
Total Institute of Museum and Library Services				<u>15,268</u>
U.S. DEPARTMENT OF JUSTICE				
Passed through Smith County:				
<u>JAG Program Cluster</u>				
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-24-GG-05119-JAGX		28,802
Passed through East Texas Council of Governments:				
<u>JAG Program Cluster</u>				
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-23-GG-03034-JAGX		26,456
COPS Hiring Program	16.710	15JCOPS-24-GG-03602-UHPX		<u>59,439</u>
Total U.S. Department of Justice				<u>114,697</u>
U.S. DEPARTMENT OF TREASURY				
Passed Through Texas Division of Emergency Management				
Coronavirus State and Local Fiscal Recovery Fund Grant	21.027	1505-0271		<u>12,302,571 +</u>
Total U.S. Department of Treasury				<u>12,302,571</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Federal Aviation Administration:				
Airport Improvement Program	20.106	3-48-0215-049-2021		463,532
Airport Improvement Program	20.106	3-48-0215-054-2023		209,954
Airport Improvement Program	20.106	3-48-0215-055-2024		1,386,241
Airport Improvement Program	20.106	3-48-0215-056-2025		111,688
Total Airport Improvement Program				<u>2,171,415</u>
Passed through Texas Department of Transportation:				
Section 104F Grant MPO	20.505	50-XXXF0016		450,207
Comprehensive Traffic Enforcement Grant programs	20.600	2025-Tyler PD-S-1YG-00086		81,968
Comprehensive Traffic Enforcement Grant programs	20.205	0910-16-162		386,007
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TX-2022-049		300,000
Total Texas Department of Transportation				<u>1,218,182</u>

+ Denotes Major Program

CITY OF TYLER, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2025

FEDERAL GRANTOR/PASS-THROUGH

GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTORS NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF TRANSPORTATION (cont'd)</u>				
Passed through Federal Transit Administration: Federal Transit Capital and Operating Assistance Formula	20.526	TX-2025-054-00		939,199
<u>Federal Transit Cluster</u> Federal Transit Capital and Operating Assistance Formula	20.507	TX-2025-052-00		2,886,718 +
Total Federal Transit Formula Grants				3,825,917
Total U.S. Department of Transportation				7,215,514
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed through Texas Division of Emergency Management Homeland Security Grant Program	97.067	EMW-2024-SS-05096		23,591
Passed through Texas Office of the Governor: Homeland Security Grant Program	97.067	EMW-2024-SS-05096		9,837
Passed through Texas Office of the Governor: Homeland Security Grant Program/FEMA	97.067	EMW-2021-FF-01332		657,348
Passed through Texas Office of the Governor: Homeland Security Grant Program/FEMA	97.083	4781DR-TX		13,787
Total U.S. Department of Homeland Security				704,563
Total Federal Assistance			<u>\$ -</u>	<u>\$ 33,771,202</u>

+ Denotes Major Program

CITY OF TYLER, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the City of Tyler, Texas under programs of the federal government for the year ended September 30, 2025 and is presented on the modified accrual basis of accounting. This information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operation the City of Tyler, Texas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Tyler, Texas

NOTE B – NON-CASH ASSISTANCE, INSURANCE, AND LOANS

The City of Tyler did not receive any non-cash assistance through federal awards during the year ended September 30, 2025. There were no federal loans or loan guarantees outstanding at year end.

Certain federal awards require the City of Tyler to maintain adequate insurance coverage. Following is a summary of the City of Tyler’s insurance policies and the liability limits:

Type of Coverage	Liability Limit
Property	\$ 200,000,000
Contractors’ Equipment	11,362,947
General Liability	3,000,000
Employee Benefits Liability	3,000,000
Abuse and Molestation Liability	2,000,000
Law Enforcement Liability	3,000,000
Management Liability (Claims Made)	3,000,000
Employment Practices Liability (Claims Made)	4,000,000
Automobile Liability	1,000,000
Garagekeepers Legal Liability	1,000,000
Crime	500,000
Airport Liability	5,000,000
Unmanned Aircraft (Drones)	1,000,000
Pollution Liability	2,000,000
Animal Mortality	Self-insured
Marine Hull	98,677
Cyber Liability	2,000,000
Umbrella Liability	3,000,000
Tenant Users General Liability	1,000,000

NOTE C- INDIRECT COST RATES

The City of Tyler, Texas has elected not to use the 10% de minimis cost rate as permitted in the UG, section 200.414.

**CITY OF TYLER, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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 weaknesses? None reported

Noncompliance material to financial statement noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? No

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

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

Identification of major programs:

FEDERAL

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit – Formula Grants
20.526	Buses And Bus Facilities Formula, Competitive, And Low or No Emissions Programs
21.019	Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,021,670

City of Tyler was classified as a low-risk auditee
Auditee qualified as a low-risk auditee Yes

**CITY OF TYLER, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

**CITY OF TYLER, TEXAS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2024**

None.