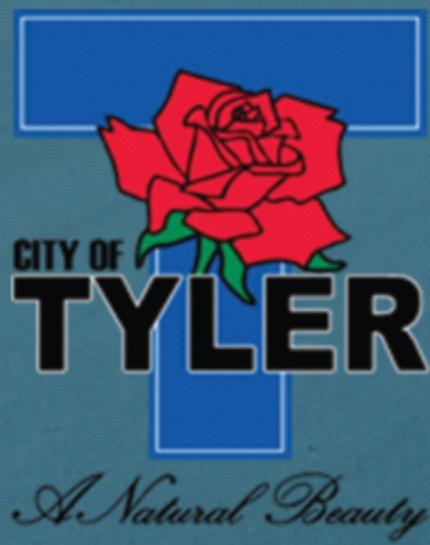


Fiscal Year 2019 - 2020

Comprehensive Annual Financial Report
For the Fiscal Year Ending September 30, 2020

City of Tyler, Texas



**City of Tyler
Comprehensive Annual Financial Report
For the Fiscal Year Ending Sepetember 30, 2020**

CITY OF TYLER, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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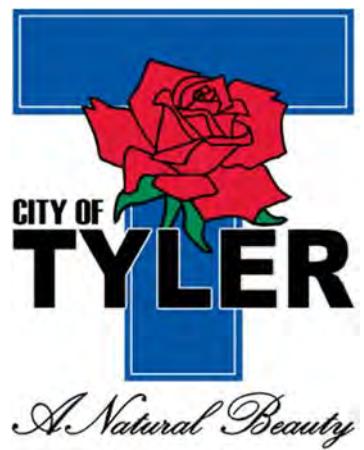
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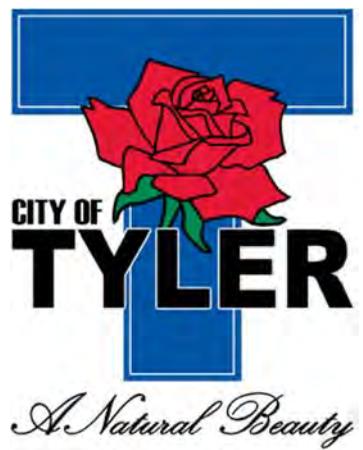
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INTRODUCTORY SECTION





March 1, 2021

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

The City of Tyler, Texas' (City) Charter requires an audit of the City's financial activities to be conducted at the end of each fiscal year by an independent certified public accountant. Upon completion of the audit the results shall be reported in writing to Council as soon as reasonably possible. This report is published to fulfill that requirement for the fiscal year ended September 30, 2020.

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

Prothro, Wilhelm & Co, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Tyler's financial statements for the year ended September 30, 2020. In addition to meeting City Charter requirements, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1996 and related Uniform Guidance. The independent auditor's report is located at the front of the financial section of this report.

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

City Profile

The City of Tyler, Texas, the county seat of Smith County, is considered the advanced manufacturing, health care, educational and retail center of East Texas. Tyler is located on U.S. Highway 69 just south of Interstate 20 equal distance (approximately 90 miles) between the cities of Dallas, Texas and Shreveport, Louisiana. The City, encompassing approximately 53 square miles, had a 2010 census population of 96,900, which is a 15.84% increase from the 2000 census population of 83,650. Currently, the City's population is estimated to be 107,479. The City is commonly referred to as the City of Roses.

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

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

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

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

Local Economy

The information presented in the budget document is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. The chief industries in and around Tyler include: health care and research; education; grocery distribution; retail and retail distribution; air conditioning unit manufacturing; cable, internet and phone services; government services; engineering services; banking services; meat packing and processing; cast iron pipes and fitting manufacturing; oil and gas refining; ready mix concrete production; tourism; and growing and shipping rose bushes. This diversification is evident in the fact that no single taxpayer represents more than 2.63% of assessed valuation in the City.

Four institutions of higher education are located in Tyler. They are The University of Texas at Tyler, The University of Texas Health Science Center, Texas College, and Tyler Junior College. Primary and secondary education is provided by several public school districts, three charter schools as well as ten private / parochial schools in the Tyler area.

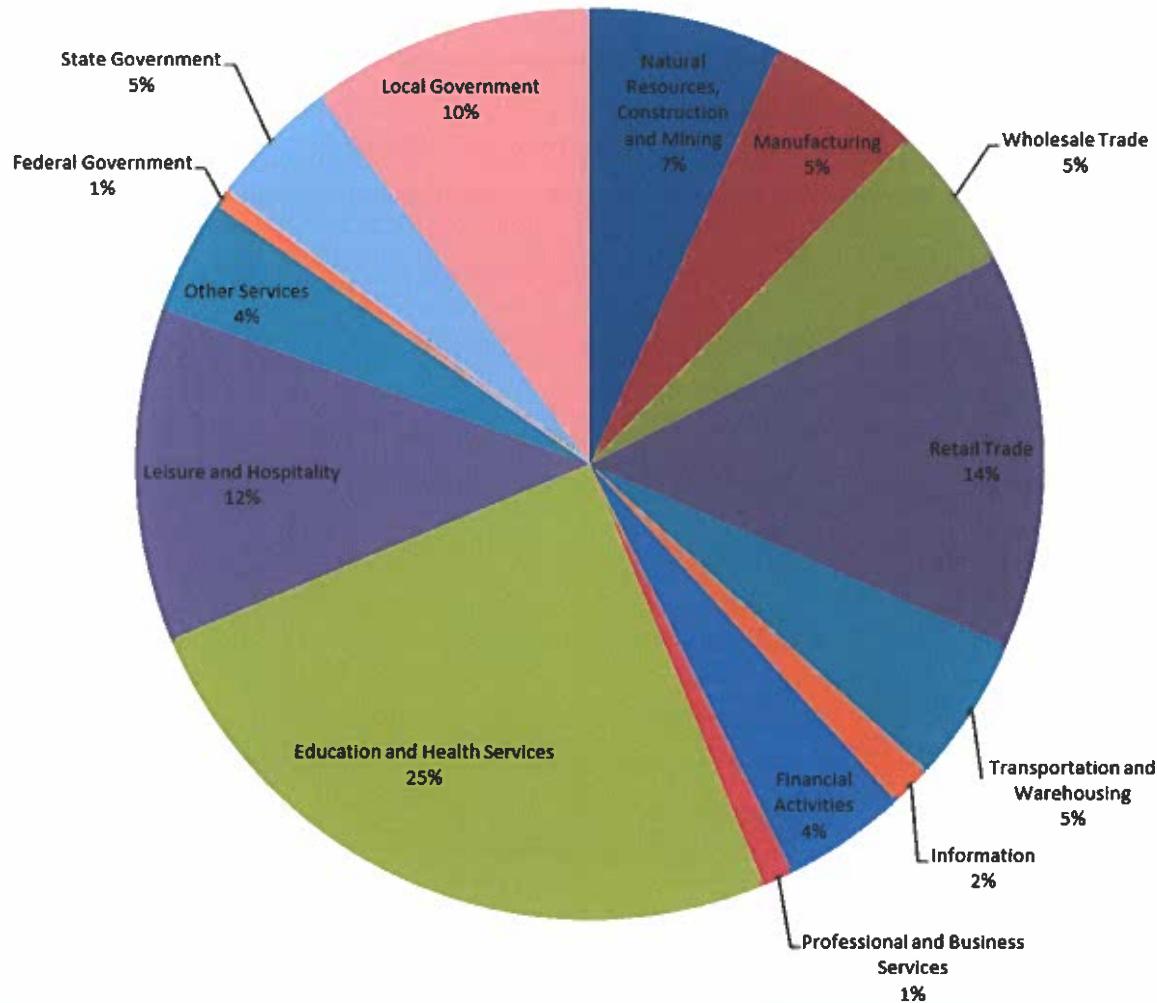
Tyler is also the medical center of East Texas with three hospitals and numerous other supporting clinics, practices and specialty hospitals. Additionally, Tyler has many tourist attractions. The Texas Rose Festival includes the crowning of the Rose Queen attracting a large number of visitors each year.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

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

Because of its location in a region with a varied economic base, unemployment is relatively stable, and in the last five years while trending with the State of Texas has remained consistently below the national average. During the past ten years, the unemployment rate has ranged from a low of 3.2 percent (2019) to a previous decade high of 7.8 percent (2012), only to end at the current rate of 5.9 percent. This figure indicates an increase of 2.7 % under the prior year while remaining in line with the State and National trends. The total workforce for the Tyler region has decreased from 49,106 in 2011 to 48,411 in 2020.

Workforce Breakdown

Smith County/Tyler MSA

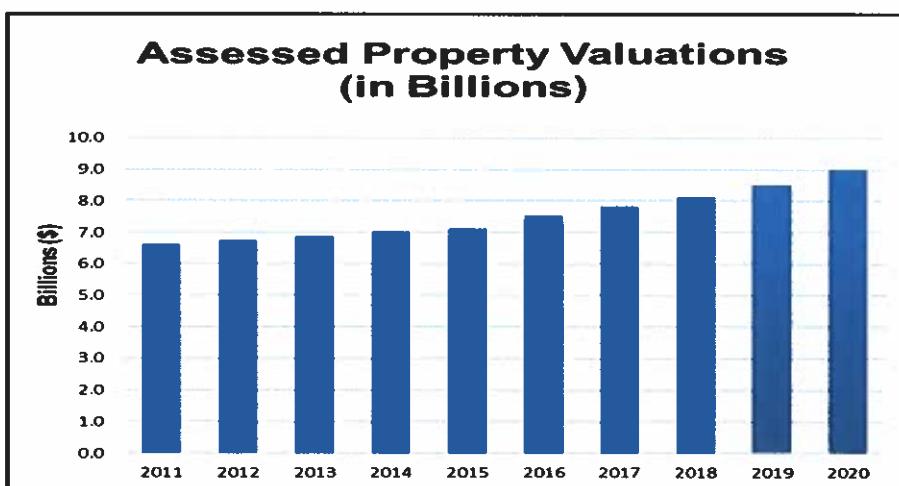
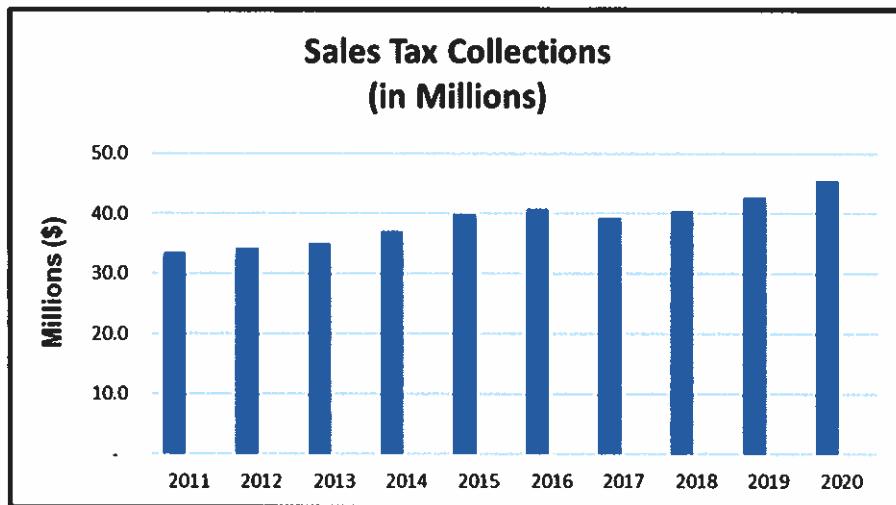


Population growth in the last five years has outpaced previous periods. The population grew 10 percent from 1990 to the year 2000. From the year 2000 to 2010 the population grew 16 percent. From 2010 to the current year, the growth has been an astounding 9 percent. Market and economic analysts estimate that as many as 270,000 people come to Tyler each day to work, attend school, seek medical services, or shop. Loop 49 Toll Project is complete from State Highway 110 to I-20 to the west of Tyler. Loop 49 Toll will create a horseshoe loop around Tyler connecting the City's southern regions to I-20. The loop allows for increased traffic from I-20 into the City of Tyler for shopping and economic development purposes.

Along with the Loop 49 project, the Northeast Texas Regional Mobility Authority was authorized in 2004 to construct, operate and maintain turnpike projects in the state which includes the Tyler area. Including various other means of interstate access, the Tyler Pounds Regional Airport allows for secure and efficient air travel in and out of the region. Total flight enplanements have declined due to COVID-19 from 72,509 in 2011 to a current level of 26,430 in 2020. Tyler is the first Certified Retirement City in Texas. Tyler meets high standards for retiree living such as low cost of living, low crime rate, quality health care, abundant recreation and educational opportunities. Tyler is 16th in the nation for cost of living in Retirement Places Rated: Special Millennium Edition.

The economic outlook for Tyler is encouraging with an increase in sales tax collections by 0.66%. According to economist Dr. Ray Perryman, Tyler should see job growth over the next five years. Growth in Tyler is expected to occur at a pace faster than the nationwide rate. Assessed values have increased by 6.37% in 2020. The potential for sustained development is present, and many governmental and business leaders are working to ensure the City is poised for economic growth.

Economic Signs:



Long-term Financial Planning

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

The City has continued to maintain the lowest property tax rate for mid to large-sized cities in Texas in an effort to balance citizen desire for lower property tax rates and the City's need to match operating costs associated with future planning initiatives. Sales tax has played a large role in allowing the City to obtain this objective with a ten year average increase of

3.23 percent. However, such a large dependence has caused budgeting constraints and all other sources of revenues will need to be reviewed in order to stabilize the City's revenue stream in the future. By maintaining an adequate reserve and monitoring future economic conditions, the City plans to continue to provide for future citizen needs in a streamlined and cost effective manner.

Relevant Financial Policies

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

Major Initiatives

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

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

Upgraded Bond Rating

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

Industry Growth Initiative

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

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

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

Consequently, the Leadership Roundtable began the development of the Industry Growth Initiative in mid-2009. The report recommends 10 primary building blocks that Tyler should develop to foster an Innovation Economy and take the Tyler

region into the next 20 years of economic prosperity and growth. The 84 page report, which was commissioned and funded by members of the Leadership Roundtable, contains strategic tactics focused on achieving an Innovation Economy which brings higher paying jobs, economic growth, job creation and a higher standard of living.

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

The draft plan was completed in December 2009 and vetted with community stakeholders. The plan was amended based upon that feedback adopted in May 2010 by boards representing the entire community. The City plans to update this plan in the upcoming fiscal year of 2021.

Veteran and Military Growth Initiative

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

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

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

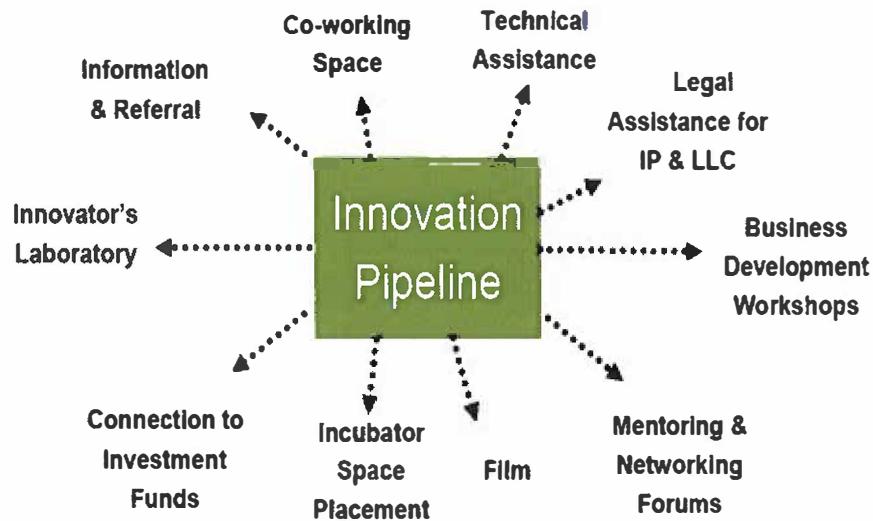
We are proclaiming Tyler a Purple Heart City and honoring those who have been so brave in defending our freedoms.

Mayor's Innovation Pipeline

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

The Network:

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



The Place: Innovator's Laboratory

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

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

Joint Financial Task Force

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This is the thirty-fourth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

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

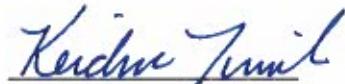
For fourteen years in a row, the City of Tyler has been presented with the Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada. This award assures that state and local governments prepare budget documents of the very highest quality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

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

Respectfully submitted,



Edward Broussard
City Manager



Keidric Trimble
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

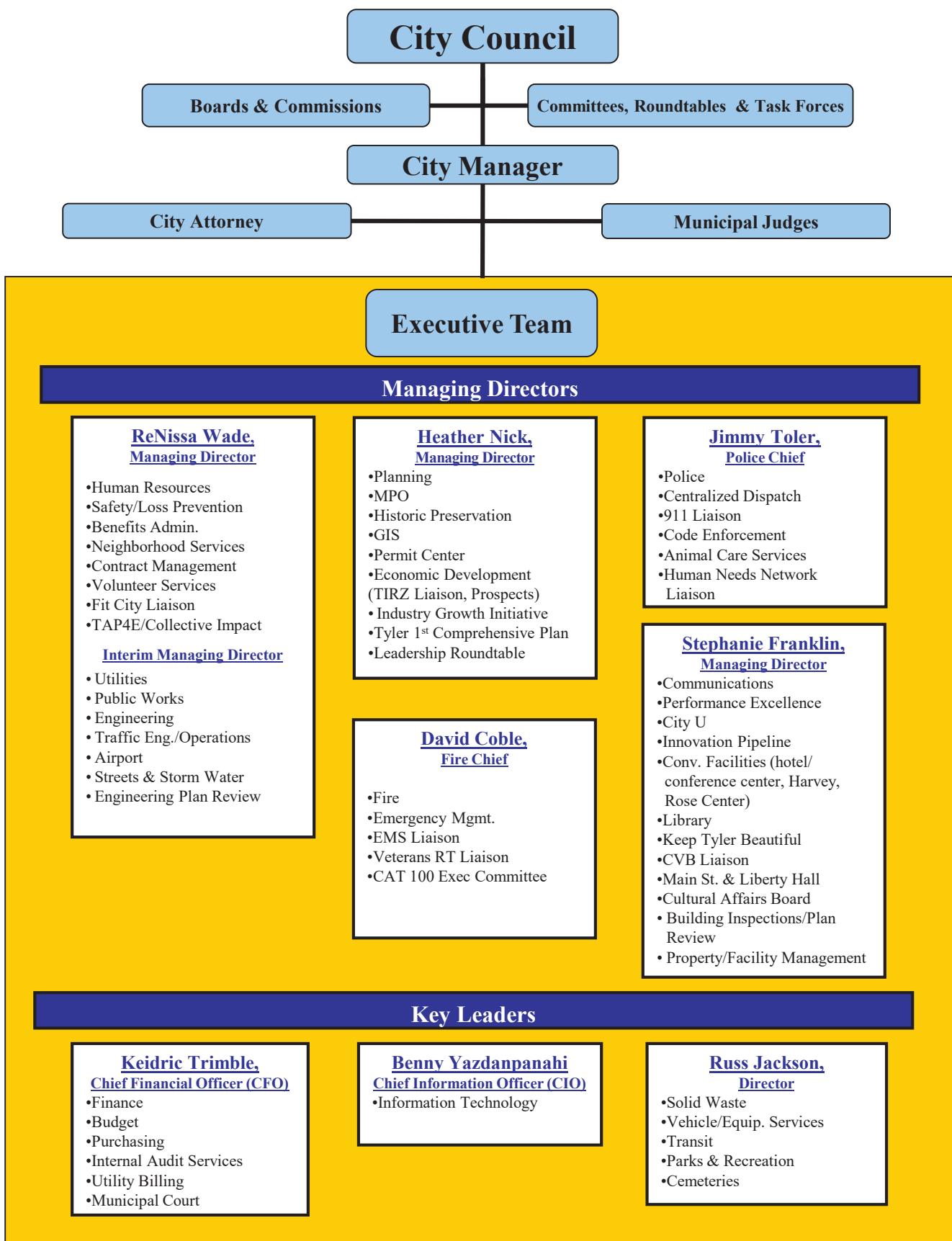
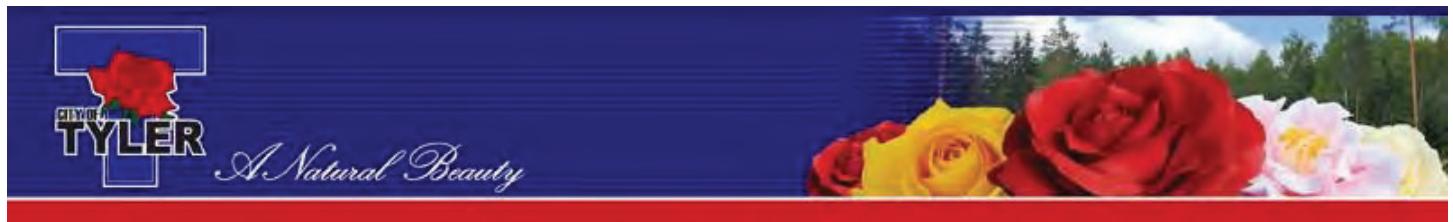
**City of Tyler
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Monell

Executive Director/CEO



**CITY OF TYLER, TEXAS
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2020**

MAYOR – DON WARREN

Members of City Council:

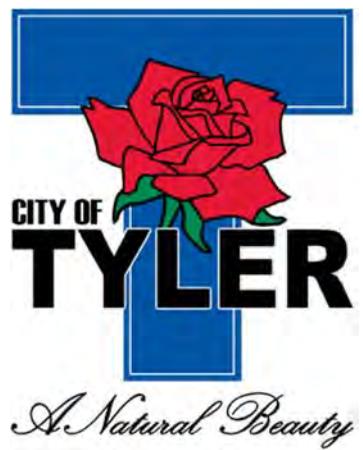
Linda Sellers, District 1
Broderick McGee, District 2
Shirley McKellar, District 3
James Wynne, District 4
Bob Westbrook, District 5
Brad Curtis, District 6

City Manager – Edward Broussard

Chief Financial Officer – Keidric Trimble

City Attorney – Deborah Pullum

FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparison information for the General Fund, and the aggregate remaining fund information of the City of Tyler, Texas (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

PROTHRO, WILHELCMI AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

6855 OAK HILL BOULEVARD • TYLER, TEXAS 75703 • TEL 903 534 8811 • FAX 903 534 8891 • WWW.PW-TX.COM

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the budgetary comparison information for the General Fund and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, additional supplemental information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, additional supplemental information, statistical section, and the Schedules of Expenditure of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, additional supplemental information, and the Schedules of Expenditure of Federal Awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

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

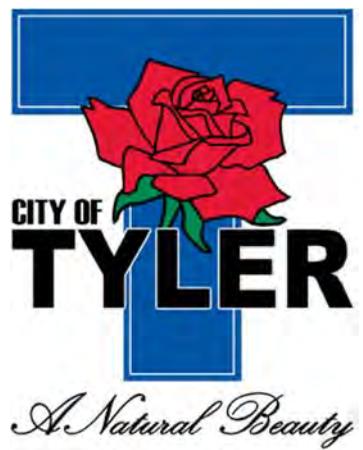
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Prothro, Wilhelmi & Company, PLLC

PROTHRO, WILHELCMI AND COMPANY, PLLC

Tyler, Texas
March 10, 2021



CITY OF TYLER, TEXAS

Management's Discussion and Analysis
For Year Ended September 30, 2020
(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, 2020. 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-viii of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Tyler exceeded its liabilities and deferred inflows of resources at September 30, 2020 by \$508,457,159 (net position).
- The City's total net position increased by \$20,458,052 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 \$62,662,928. \$25,927,641 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 \$25,785,219. The general fund operating reserve targeted amount was \$10,842,493 (15% of general fund expenditures).
- The City's revenue bond payable had a net increase of \$15,415,000. The City has no general obligation bond payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

and culture and recreation. The business-type activities of the City include utilities, airport and sanitation operations. The government-wide financial statements can be found on pages 14-15 of this report.

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

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

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

The City maintains 25 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General and the Capital Projects Half Cent Sales Tax Fund, both of which are considered to be major funds. Data from the other 23 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 16-21.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utilities, airport and sanitation funds as they are considered to be major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Tyler's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on pages 25-26 of this report. Individual fund data for the fiduciary funds is provided in the form of combining statements elsewhere in this report. An additional fiduciary fund was created in 2009 for the Other Post Employment Benefit Trust. Information about Other Post-Employment Benefits and the related trust can be found in note 5 on pages 60-68. The Fireman's Relief and Retirement Fund as of 2012 is reported in the City's financial statements as a blended component unit. This information is included in the basic fiduciary fund statement on page 25-26. A separate independent audit of the Fund's financial condition is completed each fiscal year and details can be found in note 5 on pages 55-60.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-69.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 71-77 of this report.

The combining statements referred to earlier in connection with general governmental funds, non-major governmental funds, enterprise funds, internal service funds and fiduciary funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 79-132 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of governments' financial position. In the case of the City of Tyler, assets exceeded liabilities by \$508,457,159 as of September 30, 2020.

The largest portion of the City's net position, 95.3%, or \$484,742,379, reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction-in-progress and infrastructure), less any outstanding debt used to acquire the assets. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF TYLER'S NET POSITION – Fiscal Year 2020

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$101,891,972	\$94,688,568	\$53,161,339	\$41,509,602	\$155,053,311	\$136,198,170
Capital assets	265,788,679	259,297,768	297,862,289	281,613,229	563,650,968	540,910,997
Total Assets	367,680,651	353,986,336	351,023,628	323,122,831	718,704,279	677,109,167
Deferred Outflow of Resources	17,646,638	21,827,641	2,715,978	4,580,002	20,362,616	26,407,643
Non-current liabilities	97,954,886	114,520,897	93,710,761	84,416,666	191,665,647	198,937,563
Other liabilities	8,181,613	7,911,678	5,841,230	5,747,792	14,022,843	13,659,470
Total Liabilities	106,136,499	122,432,575	99,551,991	90,164,458	205,688,490	212,597,033
Deferred Inflows of Resources	19,226,384	2,324,782	5,694,862	595,888	24,921,246	2,920,670
Net Position:						
Net Investment in Capital Assets	265,255,743	257,564,279	219,486,636	220,412,254	484,742,379	477,976,533
Restricted	34,968,729	36,220,286	28,681,236	16,738,113	63,649,965	52,958,399
Unrestricted	(40,260,066)	(42,727,945)	324,881	(207,880)	(39,935,185)	(42,935,825)
Total Net Position	\$259,964,406	\$251,056,620	\$248,492,753	\$236,942,487	\$508,457,159	\$487,999,107

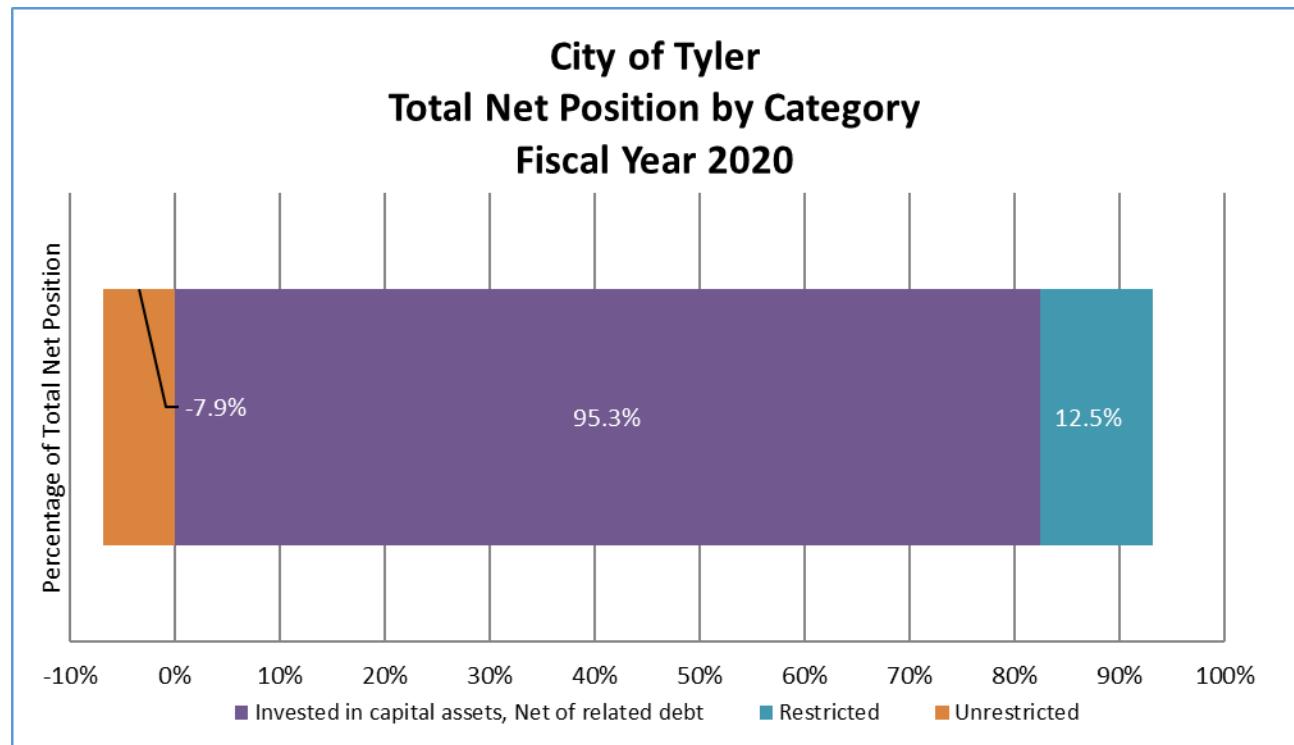
An additional portion of the City's net position, 12.5% or \$63,649,965 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is (7.9%) at \$(39,935,185).

The negative remaining balance in unrestricted net position is related to the implementation of GASB 68, 71, and 75 in prior years requiring the recording of all pension and Other Post-Employment Benefits (OPEB) related assets and

liabilities in the financial statements. Currently Pension and OPEB liabilities exceed pension assets. The City of Tyler has two pension plans on its books: Texas Municipal Retirement System (TMRS) and Tyler Firemen's Relief and Retirement Fund (TFDRRF). Texas Municipal Retirement plan has a thirty-year closed amortization period. It is estimated that TMRS pension plan will be 100% funded in 2036. 100% funding will mean that pension and OPEB assets will be equal to liabilities. Once that has been achieved it is expected that the City's contribution rate (TMRS) and actuarial determine contribution (ADC) will be reduced. Tyler Firemen's Relief and Retirement Fund is an open amortization plan and targets to amortize its unfunded actuarial accrued liability over a fifteen to twenty-five year period.

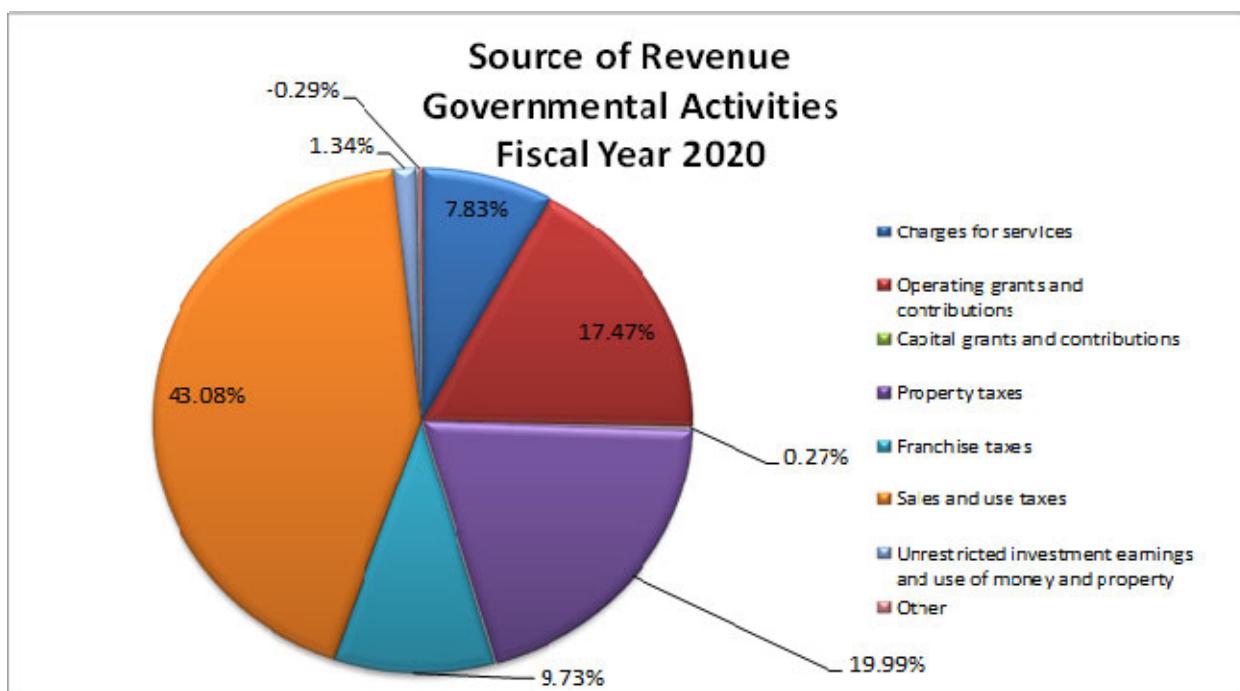
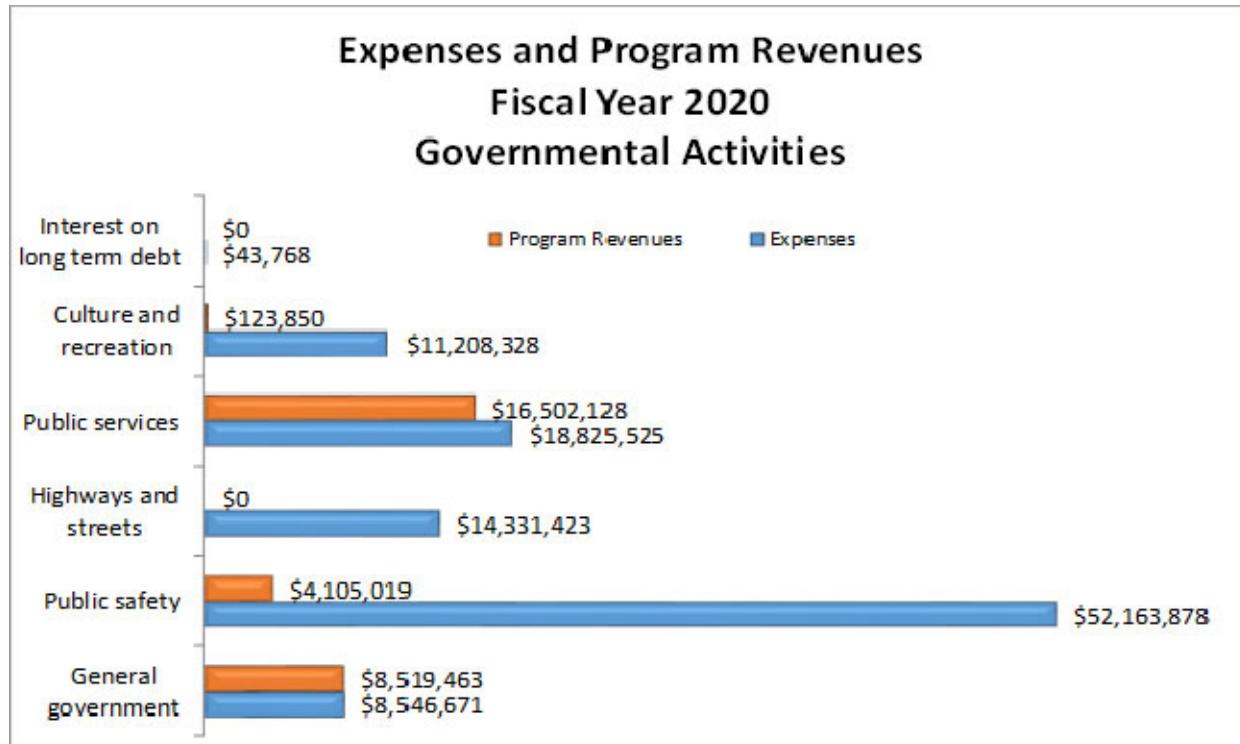
This negative impact on the City's net position is not unique to the City of Tyler. Many organizations across the country are experiencing similar scenarios with the implementation of this new accounting standard. This new standard has been discussed for some time and organizations have been preparing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

As of September 30, 2020, the City can report positive balances in two of the three categories of net position. The prior fiscal year also had positive balances in two of the three categories. The following chart illustrates for the current fiscal year the percentage of total net position each category encompasses.

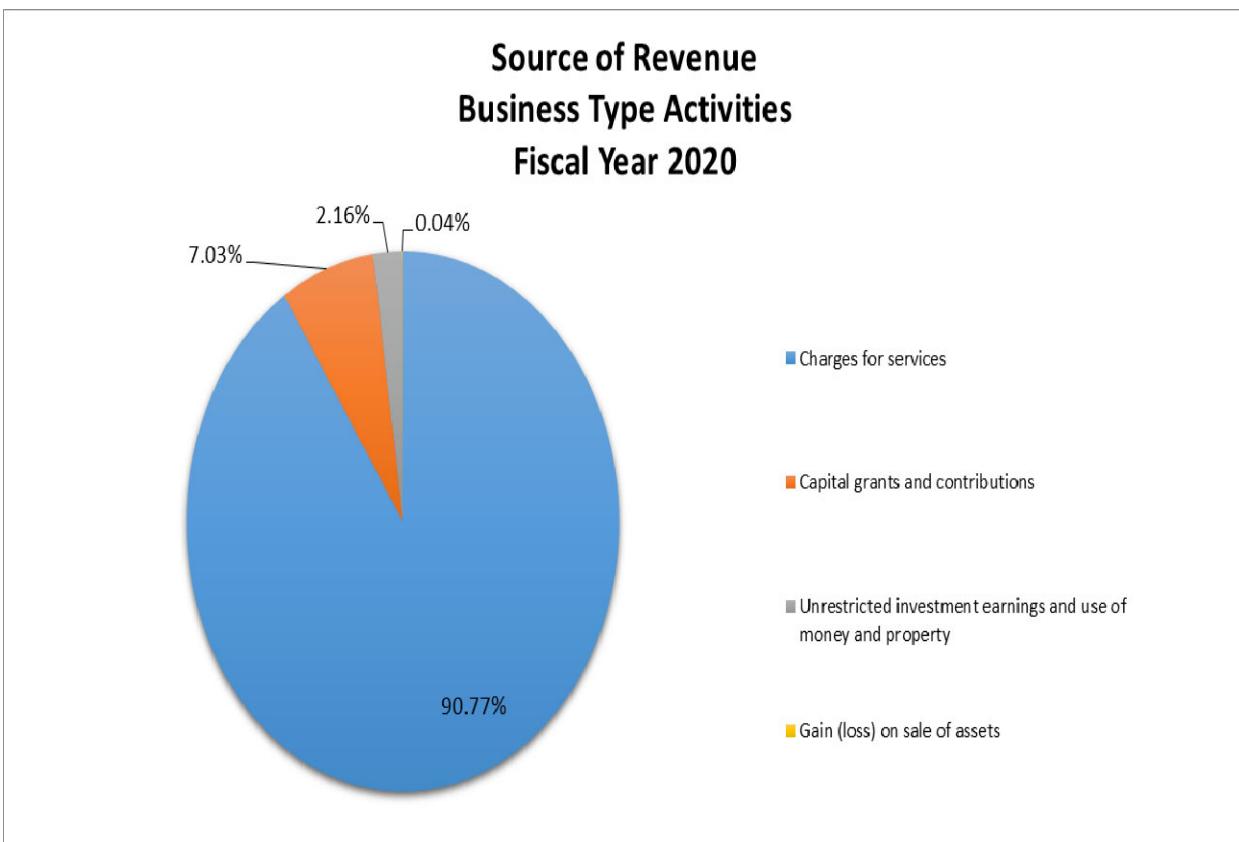
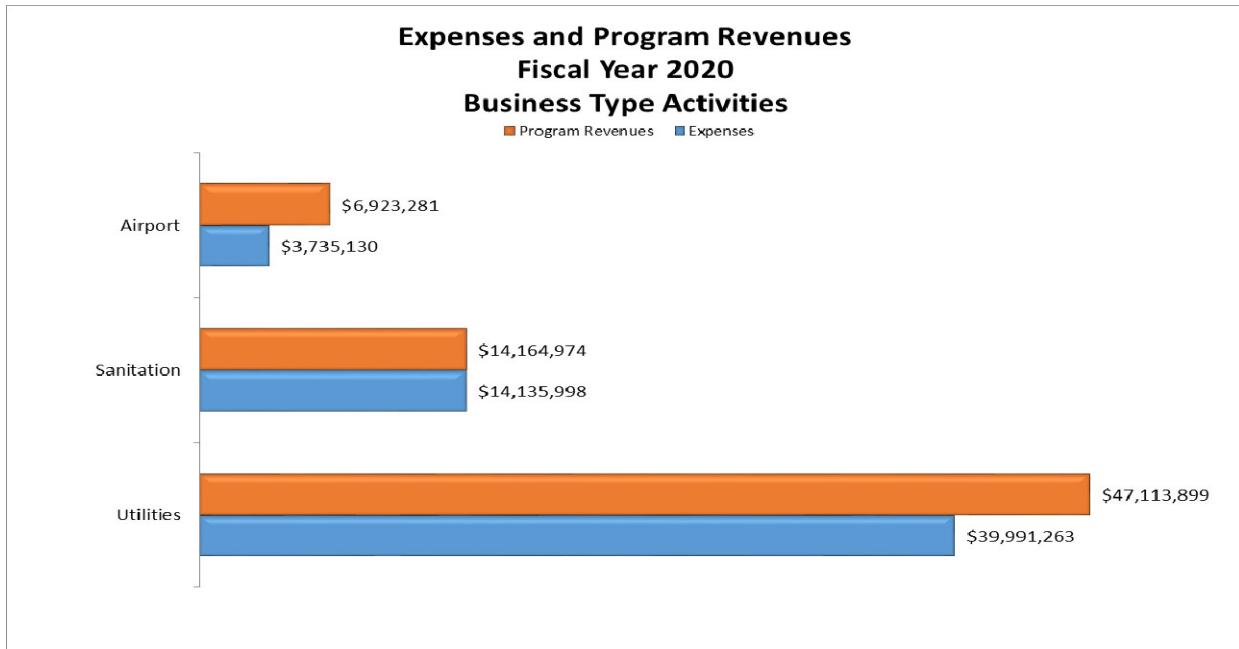


Analysis of the City's Operations – Overall, the City's total net position increased by \$20,458,052 for the current year.

Governmental Activities: Governmental activities increased total net position by \$8,907,786. Net position invested in capital assets; net of related debt increased by \$7,691,464 addition of assets. Restricted net position decreased by \$1,251,656.



Business-type Activities: Net Position from business-type activities increased by \$11,550,266. This increase was primarily due to an increase in capital assets related to the Airport and Water Utilities Fund.



The following table provides a summary of the City's operations for the year ended September 30, 2020 with comparative totals for the year ended September 30, 2019.

CITY OF TYLER'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$8,960,991	\$14,237,454	\$63,301,413	\$59,639,150	\$72,262,404	\$73,876,604
Operating grants and contributions	19,981,326	11,744,468	-	-	19,981,326	11,744,468
Capital grants and contributions	308,143	411,605	4,900,741	8,459,328	5,208,884	8,870,933
General revenues:						
Property taxes	22,858,131	20,736,120	-	-	22,858,131	20,736,120
Franchise taxes	11,124,504	11,019,217	-	-	11,124,504	11,019,217
Sales and use taxes	49,273,911	50,168,540	-	-	49,273,911	50,168,540
Investment earnings and use of money and property	1,531,778	1,264,860	1,505,184	661,536	3,036,962	1,926,396
Gain on sale of assets	(336,086)	170,908	30,000	60,681	(306,086)	231,589
Donations	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	113,702,698	109,753,172	69,737,338	68,820,695	183,440,036	178,573,867
Expenses:						
General government						
General government	8,546,671	6,929,613	-	-	8,546,671	6,929,613
Public safety	52,163,878	54,290,654	-	-	52,163,878	54,290,654
Streets	14,331,423	12,863,503	-	-	14,331,423	12,863,503
Public services	18,825,525	16,293,667	-	-	18,825,525	16,293,667
Culture and recreation	11,208,328	8,573,123	-	-	11,208,328	8,573,123
Interest on long-term debt	43,768	68,488	-	-	43,768	68,488
Water and sewer	-	-	39,991,263	38,465,495	39,991,263	38,465,495
Sanitation	-	-	14,135,998	13,836,676	14,135,998	13,836,676
Airport	-	-	3,735,130	3,390,497	3,735,130	3,390,497
Total Expenses	105,119,593	99,019,048	57,862,391	55,692,668	162,981,984	154,711,716
Increases (decreases) in net position before transfers	8,583,105	10,734,124	11,874,947	13,128,027	20,458,052	23,862,151
Transfers	324,681	83,936	(324,681)	(83,936)	-	-
Change in net position	8,907,786	10,818,060	11,550,266	13,044,091	20,458,052	23,862,151
Net position – October 1	251,056,620	240,238,560	236,942,487	223,898,396	487,999,107	464,136,956
Prior Period Adjustment	-	-	-	-	-	-
Net position – September 30	\$ 259,964,406	\$ 251,056,620	\$ 248,492,753	\$ 236,942,487	\$ 508,457,159	\$ 487,999,107

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

At the end of the current fiscal year, the City of Tyler's governmental funds reported combined ending fund balances of \$62,662,928. Approximately 41% of this total amount, \$25,927,641, constitutes unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been restricted or assigned for the following: 1) to pay for capital projects, \$23,269,327; 2) to pay for the perpetual care of city cemeteries, \$3,094,567; 3) to purchase items restricted under grant and donation terms, \$1,910,615; 4) to purchase items restricted under tourism and conventions, \$6,102,399 and 5) to pay for other

miscellaneous restrictions, \$2,358,379. The City of Tyler also self imposes an operating designation in the general fund equivalent to approximately 15 percent of total expenditures, \$10,842,493.

In the general fund, the City's original budget planned to decrease the fund balance on a budget basis by \$56,816. Additional amendments were made to fund various expenses required for operations for a net budgeted decrease in fund balance of \$257,338. Due to both revenue and expenditure budget variances the actual net increase in fund balance for fiscal year 2020 was \$6,798,375. Capital Projects Half Cent Sales Tax Fund balance decreased in 2020 by \$1,193,396. Other non-major governmental fund balances increased in 2020 by \$265,456, from \$13,579,311 to \$13,884,767.

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 - \$178,540, Sanitation - \$(2,606,116) and Airport - \$32,775. The following funds had a net position increase in 2020 as follows: Utilities \$7,375,105, Sanitation \$186,608, and Airport- \$3,988,553.

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 \$202,197.

Actual revenues were above the final budgeted amounts by a total of \$4,911,134. Actual expenditures including transfers were below final budgeted amounts by a total of \$2,144,579.

CAPITAL ASSETS

The City of Tyler's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$563,650,968, (net of accumulated depreciation). This investment in capital assets includes land, water rights, building, equipment, improvements, infrastructure, and construction in progress. The total net increase in capital assets for the current fiscal year was \$22,739,971.

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

- \$ 7,937,350 Roadway improvement projects
- \$ 5,331,808 Airport capital projects
- \$ 18,409,412 Water and Sewer capital projects
- \$ 3,061,480 Parks
- \$ 4,070,285 Drainage Capital Projects

	Capital Assets at Year End					
	Net of Accumulated Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$17,684,384	\$18,243,886	\$11,792,909	\$11,412,159	\$29,477,293	\$29,656,045
Water rights	-	-	12,526,700	12,526,700	12,526,700	12,526,700
Building	34,676,850	35,981,215	27,649,874	29,082,014	62,326,724	65,063,229
Improvements	45,342,566	33,052,512	196,032,907	178,790,611	241,375,473	211,843,123
Machinery & equipment	20,437,499	19,691,904	5,815,048	5,583,937	26,252,547	25,275,841
Infrastructure	127,200,200	135,244,307	16,882,622	17,371,248	144,082,822	152,615,555
Construction in progress	20,447,180	17,083,944	27,162,229	26,846,560	47,609,409	43,930,504
Total	\$265,788,679	\$259,297,768	\$297,862,289	\$281,613,229	\$563,650,968	\$540,910,997

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

DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Tyler had a total bonded debt of \$73,645,000 comprised of bonds secured by water and sewer revenues \$72,935,000 and airport customer facility revenue \$710,000.

Outstanding Debt at Year End							
Bonds and Notes Payable							
	Governmental Activities		Business-Type Activities		Total		2019
	2020	2019	2020	2019	2020	2019	
Capital leases	\$ 1,621,501	\$ 1,733,492	\$ 51,691	\$ 102,423	\$ 1,673,192	\$ 1,835,915	
Revenue bonds payable	-	-	73,645,000	58,230,000	73,645,000	58,230,000	
Total	\$ 1,621,501	\$ 1,733,492	\$ 73,696,691	\$ 58,332,423	\$ 75,318,192	\$ 60,065,915	

During the fiscal year, the City's revenue bond debt increased by \$15,415,000 or 26.5%.

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

	Moody's <u>Investors Service</u>	Standard <u>& Poor's</u>
General Obligation Bonds	Aa2	AAA
Revenue Bonds	Aa2	AA+
Revenue Bonds (Senior Lien Debt)	Aa2	AAA

Please see note 4 on page 47 for an explanation of reserve requirements for the City of Tyler. State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of Tyler is \$939,938,978. The City of Tyler has no outstanding general obligation bond debt.

Additional information on the City of Tyler's long term-debt can be found in note 4 on pages 46-48 of this report.

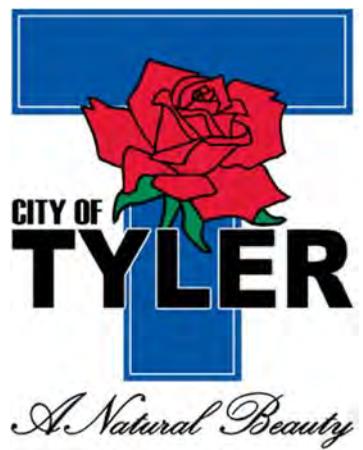
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for the City of Tyler is currently 5.9%, which is an increase from 3.2% a year ago. This compares to the state's average unemployment rate of 7.1% and the national average rate of 6.5%.
- The office space occupancy rate for the City of Tyler increased slightly in 2020 to 84.47% from 82.58% occupancy in 2019.
- Sales tax receipt growth over a ten year average increased slightly to 3.20%. Property values have grown at an average of 3.08% over the last ten years. Growth in values include new and existing values.

All of these factors were considered in preparing the budget for the fiscal year 2020-2021 and the City of Tyler anticipates that total net position will remain at similar levels by September 30, 2021.

REQUEST FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

CITY OF TYLER, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 44,720,297	\$ 13,756,494	\$ 58,476,791
Receivables (net of allowance for doubtful accounts)	30,689,086	8,598,793	39,287,879
Internal balances	(2,719,682)	2,719,682	-
Inventories	398,616	691,187	1,089,803
Prepaid items	170,037	42,237	212,274
Restricted Assets:			
Temporarily restricted			
Cash and cash equivalents	22,644,548	27,352,946	49,997,494
Permanently restricted			
Cash and cash equivalents	3,092,164	-	3,092,164
Other post employment benefits asset	14,707	-	14,707
Investment in joint venture	2,882,199	-	2,882,199
Capital assets not being depreciated:			
Land	17,684,384	11,792,909	29,477,293
Water rights	-	12,526,700	12,526,700
Construction in progress	20,447,180	27,162,229	47,609,409
Capital Assets net of accumulated depreciation:			
Buildings	34,676,850	27,649,874	62,326,724
Improvements, other than buildings	45,342,566	196,032,907	241,375,473
Machinery and equipment	20,437,499	5,815,048	26,252,547
Infrastructure	127,200,200	16,882,622	144,082,822
Total assets	<u>367,680,651</u>	<u>351,023,628</u>	<u>718,704,279</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	17,976,950	2,407,354	20,384,304
Deferred outflows related to OPEB	(330,312)	(57,835)	(388,147)
Deferred charge on refunding (net of amortization)	-	366,459	366,459
Total deferred outflows of resources	<u>17,646,638</u>	<u>2,715,978</u>	<u>20,362,616</u>
LIABILITIES			
Accounts payable	5,297,565	5,534,767	10,832,332
Deposits and other refundable balances	1,284,336	66,180	1,350,516
Insurance claims payable	1,545,166	-	1,545,166
Accrued interest payable	22,541	240,283	262,824
Unearned revenues	32,005	-	32,005
Non-current liabilities:			
Due within one year	1,378,364	3,695,528	5,073,892
Due in more than one year	96,576,522	90,015,233	186,591,755
Total liabilities	<u>106,136,499</u>	<u>99,551,991</u>	<u>205,688,490</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	6,725,640	2,489,366	9,215,006
Deferred inflows related to pensions	12,500,744	3,205,496	15,706,240
Total deferred inflows of resources	<u>19,226,384</u>	<u>5,694,862</u>	<u>24,921,246</u>
NET POSITION			
Net investment in capital assets	265,255,743	219,486,636	484,742,379
Restricted for:			
Perpetual care - nonexpendable	3,094,567	-	3,094,567
Storm water management	-	1,328,290	1,328,290
Public Safety	495,082	-	495,082
Capital improvements	527,438	-	527,438
Tourism and convention	5,975,133	-	5,975,133
Donor restrictions	362,873	-	362,873
Capital projects	21,942,766	25,355,673	47,298,439
Airport improvements	127,192	-	127,192
Communications	895,936	-	895,936
Housing assistance	1,160,377	-	1,160,377
Grant restrictions	387,365	-	387,365
Debt service	-	1,997,273	1,997,273
Unrestricted	(40,260,066)	324,881	(39,935,185)
Total net position	<u>\$ 259,964,406</u>	<u>\$ 248,492,753</u>	<u>\$ 508,457,159</u>

CITY OF TYLER, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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	\$ 8,546,671	\$ 2,602,642	\$ 5,916,821	\$ -	\$ (27,208)	\$ -	\$ (27,208)
Public safety	52,163,878	3,401,998	394,878	308,143	(48,058,859)	-	(48,058,859)
Highways and streets	14,331,423	-	-	-	(14,331,423)	-	(14,331,423)
Public services	18,825,525	2,832,501	13,669,627	-	(2,323,397)	-	(2,323,397)
Culture and recreation	11,208,328	123,850	-	-	(11,084,478)	-	(11,084,478)
Interest on long term debt	43,768	-	-	-	(43,768)	-	(43,768)
Total governmental activities	<u>105,119,593</u>	<u>8,960,991</u>	<u>19,981,326</u>	<u>308,143</u>	<u>(75,869,133)</u>	<u>-</u>	<u>(75,869,133)</u>
Business-type activities:							
Utilities	39,991,263	47,113,899	-	-	-	7,122,636	7,122,636
Sanitation	14,135,998	14,164,974	-	-	-	28,976	28,976
Airport	3,735,130	217,900	-	5,804,364	-	2,287,134	2,287,134
Total business-type activities	<u>57,862,391</u>	<u>61,496,773</u>	<u>-</u>	<u>5,804,364</u>	<u>-</u>	<u>9,438,746</u>	<u>9,438,746</u>
Total primary government	<u>\$ 162,981,984</u>	<u>\$ 70,457,764</u>	<u>\$ 19,981,326</u>	<u>\$ 6,112,507</u>	<u>(75,869,133)</u>	<u>9,438,746</u>	<u>(66,430,387)</u>
General revenues:							
Property taxes				22,858,131	-	22,858,131	
Franchise taxes				11,124,504	-	11,124,504	
Sales and use taxes				49,273,911	-	49,273,911	
Unrestricted investment earnings and use of money and property				1,531,778	2,406,201	3,937,979	
Gain (loss) on sale of assets				(336,086)	30,000	(306,086)	
Transfers				324,681	(324,681)	-	
Total general revenues and transfers				<u>84,776,919</u>	<u>2,111,520</u>	<u>86,888,439</u>	
Change in net position				8,907,786	11,550,266	20,458,052	
Net position - beginning of year				<u>251,056,620</u>	<u>236,942,487</u>	<u>487,999,107</u>	
Net position - end of year				<u>\$ 259,964,406</u>	<u>\$ 248,492,753</u>	<u>\$ 508,457,159</u>	

CITY OF TYLER, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	MAJOR FUNDS		OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	ONE-HALF CENT SALES TAX		
ASSETS				
Cash and cash equivalents	\$ 16,646,688	\$ -	\$ 8,311,861	\$ 24,958,549
Receivables (net of allowance for doubtful accounts) :				
Property taxes	636,729	-	-	636,729
Other	25,033,247	2,687,683	2,010,082	29,731,012
Due from other funds	1,217,559	-	-	1,217,559
Inventories	74,900	-	4,450	79,350
Prepaid items	93,973	-	102	94,075
Cash - restricted	-	20,225,030	5,511,682	25,736,712
Total assets	\$ 43,703,096	\$ 22,912,713	\$ 15,838,177	\$ 82,453,986
LIABILITIES				
Accounts payable	2,822,753	969,817	545,873	4,338,443
Deposits and other refundable balances	1,025,996	-	258,210	1,284,206
Other liabilities	-	130	-	130
Due to other funds	-	-	1,188,498	1,188,498
Unearned revenues	31,176	-	829	32,005
Total liabilities	3,879,925	969,947	1,993,410	6,843,282
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	607,738	-	-	607,738
Unavailable revenue-fines	12,299,925	-	-	12,299,925
Unavailable revenue-permits	40,113	-	-	40,113
Total deferred inflows of resources	12,947,776	-	-	12,947,776
FUND BALANCES				
Nonspendable:				
Inventory	74,900	-	4,450	79,350
Prepaid items	93,973	-	-	93,973
Permanent fund principal	-	-	3,094,567	3,094,567
Restricted for:				
Public Safety	-	-	495,082	495,082
Capital improvements	-	-	527,438	527,438
Tourism and convention	-	-	5,975,133	5,975,133
Donor restrictions	-	-	362,873	362,873
Capital projects	-	21,942,766	-	21,942,766
Airport improvements	-	-	127,192	127,192
Communications	-	-	895,936	895,936
Housing assistance	-	-	1,160,377	1,160,377
Grant restrictions	-	-	387,365	387,365
Assigned to:				
Development services	794,038	-	-	794,038
Capital projects	-	-	671,931	671,931
Tourism and convention	127,266	-	-	127,266
Unassigned	25,785,218	-	142,423	25,927,641
Total fund balances	26,875,395	21,942,766	13,844,767	62,662,928
Total liabilities, deferred inflows of resources, and fund balances	\$ 43,703,096	\$ 22,912,713	\$ 15,838,177	\$ 82,453,986

CITY OF TYLER, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Total fund balances governmental funds (Exhibit 3)	\$ 62,662,928
Other post employment benefits in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. (Includes other post employment benefit assets of Internal Service Funds)	14,707
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	246,929,681
Equity in an affiliated joint venture is included in governmental activities in the statement of net assets.	2,882,199
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	12,947,776
Deferred outflows of funds related to pension and OPEB activities	17,323,001
Deferred inflows of funds related to pension and OPEB activities	(18,461,458)
Net pension and OPEB liabilities reflected under GASB 68 and 75 at year end	(81,216,098)
Internal service funds are used by management to charge the costs of various goods or services provided to other departments or agencies of the City. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets (Net of the amount allocated to business-type activities - \$2,719,682)	29,227,687
Long term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	<u>(12,346,017)</u>
Net position of governmental activities (Exhibit 1)	<u><u>\$ 259,964,406</u></u>

CITY OF TYLER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	MAJOR FUNDS		OTHER NON-MAJOR GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	ONE-HALF CENT SALES TAX			
REVENUES					
Taxes:					
Property	\$ 22,732,277	\$ -	\$ 94,198	\$ -	\$ 22,826,475
Franchise	11,000,729	-	123,775	-	11,124,504
Sales and use	31,110,809	15,315,318	2,847,784	-	49,273,911
Licenses and permits	1,728,305	-	6,525	-	1,734,830
Fines, forfeitures, and penalties	3,532,014	-	477,581	-	4,009,595
Revenues from use of money or property	531,635	370,071	258,374	-	1,160,080
Charges for current services	2,483,110	-	471,613	-	2,954,723
Revenues from other agencies	6,311,699	-	13,977,770	-	20,289,469
Donations	-	-	168,415	-	168,415
Miscellaneous	995,692	-	42,358	-	1,038,050
Total revenues	80,426,270	15,685,389	18,468,393	-	114,580,052
EXPENDITURES					
Current:					
General government	7,061,471	175,000	106,907	-	7,343,378
Public safety	49,359,878	-	429,032	-	49,788,910
Public services	2,782,929	-	12,985,064	-	15,767,993
Highways and streets	4,839,899	-	-	-	4,839,899
Culture and recreation	8,017,086	-	398,972	-	8,416,058
Capital outlay	222,024	16,049,570	4,535,350	-	20,806,944
Debt service:					
Principal retirement	-	-	136,114	-	136,114
Interest and fiscal charges	-	-	17,715	-	17,715
Total expenditures	72,283,287	16,224,570	18,609,154	-	107,117,011
Excess (deficiency) of revenues over (under) expenditures	8,142,983	(539,181)	(140,761)	-	7,463,041
OTHER FINANCING SOURCES (USES)					
Transfers in	1,833,500	-	2,493,392	(112,371)	4,214,521
Transfers out	(3,178,108)	(654,215)	(2,087,175)	112,371	(5,807,127)
Total other financing sources (uses)	(1,344,608)	(654,215)	406,217	-	(1,592,606)
Net change in fund balances	6,798,375	(1,193,396)	265,456	-	5,870,435
Fund balances - beginning of year	20,077,020	23,136,162	13,579,311	-	56,792,493
Fund balances - end of year	\$ 26,875,395	\$ 21,942,766	\$ 13,844,767	\$ -	\$ 62,662,928

EXHIBIT 6

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, 2020

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

Net change in fund balances - total governmental funds	\$ 5,870,435
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.	6,258,299
The net increase of the equity in investment in an affiliated joint venture is reflected on the statement of activities.	102,133
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(597,177)
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.	(1,084,733)
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.	151,286
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.	(4,756,000)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities.	<u>2,963,543</u>
Change in net assets of governmental activities (Exhibit 2)	<u>\$ 8,907,786</u>

CITY OF TYLER, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	BUDGET AMOUNTS			FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Property tax collections	\$ 22,859,193	\$ 22,859,193	\$ 22,732,277	\$ (126,916)
Franchise fees	10,925,687	10,925,687	11,000,729	75,042
Sales and use taxes	30,611,458	30,611,458	31,110,809	499,351
Licenses and permits	2,021,743	2,021,743	1,728,305	(293,438)
Fines, forfeitures, and penalties	4,102,600	4,102,600	3,532,014	(570,586)
Revenues from use of money or property	972,036	973,711	531,635	(442,076)
Charges for current services	2,583,411	2,583,411	2,483,110	(100,301)
Revenues from other agencies	461,252	461,252	6,311,699	5,850,447
Miscellaneous	976,081	976,081	995,692	19,611
Total revenues	<u>75,513,461</u>	<u>75,515,136</u>	<u>80,426,270</u>	<u>4,911,134</u>
EXPENDITURES				
GENERAL GOVERNMENT:				
General Government Services	4,464,058	4,381,030	3,898,482	482,548
Communications	454,519	454,519	412,671	41,848
Finance	1,292,395	1,292,395	1,258,077	34,318
Human Resources	483,213	483,213	446,260	36,953
Legal	1,032,607	1,032,607	1,002,992	29,615
Parking Garage	28,428	50,795	22,009	28,786
Innovation Pipeline	7,373	22,202	20,980	1,222
Total General Government	<u>7,762,593</u>	<u>7,716,761</u>	<u>7,061,471</u>	<u>655,290</u>
PUBLIC SAFETY				
Police	28,713,871	28,713,871	28,668,849	45,022
Fire	19,022,359	19,022,359	18,966,615	55,744
Municipal Court	1,790,779	1,790,779	1,724,414	66,365
Total Public Safety	<u>49,527,009</u>	<u>49,527,009</u>	<u>49,359,878</u>	<u>167,131</u>
PUBLIC SERVICES				
Animal Services	1,138,766	1,138,766	1,040,713	98,053
Planning and Zoning Services	651,765	651,765	622,074	29,691
Building Services	1,189,644	1,189,644	1,120,142	69,502
Total Public Services	<u>2,980,175</u>	<u>2,980,175</u>	<u>2,782,929</u>	<u>197,246</u>

(Continued)

CITY OF TYLER, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (continued)				
HIGHWAYS AND STREETS				
Engineering	\$ 534,370	\$ 534,370	\$ 470,970	\$ 63,400
Street administration	2,507,681	2,507,681	2,198,081	309,600
Traffic operations	2,408,542	2,471,042	2,170,848	300,194
Total Highways and Streets	<u>5,450,593</u>	<u>5,513,093</u>	<u>4,839,899</u>	<u>673,194</u>
CULTURE AND RECREATION				
Library	1,609,891	1,609,891	1,608,173	1,718
Parks administration	2,675,377	2,697,181	2,915,280	(218,099)
Indoor recreation	579,198	567,394	519,398	47,996
Outdoor recreation	230,064	230,064	145,683	84,381
Median maintenance and arborist	439,400	429,400	481,584	(52,184)
Rose Garden center	290,284	279,284	272,411	6,873
Rose Garden maintenance	587,087	574,587	579,234	(4,647)
Visitor facilities	934,103	966,098	887,108	78,990
Main Street	449,690	469,690	334,700	134,990
Liberty Hall	295,244	326,244	273,515	52,729
Total Culture and Recreation	<u>8,090,338</u>	<u>8,149,833</u>	<u>8,017,086</u>	<u>132,747</u>
Capital Outlay	<u>92,800</u>	<u>218,834</u>	<u>178,024</u>	<u>40,810</u>
Total expenditures	<u>73,949,508</u>	<u>74,151,705</u>	<u>72,283,287</u>	<u>1,868,418</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,563,953</u>	<u>1,363,431</u>	<u>8,142,983</u>	<u>6,779,552</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,833,500	1,833,500	1,833,500	-
Transfers out	(3,454,269)	(3,454,269)	(3,178,108)	276,161
Total other financing sources (uses)	<u>(1,620,769)</u>	<u>(1,620,769)</u>	<u>(1,344,608)</u>	<u>276,161</u>
Net change in fund balance	(56,816)	(257,338)	6,798,375	7,055,713
Fund balance - beginning of year	<u>16,295,654</u>	<u>14,742,019</u>	<u>20,077,020</u>	<u>5,335,001</u>
Fund balance - end of year	<u>\$ 16,238,838</u>	<u>\$ 14,484,681</u>	<u>\$ 26,875,395</u>	<u>\$ 12,390,714</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, 2020

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES	
	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS	
	UTILITIES	SANITATION	AIRPORT	TOTAL ENTERPRISE FUNDS		
ASSETS						
Current assets:						
Unrestricted current assets:						
Cash and cash equivalents	\$ 11,761,949	\$ 1,132,073	\$ 862,472	\$ 13,756,494	\$ 19,761,748	
Prepaid expenses	41,510	727		42,237	75,962	
Accounts receivable (net of allowance for doubtful accounts)	5,955,873	2,386,029	240,385	8,582,287	321,345	
Accrued interest receivable	16,297	-	209	16,506	-	
Inventories - at average cost	691,187	-	-	691,187	319,266	
Total unrestricted current assets	<u>18,466,816</u>	<u>3,518,829</u>	<u>1,103,066</u>	<u>23,088,711</u>	<u>20,478,321</u>	
Restricted Current assets:						
Temporarily restricted:						
Cash and cash equivalents for payment of current maturities of revenue bond principal and interest	1,893,093	-	104,180	1,997,273	-	
Total restricted current assets	<u>1,893,093</u>	<u>-</u>	<u>104,180</u>	<u>1,997,273</u>	<u>-</u>	
Total current assets	<u>20,359,909</u>	<u>3,518,829</u>	<u>1,207,246</u>	<u>25,085,984</u>	<u>20,478,321</u>	
Noncurrent assets:						
Restricted assets:						
Temporarily restricted						
Cash and cash equivalents	25,144,299	211,374	-	25,355,673	-	
Total restricted assets	<u>25,144,299</u>	<u>211,374</u>	<u>-</u>	<u>25,355,673</u>	<u>-</u>	
Other post employment benefits asset	-	-	-	-	14,707	
Capital assets:						
Land	6,842,055	3,285,312	1,665,542	11,792,909	93,938	
Water rights	12,526,700	-	-	12,526,700	-	
Buildings and infrastructure	41,380,122	727,319	42,144,225	84,251,666	1,692,125	
Improvements other than buildings	272,481,798	591,665	57,140,435	330,213,898	2,233,569	
Machinery and equipment	5,992,795	8,603,443	1,266,521	15,862,759	49,013,123	
Construction in progress	3,668,511	54,280	23,439,438	27,162,229	14,500	
Less accumulated depreciation	(150,839,878)	(5,992,524)	(27,115,470)	(183,947,872)	(34,188,257)	
Total capital assets net of accumulated depreciation	<u>192,052,103</u>	<u>7,269,495</u>	<u>98,540,691</u>	<u>297,862,289</u>	<u>18,858,998</u>	
Total noncurrent assets	<u>217,196,402</u>	<u>7,480,869</u>	<u>98,540,691</u>	<u>323,217,962</u>	<u>18,873,705</u>	
Total assets	<u>237,556,311</u>	<u>10,999,698</u>	<u>99,747,937</u>	<u>348,303,946</u>	<u>39,352,026</u>	
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	1,531,807	726,853	148,694	2,407,354	521,961	
Deferred outflows related to OPEB	(43,648)	(12,710)	(1,477)	(57,835)	(198,324)	
Deferred charge on refunding (net of amortization)	366,459	-	-	366,459	-	
Total deferred outflows of resources	<u>1,854,618</u>	<u>714,143</u>	<u>147,217</u>	<u>2,715,978</u>	<u>323,637</u>	
LIABILITIES						
Current liabilities:						
Unrestricted current liabilities						
Accounts and contracts payable	4,545,055	851,062	138,650	5,534,767	959,122	
Due to other funds	-	-	-	-	-	
Insurance claims payable	-	-	-	-	1,545,166	
Current portion of capital lease payment	-	-	51,691	51,691	628,851	
Current portion of compensated absences payable	30,216	12,157	21,464	63,837	10,331	
Total unrestricted current liabilities	<u>4,575,271</u>	<u>863,219</u>	<u>211,805</u>	<u>5,650,295</u>	<u>3,143,470</u>	
Current liabilities payable from restricted assets						
Revenue bonds payable	3,500,000	-	80,000	3,580,000	-	
Customer deposits	66,180	-	-	66,180	-	
Accrued interest	240,283	-	-	240,283	22,541	
Total current liabilities payable from restricted assets	<u>3,806,463</u>	<u>-</u>	<u>80,000</u>	<u>3,886,463</u>	<u>22,541</u>	
Total current liabilities	<u>8,381,734</u>	<u>863,219</u>	<u>291,805</u>	<u>9,536,758</u>	<u>3,166,011</u>	
Noncurrent liabilities:						
Revenue bonds payable	74,165,653	-	630,000	74,795,653	-	
Capital lease payable	-	-	-	-	444,542	
Net pension obligation	6,363,730	2,911,979	591,249	9,866,958	2,286,694	
Net OPEB obligation	3,053,197	1,286,832	207,513	4,547,542	826,046	
Compensated absences	574,101	230,979	-	805,080	196,307	
Total noncurrent liabilities	<u>84,156,681</u>	<u>4,429,790</u>	<u>1,428,762</u>	<u>90,015,233</u>	<u>3,753,589</u>	
Total liabilities	<u>92,538,415</u>	<u>5,293,009</u>	<u>1,720,567</u>	<u>99,551,991</u>	<u>6,919,600</u>	
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to OPEB	1,711,653	687,980	89,733	2,489,366	236,908	
Deferred inflows related to pensions	2,230,189	858,099	117,208	3,205,496	528,018	
Total deferred inflows of resources	<u>3,941,842</u>	<u>1,546,079</u>	<u>206,941</u>	<u>5,694,862</u>	<u>764,926</u>	
NET POSITION						
Net investment in capital assets	114,386,450	7,269,495	97,830,691	219,486,636	18,858,998	
Restricted for:						
Debt service	1,893,093	-	104,180	1,997,273	-	
Storm water management	1,328,290	-	-	1,328,290	-	
Capital projects	25,144,299	211,374	-	25,355,673	-	
Unrestricted	178,540	(2,606,116)	32,775	(2,394,801)	13,132,139	
Total net position	<u>\$ 142,930,672</u>	<u>\$ 4,874,753</u>	<u>\$ 97,967,646</u>	<u>\$ 245,773,071</u>	<u>\$ 31,991,137</u>	
Reconciliation to government-wide statements of net assets:						
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					2,719,682	
Net position of business-type activities					<u>\$ 248,492,753</u>	

CITY OF TYLER, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES	
	ENTERPRISE FUNDS			TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
	UTILITIES	SANITATION	AIRPORT		
OPERATING REVENUES					
Water and sewer operations	\$ 44,456,111	\$ -	\$ -	\$ 44,456,111	\$ -
Trash and garbage	- -	14,128,961	- -	14,128,961	- -
Airport sales and rentals	- -	- -	177,996	177,996	- -
Charges for services	- -	- -	- -	- -	18,626,081
Contributions	- -	- -	- -	- -	11,137,643
Miscellaneous	<u>2,657,788</u>	<u>36,013</u>	<u>39,904</u>	<u>2,733,705</u>	<u>2,684,727</u>
Total operating revenues	<u>47,113,899</u>	<u>14,164,974</u>	<u>217,900</u>	<u>61,496,773</u>	<u>32,448,451</u>
OPERATING EXPENSES					
Water and sewer operations	29,783,127	- -	- -	29,783,127	- -
Sanitation operations	- -	13,485,214	- -	13,485,214	- -
Municipal airport operations	- -	- -	1,363,021	1,363,021	- -
Garage operations	- -	- -	- -	- -	5,915,499
Depreciation	<u>7,715,415</u>	<u>650,784</u>	<u>2,340,657</u>	<u>10,706,856</u>	<u>4,185,046</u>
Insurance claims	- -	- -	- -	- -	13,286,966
Administrative	- -	- -	- -	- -	6,775,988
Special services	- -	- -	- -	- -	874,442
Maintenance	- -	- -	- -	- -	410,240
Total operating expenses	<u>37,498,542</u>	<u>14,135,998</u>	<u>3,703,678</u>	<u>55,338,218</u>	<u>31,448,181</u>
Operating income (loss)	<u>9,615,357</u>	<u>28,976</u>	<u>(3,485,778)</u>	<u>6,158,555</u>	<u>1,000,270</u>
NON-OPERATING REVENUES (EXPENSES)					
Revenues from use of money and property	780,448	686,867	938,886	2,406,201	415,007
Gain (loss) on sale of assets	- -	30,000	- -	30,000	261,091
Interest expense	<u>(2,492,721)</u>	<u>- -</u>	<u>(31,452)</u>	<u>(2,524,173)</u>	<u>(26,051)</u>
Total non-operating revenues (expenses)	<u>(1,712,273)</u>	<u>716,867</u>	<u>907,434</u>	<u>(87,972)</u>	<u>650,047</u>
Income (loss) before income from other agencies and transfers	<u>7,903,084</u>	<u>745,843</u>	<u>(2,578,344)</u>	<u>6,070,583</u>	<u>1,650,317</u>
Income from other agencies	- -	- -	5,804,364	5,804,364	- -
Transfers in	<u>22,694,205</u>	<u>1,497,269</u>	<u>767,882</u>	<u>24,959,356</u>	<u>1,480,252</u>
Transfers out	<u>(23,222,184)</u>	<u>(2,056,504)</u>	<u>(5,349)</u>	<u>(25,284,037)</u>	<u>(137,965)</u>
Net transfers and income from other agencies	<u>(527,979)</u>	<u>(559,235)</u>	<u>6,566,897</u>	<u>5,479,683</u>	<u>1,342,287</u>
Change in net position	<u>7,375,105</u>	<u>186,608</u>	<u>3,988,553</u>	<u>11,550,266</u>	<u>2,992,604</u>
Net position - beginning of year	<u>135,555,567</u>	<u>4,688,145</u>	<u>93,979,093</u>	<u>234,222,805</u>	<u>28,998,533</u>
Net position - end of year	<u>\$ 142,930,672</u>	<u>\$ 4,874,753</u>	<u>\$ 97,967,646</u>	<u>\$ 245,773,071</u>	<u>\$ 31,991,137</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, 2020

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES	
	ENTERPRISE FUNDS			TOTAL ENTERPRISE FUNDS		
	UTILITIES	SANITATION	AIRPORT			
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers and users	\$ 47,581,286	\$ 13,970,237	\$ 2,312,791	\$ 63,864,314	\$ 31,904,906	
Cash paid to suppliers for goods and services	(16,982,196)	(8,922,230)	(3,062,009)	(28,966,435)	(11,498,617)	
Cash paid to employees for services	(11,003,754)	(4,567,804)	(670,018)	(16,241,576)	(2,573,562)	
Insurance claims paid	-	-	-	-	(12,871,111)	
Net cash provided by (used in) operating activities	<u>19,595,336</u>	<u>480,203</u>	<u>(1,419,236)</u>	<u>18,656,303</u>	<u>4,961,616</u>	
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers in from other funds	22,694,205	1,497,269	767,882	24,959,356	1,480,252	
Transfers out to other funds	(23,222,184)	(2,056,504)	(5,349)	(25,284,037)	(137,965)	
Net cash (used in) provided by non-capital financing activities	<u>(527,979)</u>	<u>(559,235)</u>	<u>762,533</u>	<u>(324,681)</u>	<u>1,342,287</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(20,560,589)	(1,234,043)	(5,537,034)	(27,331,666)	(4,516,968)	
Proceeds from grants for capital purposes	21,033,477	-	5,804,364	26,837,841	-	
Proceeds from sale of assets	-	520,641	-	520,641	261,091	
Payments on debt	(4,075,000)	-	(75,000)	(4,150,000)	(427,349)	
Interest paid	(2,492,721)	-	(31,452)	(2,524,173)	(21,362)	
Net cash provided by (used in) capital and related financing activities	<u>(6,094,833)</u>	<u>(713,402)</u>	<u>160,878</u>	<u>(6,647,357)</u>	<u>(4,704,588)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends on investments	826,751	628,649	938,880	2,394,280	404,773	
Net cash (used in) provided by investing activities	<u>826,751</u>	<u>628,649</u>	<u>938,880</u>	<u>2,394,280</u>	<u>404,773</u>	
Net increase (decrease) in cash and cash equivalents	13,799,275	(163,785)	443,055	14,078,545	2,004,088	
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>25,000,066</u>	<u>1,507,232</u>	<u>523,597</u>	<u>27,030,895</u>	<u>17,507,660</u>	
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 38,799,341</u></u>	<u><u>\$ 1,343,447</u></u>	<u><u>\$ 966,652</u></u>	<u><u>\$ 41,109,440</u></u>	<u><u>\$ 19,511,748</u></u>	
Reconciliation to Exhibit 8:						
Unrestricted cash and cash equivalents	\$ 11,761,949	\$ 1,132,073	\$ 862,472	\$ 13,756,494	\$ 19,761,748	
Restricted cash - current asset	1,893,093	-	104,180	1,997,273	-	
Restricted cash - noncurrent asset	25,144,299	211,374	-	25,355,673	-	
Total Cash and Cash Equivalents at End of Year	<u>\$ 38,799,341</u>	<u>\$ 1,343,447</u>	<u>\$ 966,652</u>	<u>\$ 41,109,440</u>	<u>\$ 19,761,748</u>	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ 9,615,357	\$ 28,976	\$ (3,485,778)	\$ 6,158,555	\$ 1,000,270	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Gain on sale of assets	-	(30,000)	-	(30,000)	-	
Depreciation expense	7,715,415	650,784	2,340,657	10,706,856	4,185,046	
(Increase) decrease in accounts receivable	466,788	(153,406)	2,094,682	2,408,064	(262,637)	
(Increase) decrease in prepaid expenses	(390)	(727)	-	(1,117)	(7,316)	
(Increase) decrease in inventories	(32,481)	-	-	(32,481)	224	
(Increase) decrease in deferred outflows related to pensions	1,027,761	411,941	53,351	1,493,053	253,278	
(Increase) decrease in deferred outflows related to OPEB	89,892	35,997	4,648	130,537	195,558	
Increase (decrease) in accounts payable	2,167,273	199,928	(2,283,713)	83,488	(46,414)	
Increase (decrease) in claims payable	-	-	-	-	443,792	
Increase (decrease) in accrued interest payable	-	-	-	-	4,528	
Increase (decrease) in customer deposits	10,980	-	-	10,980	-	
Increase (decrease) in compensated absences payable	159,671	(5,301)	(7,206)	147,164	23,653	
Increase (decrease) in capital lease payable	-	-	(50,732)	(50,732)	-	
Increase (decrease) in post employment benefits liability	(2,055,959)	(823,112)	(106,281)	(2,985,352)	(495,277)	
Increase (decrease) in deferred inflows related to pensions	1,933,139	767,962	99,461	2,800,562	471,434	
Increase (decrease) in deferred inflows related to OPEB	1,594,964	638,511	82,445	2,315,920	207,617	
Increase (decrease) in net pension obligation	(3,097,074)	(1,241,350)	(160,770)	(4,499,194)	(762,140)	
Total adjustments	<u>9,979,979</u>	<u>451,227</u>	<u>2,066,542</u>	<u>12,497,748</u>	<u>4,211,346</u>	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ 19,595,336</u></u>	<u><u>\$ 480,203</u></u>	<u><u>\$ (1,419,236)</u></u>	<u><u>\$ 18,656,303</u></u>	<u><u>\$ 5,211,616</u></u>	

EXHIBIT 11

CITY OF TYLER, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

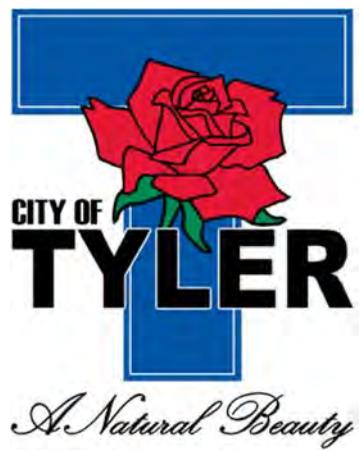
	EMPLOYEE BENEFIT TRUST FUNDS	PRIVATE- PURPOSE TRUST FUNDS	TOTAL
ASSETS			
Equity in pooled cash	\$ 2,572,310	\$ 2,837,242	\$ 5,409,552
Investments, at fair value			
Equities	6,026,623	89,440	6,116,063
Mutual funds	78,021,138	-	78,021,138
Total investments	<u>84,047,761</u>	<u>89,440</u>	<u>84,137,201</u>
Receivables			
Contributions receivable	123,849	-	123,849
Interest receivable	14,627	2,200	16,827
Total receivables	<u>138,476</u>	<u>2,200</u>	<u>140,676</u>
Total assets	<u>86,758,547</u>	<u>2,928,882</u>	<u>\$89,687,429</u>
LIABILITIES			
Accounts payable	<u>844,619</u>	<u>-</u>	<u>844,619</u>
Total liabilities	<u>844,619</u>	<u>-</u>	<u>844,619</u>
NET POSITION			
Restricted for OPEB	13,032,059	-	13,032,059
Restricted for pensions	72,675,517	-	72,675,517
Held in trust for other purposes	206,352	2,928,882	3,135,234
Total net position restricted for pension/OPEB benefits and other purposes	<u>\$ 85,913,928</u>	<u>\$ 2,928,882</u>	<u>\$88,842,810</u>

EXHIBIT 12

CITY OF TYLER, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	EMPLOYEE BENEFIT TRUST FUNDS	PRIVATE- PURPOSE TRUST FUNDS	TOTAL
ADDITIONS			
Contributions:			
Employees	\$ 1,952,694	\$ -	\$ 1,952,694
Employer	5,991,515	-	5,991,515
Other	-	33,000	33,000
Total contributions	<u>7,944,209</u>	<u>33,000</u>	<u>7,977,209</u>
Investment income:			
Interest and dividend income	2,506,562	55,453	2,562,015
Net appreciation (depreciation) in fair value of investments	3,448,920	4,487	3,453,407
Less investment expense	(234,464)	(3,488)	(237,952)
Total investment income	<u>5,721,018</u>	<u>56,452</u>	<u>5,777,470</u>
Other income	35,654	-	35,654
Total additions	<u>13,700,881</u>	<u>89,452</u>	<u>13,790,333</u>
DEDUCTIONS			
Reimbursement for benefit claims	1,595,263	-	1,595,263
Benefits	<u>7,906,144</u>	<u>-</u>	<u>7,906,144</u>
Total deductions	<u>9,501,407</u>	<u>-</u>	<u>9,501,407</u>
Change in net position	4,199,474	89,452	4,288,926
Net position - beginning of year	<u>81,714,454</u>	<u>2,839,430</u>	<u>84,553,884</u>
Net position - end of year	<u>\$ 85,913,928</u>	<u>\$ 2,928,882</u>	<u>\$ 88,842,810</u>

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



CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

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

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

B. Blended Component Unit

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

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

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

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

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

Tyler 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, 2020 reporting period. Financial statements of TFDRRF can be obtained directly from the FIRE Pension Board, 1718 West Houston St., Tyler, Texas 75702.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

The government reports the following major proprietary funds:

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

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

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

Additionally, the government reports the following fund types:

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

The City of Tyler reports the following Internal Service Funds:

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

The City of Tyler reports the following Fiduciary Funds:

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

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

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, 2020

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

1. **Equity in Pooled Cash and Investments**

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

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

2. **Investments**

Accounting pronouncement 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, 2020

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

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

Investment Pools

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

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

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

Other

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

3. Receivables and Payables

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

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

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

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, 2020, was \$.25990 per \$100, which means that the City has a tax margin of \$1.4901 per \$100 and could raise up to \$135,041,324 additional taxes a year from the present valuation of \$9,062,567,868 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 \$3,000 (amount not rounded) 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, 2020

E. 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. Restricted Assets

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

9. Compensated Absences

Non-Civil Service Employees

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

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

Civil Service Employees

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of cumulative sick leave benefits that it is estimated will be taken as “terminal leave” prior to retirement.

10. Long-Term Obligations

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

11. Bond Premiums, Discounts, and Issuance Costs

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

12. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City’s deferred charge on refunding reported in the government-wide statement of net position and the proprietary funds statement of net position qualifies for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has deferred outflows related to pension and other postemployment benefit activities that are reported in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, fines, and permits. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows related to pension and other postemployment benefit activities that are reported in this category.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

13. Fund Equity

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

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

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

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

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

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

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

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

14. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net invested in capital assets consists of the City's capital assets, net of accumulated depreciation, reduced by any outstanding debt used for the acquisition or construction of those assets less unspent cash acquired through debt at year-end. Net position reported as restricted are those amounts which have limitations imposed by creditors, grantors or other laws and regulations. The government-wide statement of net position reports \$63,649,866 of restricted net position, of which \$13,476,826 is restricted by enabling legislation.

15. Tax Abatements

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

16. Pensions and Other Post-Employment Benefits

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

For the fiscal year ending September 30, 2020, the City recognized total pension expense of \$11,710,097, \$7,088,288 of which was for the TMRS Plan and \$4,621,809 for the TFDRRF Plan. For the fiscal year ending September 30, 2020, the City recognized total OPEB expense of \$702,855, \$456,171 of which was for the Health Plan and \$246,684 for the TMRS Supplemental Death Benefit Plan.

17. Estimates

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

18. Encumbrances

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

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

19. Future Implementation of New Standards

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, which will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. This statement is effective for reporting periods beginning after December 15, 2019. The City is evaluating the impact of this statement on the City's financial statements.

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

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

In August 2018, GASB issued Statement No. 90 *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61* which will improve the consistency and comparability of reporting the government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The City is evaluating the impact of this statement on its financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which will (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which the potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan for benefits provided through those plans. This statement is effective for reporting periods beginning after June 15, 2021. The City is evaluating the impact of this statement on its financial statements.

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation states that “Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.” The details of this \$12,947,776 difference are as follows:

Unavailable property tax revenues	\$ 607,738
Unavailable fines	12,299,925
Unavailable permits	<u>40,113</u>
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	<u><u>\$ 12,947,776</u></u>

Another element of that reconciliation explains “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(12,346,017) difference are as follows:

Claims and judgements	\$ (100,000)
Capital leases	(532,936)
Compensated absences	<u>(11,713,081)</u>
Net adjustment to reduce fund balance - total governmental funds	
to arrive at net position - governmental activities	<u><u>\$ (12,346,017)</u></u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures”. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$6,258,299 difference are as follows:

Capital outlay	\$ 19,373,019
Depreciation expense	<u>(13,114,720)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in position - governmental activities	<u>\$ 6,258,299</u>

NOTE 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

1. After August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in Council chambers at City Hall to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. Budgetary control is established at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Charter prohibits budgeting total proposed expenditures in excess of total anticipated revenues and any unencumbered funds from prior years; therefore, expenditures may not legally exceed revenues and unencumbered fund balances from prior years for each fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, certain Special Revenue Funds (Police Forfeiture Fund, Court Special Fee Fund, Hotel-Motel Occupancy Tax Fund, PEG Fee Fund, Homeownership and Housing Fund, CDBG Fund, Home Grant Fund, Housing Assistance Payment Fund, Transit System Fund, TIF/TIRZ #3 Fund, Economic Development Fund, TIF/TIRZ #4 Fund, Tourism & Convention Fund, Airport Passenger Facility Fund, Rainy Day Fund, Fair Plaza Fund, Grant Fund), Capital Projects Fund, all Enterprise Funds, all Internal Service Funds and Permanent Funds. Budgets for the General Fund, certain Special Revenue Funds (Police Forfeiture Fund, Court Special Fee Fund, Hotel-Motel Occupancy Tax Fund, PEG Fee Fund, Homeownership and Housing Fund, CDBG Fund, Home Grant Fund, Housing Assistance Payment Fund, Transit System Fund, TIF/TIRZ #3 Fund, Economic Development Fund, TIF/TIRZ #4 Fund, Tourism & Convention Fund, Airport Passenger Facility Fund, Rainy Day Fund, Fair Plaza Fund, Grant Fund), Capital Projects Fund and Permanent Funds are adopted by the Council and presented in this report on a basis consistent with generally accepted accounting principles (GAAP). Budgeted expenditures for the General Fund's current fiscal year as adopted in the original budget and amendments thereto were \$73,357,432. Appropriations, which are not expended or encumbered at year-end, must be re-budgeted in the succeeding year.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

A. Budgetary Information – continued

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

B. Expenditures Over Appropriations

For the year ended September 30, 2020, neither the general fund nor any major special revenue fund had expenditures in excess of appropriations.

C. Deficit Fund Equity

As of September 30, 2020, no funds had a deficit in net position.

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, 2020, are as follows:

Statement of net position:	
Primary Government	
Cash and cash equivalents	\$ 58,476,791
Temporarily restricted cash and cash equivalents	24,641,821
Permanently restricted cash and cash equivalents	28,447,837
 Fiduciary Funds	
Cash and cash equivalents	5,409,552
Investments	<u>84,137,201</u>
 Total Cash and Investments	<u>\$ 201,113,202</u>
 Cash on hand	\$ 13,032
Savings and checking accounts	40,282,381
Cash and cash equivalents held in investment accounts	1,547,968
Investments	<u>159,269,821</u>
 Total Cash and Investments	<u>\$ 201,113,202</u>

Custodial Credit Risk – Deposits – At September 30, 2020, the City held several bank accounts, including a NOW interest bearing account, at one financial institution. The City's account balances, less outstanding checks and deposits totaled \$40,282,381 and the bank balances totaled \$40,599,528. All bank balances not covered by federal depository insurance, were covered by collateral held in the pledging financial institutions' trust department in the City's name. In accordance with the City's deposit and investment policy, all deposits placed at a financial institution shall be insured or collateralized in compliance with applicable State law. The City requires fair value of pledged securities in excess of 102% of all uninsured deposits.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

A. Deposits and Investments – continued

Investments are stated at fair value or amortized costs, which approximates fair value. As of September 30, 2020, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Credit Risk</u>
Primary Government			
Certificates of deposit	\$ 74,916,665	0.97	N/A
Texpool	<u>215,955</u>	<u>0.10</u>	AAAm
Total Primary Government	<u>75,132,620</u>		
Fiduciary Funds			
Equities	6,116,063	N/A	N/A
Mutual Funds	<u>78,021,138</u>	<u>N/A</u>	N/A
Total Fiduciary Funds	<u>84,137,201</u>		
Total Reporting Entity	<u>\$ 159,269,821</u>		
Portfolio weighted average maturity (years)		0.96	

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

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

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

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

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

A. Deposits and Investments – continued

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

A summary of the City's investments under the requirements of the fair value hierarchy as of September 30, 2020 are as follows:

	Assets at Fair Value as of September 30, 2020			
	Level 1	Level 2	Level 3	Total
Primary Government:				
Certificates of Deposit	\$ -	\$ 74,916,665	\$ -	\$ 74,916,665
Texas Government Investment Pool	- -	215,955	-	215,955
Total Primary Government	- -	75,132,620	- -	75,132,620
Fiduciary Funds:				
Equities	6,116,063	-	-	6,116,063
Mutual Funds	78,021,138	-	-	78,021,138
Total Fiduciary Funds	84,137,201	- -	- -	84,137,201
Total Reporting Entity	\$ 84,137,201	\$ 75,132,620	\$ - -	\$ 159,269,821

B. Receivables

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

Receivables:	General Fund	One-Half Cent Sales Tax Fund	Utilities Fund	Sanitation Fund	Airport Fund	Non-Major Governmental Funds	Internal Service Funds	Total
Accounts	\$ 19,834,881	\$ -	\$ 6,170,975	\$ 2,448,280	\$ 240,594	\$ 390,204	\$ 321,345	\$ 29,406,279
Grants	4,738,572	-	-	-	-	1,619,878	-	6,358,450
Taxes	8,362,126	2,672,157	-	-	-	-	-	11,034,283
Miscellaneous	15,889	15,526	-	-	-	-	-	31,415
Gross receivables	32,951,468	2,687,683	6,170,975	2,448,280	240,594	2,010,082	321,345	46,830,427
Less: Allowance for uncollectibles	(7,281,492)	-	(198,805)	(62,251)	-	-	-	(7,542,548)
Net total receivables	\$ 25,669,976	\$ 2,687,683	\$ 5,972,170	\$ 2,386,029	\$ 240,594	\$ 2,010,082	\$ 321,345	\$ 39,287,879

C. Lindsey Trust Fund

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

C. Lindsey Trust Fund – continued

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

The Fund is defined as a Permanent Endowment. The permanent portion or corpus of the Fund is \$25,000, with the remaining amount of the Fund considered net appreciation. Under the terms of the endowment, and consistent with State statutes, distributions from the Fund are to be made from the net appreciation so that the corpus of the fund will not be exhausted or depleted. Distributions may only be made to the City of Tyler, Texas. Ordinary distributions to the City of Tyler shall be made from the Fund once per calendar year in the amount requested by the City of Tyler up to a cumulative limit of five percent (5%) of the value of the Fund determined as of the preceding December 31. Any portion of the net appreciation available for distribution which is not withdrawn by the City of Tyler in one year may be withdrawn in a subsequent year. No additional distributions shall be made from the Fund. To the extent possible, the Donor intends to preserve the permanent portion or corpus of the Fund by limiting distributions to 5% per year. At September 30, 2020, the net appreciation on investments of the Fund was \$4,486.

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

D. Capital Assets

Governmental and business-type capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 18,243,886	\$ 37,675	\$ (597,177)	\$ 17,684,384
Construction in progress	<u>17,083,944</u>	<u>11,494,290</u>	<u>(8,131,054)</u>	<u>20,447,180</u>
Total capital assets, not being depreciated	<u>35,327,830</u>	<u>11,531,965</u>	<u>(8,728,231)</u>	<u>38,131,564</u>
Capital assets, being depreciated:				
Buildings	59,886,095	594,539	-	60,480,634
Improvements other than buildings	111,113,749	14,320,577	-	125,434,326
Machinery and equipment	74,780,967	6,537,372	(4,855,514)	76,462,825
Infrastructure	<u>355,640,133</u>	<u>30,860</u>	<u>-</u>	<u>355,670,993</u>
Total capital assets being depreciated	<u>601,420,944</u>	<u>21,483,348</u>	<u>(4,855,514)</u>	<u>618,048,778</u>
Less accumulated depreciation for:				
Buildings	(23,904,879)	(1,898,905)	-	(25,803,784)
Improvements other than buildings	(78,061,236)	(2,030,524)	-	(80,091,760)
Machinery and equipment	(55,089,067)	(5,295,368)	4,359,109	(56,025,326)
Infrastructure	<u>(220,395,824)</u>	<u>(8,074,969)</u>	<u>-</u>	<u>(228,470,793)</u>
Total accumulated depreciation	<u>(377,451,006)</u>	<u>(17,299,766)</u>	<u>4,359,109</u>	<u>(390,391,663)</u>
Total capital assets, being depreciated, net	<u>223,969,938</u>	<u>4,183,582</u>	<u>(496,405)</u>	<u>227,657,115</u>
Governmental activities capital assets, net	<u><u>\$ 259,297,768</u></u>	<u><u>\$ 15,715,547</u></u>	<u><u>\$ (9,224,636)</u></u>	<u><u>\$ 265,788,679</u></u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

D. Capital Assets – continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 11,412,159	\$ 380,750	\$ -	\$ 11,792,909
Water rights	12,526,700	-	-	12,526,700
Construction in progress	<u>26,846,559</u>	<u>7,107,791</u>	<u>(6,792,121)</u>	<u>27,162,229</u>
Total capital assets, not being depreciated	<u>50,785,418</u>	<u>7,488,541</u>	<u>(6,792,121)</u>	<u>51,481,838</u>
Capital assets, being depreciated:				
Buildings	63,471,224	61,019	(32,024)	63,500,219
Improvements other than buildings	305,671,641	24,703,274	(161,017)	330,213,898
Machinery and equipment	14,916,459	1,881,977	(935,678)	15,862,758
Infrastructure	<u>20,751,447</u>	<u>-</u>	<u>-</u>	<u>20,751,447</u>
Total capital assets being depreciated	<u>404,810,771</u>	<u>26,646,270</u>	<u>(1,128,719)</u>	<u>430,328,322</u>
Less accumulated depreciation for:				
Buildings	(34,389,211)	(1,493,159)	32,025	(35,850,345)
Improvements other than buildings	(126,881,030)	(7,460,977)	161,016	(134,180,991)
Machinery and equipment	(9,332,520)	(1,264,094)	548,904	(10,047,710)
Infrastructure	<u>(3,380,199)</u>	<u>(488,626)</u>	<u>-</u>	<u>(3,868,825)</u>
Total accumulated depreciation	<u>(173,982,960)</u>	<u>(10,706,856)</u>	<u>741,945</u>	<u>(183,947,871)</u>
Total capital assets, being depreciated, net	<u>230,827,811</u>	<u>15,939,414</u>	<u>(386,774)</u>	<u>246,380,451</u>
Business-type activities capital assets, net	<u><u>\$ 281,613,229</u></u>	<u><u>\$ 23,427,955</u></u>	<u><u>\$ (7,178,895)</u></u>	<u><u>\$ 297,862,289</u></u>

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

Governmental activities:

General Government	\$ 760,456
Public Safety	2,120,285
Highways and streets, including depreciation of general infrastructure assets	8,546,859
Public Services	697,421
Culture and recreation	989,700
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	4,185,045
Total depreciation expense - governmental activities	<u><u>\$ 17,299,766</u></u>

Business-type activities:

Utilities	\$ 7,715,415
Sanitation	650,784
Airport	2,340,657
Total depreciation expense - business-type activities	<u><u>\$ 10,706,856</u></u>

Water Rights

In 1965, the City purchased the right to 40% of the perpetual annual water yield of Lake Palestine from the Upper Neches River Municipal Water Authority for \$12,524,200. At September 30, 2020, total water rights were \$12,526,700. Management believes there is no impairment in the value of the water rights at September 30, 2020.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

D. Capital Assets – continued

Construction Commitments

As of September 30, 2020, the City has active construction projects. The projects include street construction, a parking garage, CDBG projects, and sanitation and waterline additions. At year-end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Estimated Remaining Commitment
Hidden Palace Construction	\$ 328,954	\$ 106,521
Woldert Park ADA Renovation	284,811	152,363
Fun Forest ADA Renovation	447,230	49,920
Brynnar Court Drainage Improvements	400,211	27,055
Robert E Lee Drive Drainage Improvements	399,000	603,871
Martin Luther King, Jr Blvd Improvements	110,722	1,417,774
2020 Asphalt Enhancement (Overlay)	124,939	2,969,251

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

E. Interfund Receivables, Payables, and Transfers

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

The composition of interfund balances as of September 30, 2020, is as follows:

Receivable Fund	Payable Fund	Amount
Utilities Fund	General Fund	\$ 2,719,682

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

The composition of interfund transfers as of September 30, 2020, is as follows:

	Transfer In					
	General Fund	Nonmajor Governmental Funds	Airport Enterprise Funds	Sanitation Enterprise Funds	Internal Service Funds	Total
Transfers Out:						
General Fund	\$ -	\$ 1,873,102	\$ -	\$ -	\$ 1,305,006	\$ 3,178,108
One-Half Cent Sales Tax Fund	- -	- -	654,215	- -	- -	654,215
Nonmajor Governmental Funds	1,833,500	- -	113,667	- -	27,637	1,974,804
Utilities Enterprise Funds	- -	220,680	- -	- -	307,299	527,979
Airport Enterprise Funds	- -	- -	- -	- -	5,349	5,349
Sanitation Enterprise Funds	- -	612,239	- -	- -	84,961	697,200
Internal Service Funds	- -	- -	- -	137,965	- -	137,965
Totals	<u>\$ 1,833,500</u>	<u>\$ 2,706,021</u>	<u>\$ 767,882</u>	<u>\$ 137,965</u>	<u>\$ 1,730,252</u>	<u>\$ 7,175,620</u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

F. Leases

Operating Leases

The City leases various types of equipment under annual cancelable (termination clause) operating leases. The combined annual expenditures for operating leases during the fiscal year ended September 30, 2020 were approximately \$614,196.

Capital Leases

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

Asset:	Governmental Activities
Machinery and equipment	\$ 15,463,872
Less: Accumulated depreciation	<u>(15,433,509)</u>
	<u><u>\$ 30,363</u></u>

The future minimum lease obligations as of September 30, 2020, were as follows:

Year ending <u>September 30</u>	Governmental Activities
2021	\$ 752,316
2022	336,580
2023	249,048
2024	157,995
2025	62,254
Thereafter	-
Total amount of minimum lease payments	<u>1,558,193</u>
Less: amount representing interest	<u>(74,692)</u>
Present value of minimum lease payments	<u><u>\$ 1,483,501</u></u>

G. Long-term debt

Revenue Bonds

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The revenue bonds issued by the City in prior years were to fund construction projects to improve or expand the water system and to refund prior issuances. The original amount of the outstanding revenue bonds was \$95,505,000 with maturities ranging from 2027 to 2040.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

G. Long-term debt – continued

Revenue bonds currently outstanding are as follows:

<u>Issue</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 2012	Water and sewer refunding	1.50 to 2.625%	910,000
Series 2013	Customer facility use	3.76%	710,000
Series 2015A	Water refunding and improvements	2.00 to 4.00%	7,075,000
Series 2015B	Water and sewer refunding	2.00 to 5.00%	13,660,000
Series 2017A	Water and sewer refunding	3.00 to 4.00%	3,450,000
Series 2017B	Water and sewer refunding	2.00 to 3.50%	7,950,000
Series 2018A	Water and sewer revenue	3.00 to 4.00%	7,910,000
Series 2018B	Water and sewer revenue	3.00%	7,440,000
Series 2019	Water and sewer revenue	2.00 to 5.00%	19,485,000
Series 2020	Water and sewer revenue	2.00 to 3.00%	5,055,000
Total outstanding bonds			<u><u>\$ 73,645,000</u></u>

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

Year ending September 30	Principal	Interest	Total
2021	\$ 3,580,000	\$ 2,578,476	\$ 6,158,476
2022	4,335,000	2,463,087	6,798,087
2023	4,525,000	2,318,079	6,843,079
2024	4,665,000	2,166,933	6,831,933
2025	4,830,000	2,009,247	6,839,247
2026-2030	25,145,000	7,100,986	32,245,986
2031-2035	13,505,000	3,219,894	16,724,894
2036-2040	5,225,000	1,577,769	6,802,769
Thereafter	7,835,000	1,205,175	9,040,175
	<u><u>\$ 73,645,000</u></u>	<u><u>\$ 24,639,646</u></u>	<u><u>\$ 98,284,646</u></u>

Cash in the amount of \$1,893,093 is restricted at September 30, 2020 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, 2020

G. Long-term debt – continued

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance 10/1/2019	Additions	Reductions	Ending Balance 9/30/2020	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Claims and judgements	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -
Capital leases	1,733,492	451,473	563,464	1,621,501	770,119	851,382
Net pension liability	80,586,815	-	16,223,161	64,363,654	-	64,363,654
Net OPEB liability	20,754,950	-	789,766	19,965,184	-	19,965,184
Compensated absences	11,325,642	578,905	-	11,904,547	508,245	11,396,302
Governmental activities						
Long-term liabilities	<u>\$ 114,500,899</u>	<u>\$ 1,030,378</u>	<u>\$ 17,576,391</u>	<u>\$ 97,954,886</u>	<u>\$ 1,378,364</u>	<u>\$ 96,576,522</u>
Business-Type Activities:						
Revenue bonds payable	\$ 58,230,000	\$ 19,565,000	\$ 4,150,000	\$ 73,645,000	\$ 3,580,000	\$ 70,065,000
Capital leases	102,423	-	50,732	51,691	51,691	-
Bond premium/(discount)	3,476,243	1,549,102	294,692	4,730,653	-	4,730,653
Net pension liability	14,364,332	-	4,497,374	9,866,958	-	9,866,958
Net OPEB liability	7,532,517	-	2,984,975	4,547,542	-	4,547,542
Compensated absences	682,705	186,212	-	868,917	63,837	805,080
Business-Type Activities						
Long-Term Liabilities	<u>\$ 84,388,220</u>	<u>\$ 21,300,314</u>	<u>\$ 11,977,773</u>	<u>\$ 93,710,761</u>	<u>\$ 3,695,528</u>	<u>\$ 90,015,233</u>

The liabilities listed above for claims and judgments, net pension obligation, compensated absences, and contracts payable will be liquidated by the City's General and Proprietary Funds. The liability for capital leases will be liquidated by the General and Technology Funds.

The City has defeased certain bonds by placing the proceeds of new bond issues in an irrevocable trust for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. The 2017A Series bonds were issued to refund the remaining portion of the 2008 Series bonds and resulted in a \$80,000 reduction in the City's debt service fund. The 2017B Series bonds were issued to retire the 2009 Series bonds and this issue resulted in an economic gain \$286,681 to the City and the debt service fund was reduced by \$273,921 as a result of the issuance of these bonds. The 2020A Series bonds were issued to retire the 2011 Series bond, which resulted in the City's debt service fund being reduced by \$395,000. At September 30, 2020, \$23,895,000 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	\$ 3,450,000
Series 2017B Water and Sewer System Refunding Bonds	2009	7,950,000
Series 2018B Water and Sewer System Refunding Bonds	2009	7,440,000
Series 2020A Water and Sewer System Refunding Bonds	2011	5,055,000
Total Bonds Defeased		\$ 23,895,000

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5: OTHER INFORMATION

A. Risk management

Property and Casualty Insurance Plans

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. A comprehensive insurance plan for property and casualty coverage has been established. Third-party administrators handle property and casualty claims review and processing. Deductibles and self-insured retentions for building and contents are \$5,000 per occurrence; \$100,000 for claims involving flood and earthquake; \$50,000 for claims involving wind/hail damage, automobile liability, general liability, employment practices liability, law enforcement liability, and management liability; and \$0 for airport liability. The amount of settlements has not exceeded insurance coverage for the last three fiscal years.

Worker's Compensation Plan

The City is exposed to risk of loss due to injuries incurred by employees while performing work-related duties. The City has established and maintains a comprehensive self-insurance worker's compensation plan. Third party administrators handle claims review and processing. An insurance company provides excess workers compensation insurance for losses over \$450,000 self-insured retention with an aggregate retention of \$2,000,000.

Health, Dental, and Life Plans

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

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

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

Medicare Eligible Retirees/Dependents

Retirees and/or their spouses who become eligible for Medicare and have been continuously covered under the City's health insurance plan may elect to participate in the City's self-funded prescription drug card plan and the Medicare Supplement Insurance Program. The retiree hired before January 1, 1997 pay 40% and their dependent pays 70% of the current premiums. The City pays the remainder. Retirees hired after January 1, 1997 pay the full cost of the prescription card program and Medicare supplement. The insurance provider for the Medicare Supplement Plan processes and pays health claims. A third-party administrator administers prescription claims and payments.

DENTAL - Employees/Retirees

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

Other Self-Insurance Plans

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

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

B. Contingent liabilities

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

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's management and collective legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City. City management and the collective legal counsel have determined the estimated liability for outstanding lawsuit contingencies at September 30, 2020, was \$100,000. See Note 4G for a reconciliation of changes in claims and judgments.

The City's self-insurance program is described in Note 5A. The following is a reconciliation of the changes in the estimated liabilities for claims payable within 90 days for the years ended September 30, 2020 and 2019:

Fund	Insurance		Current		Insurance	
	Claims		Year Claims		Actual	
	Payable At	Beginning of Year	and Changes	In Estimates	Claim	Payable At
Employee Benefits Fund						
FYE 2019	\$	359,617	\$	8,418,592	\$	8,535,334
FYE 2020		242,875		9,779,016		9,401,754
Retiree Benefits Fund						
FYE 2019	\$	114,168	\$	1,672,306	\$	1,570,206
FYE 2020		216,268		1,366,905		1,530,373

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020, the City budgeted funding of \$200,000 for the District. The City's equity interest in the District at September 30, 2020 is \$2,882,199. The Health District's total fund balance at September 30, 2020 was approximately \$4.1 million. Financial statements for the Health District may be obtained at the entity's administrative offices.

D. Deferred Compensation

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

The fair value and carrying value of deferred compensation plan assets is \$26,948,098 for September 30, 2020.

E. Pension Plans

1. Texas Municipal Retirement System Plan

TMRS Plan Description

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

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

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

Benefits Provided

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

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

E. Pension Plans - continued

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

	<u>Plan Year 2019</u>	<u>Plan Year 2018</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Year required for vesting	5	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above	20 years at any age, 5 years at age 60 and above
Updated Service Credit	100% Repeating Transfers	100% Repeating Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2019</u>	<u>12/31/2018</u>
Inactive employees or beneficiaries currently receiving benefits	584	573
Inactive employees entitled to but not yet receiving benefits	300	301
Active employees	<u>684</u>	<u>665</u>
	<u>1,568</u>	<u>1,539</u>

Contributions

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

Employees for the City of Tyler were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Tyler were 21.12% and 21.23% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$7,930,591, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

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

CITY OF TYLER, TEXAS
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E. Pension Plans - continued

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct 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 both male and female rates multiplied by 107.5% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB 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, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order 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 using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	8.75%
Core Fixed Income	10.00%	4.34%
Non-Core Fixed Income	20.00%	6.13%
Real Return	10.00%	6.38%
Real Estate	10.00%	9.92%
Absolute Return	10.00%	6.45%
Private Equity	5.00%	23.25%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

E. Pension Plans - continued

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2018	\$ 250,622,298	\$ 186,770,685	\$ 63,851,613
Changes for the year:			
Service cost	5,888,461	-	5,888,461
Interest	16,704,156	-	16,704,156
Change of benefit terms	-	-	-
Difference between expected and actual experience	(1,141,178)	-	(1,141,178)
Changes of assumptions	347,014	-	347,014
Contributions - employer	-	7,579,707	(7,579,707)
Contributions - employee	-	2,539,876	(2,539,876)
Net investment income	-	28,874,055	(28,874,055)
Benefit payments, including refunds of employee contributions	(12,195,107)	(12,195,107)	-
Administrative expense	-	(163,154)	163,154
Other changes	-	(4,901)	4,901
Net changes	9,603,346	26,630,476	(17,027,130)
Balance at 12/31/2019	<u>\$ 260,225,644</u>	<u>\$ 213,401,161</u>	<u>\$ 46,824,483</u>

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	\$ 82,978,402	\$ 46,824,483	\$ 17,101,437

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.tmrs.com.

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

For the year ended September 30, 2020, the City recognized pension expense of \$7,088,288.

At September 30, 2020, the City reported deferred outflows of resource and deferred inflows of resources related to pensions from the following sources:

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

E. Pension Plans - continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 825,935
Changes in actuarial assumptions	251,154	-
Difference between projected and actual investment earnings	-	13,013,627
Contributions subsequent to the measurement date	6,127,199	-
Total	\$ 6,378,353	\$ 13,839,562

\$6,127,199 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, 2020. 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
2020	\$ (2,622,235)
2021	(2,481,135)
2022	395,370
2023	(3,253,406)
2024	-
Thereafter	-
	\$ (7,961,406)

2. Tyler Firefighter's Relief and Retirement Fund

Plan Description

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

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

Benefits Provided

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
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E. Pension Plans – continued

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

There is no provision for automatic postretirement benefit increases. 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, 2019 actuarial valuation, the following numbers of members were covered by the Fund:

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

Contribution 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 contribution policy of the Tyler Firefighters' Relief and Retirement Fund requires contributions equal to 13.5% of pay by the firefighters, the rate elected by the firefighters according to TLFFRA. The city currently contributes according to an agreement between the city and the Fund's board of trustees. The city's contribution rate to the Fund is the same percentage of payroll that the city contributes to the Texas Municipal Retirement System for other employees each calendar year. The actual city contribution rate was 20.92% in 2018 and 21.12% in 2019. In late 2020, the city agreed in principle to a new contribution policy which will gradually phase in from a 21.23% contribution rate in 2020 to the ultimate rate of 23% beginning in 2025. The December 31, 2019 actuarial valuation includes the assumption that the city contribution rate will be according to this new policy and continue to be the ultimate 23% over the remainder of the unfunded liability amortization period. The costs of administering the plan are paid from the Fund assets.

Ultimately, the contribution 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. For the year ending December 31, 2019, the money-weighted rate of return on pension plan investments was 19.08%. 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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
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E. Pension Plans - continued

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

Total pension liability	\$ 101,976,879
Plan fiduciary net position	74,572,570
City's net pension liability	<hr/> \$ 27,404,309
Plan fiduciary net position as a percentage of the total pension liability	73.1%

Actuarial Method and Assumptions

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

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

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

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 4.28%) and by adding expected inflation (3.0%). In addition, the final 7.25% assumption was selected by rounding down. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

E. Pension Plans - continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities		
Large cap domestic	29.00%	5.80%
Mid cap domestic	9.00%	5.90%
Small cap domestic	6.00%	5.97%
International developed	7.00%	6.50%
International developing	5.00%	7.25%
Alternatives		
Real estate	5.00%	3.80%
Commodities	5.50%	1.10%
Fixed income		
Domestic core	19.30%	1.85%
Domestic high yield	4.00%	2.73%
Domestic bank loan	3.70%	2.24%
Global	5.00%	1.66%
Cash	1.50%	0.25%
Total	<u><u>100.00%</u></u>	
Weighted Average		4.28%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. No projection of cash flows was used to determine the discount rate because the December 31, 2019 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 29 years. Because of the 29-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.25% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

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

The following presents the net pension liability of the City of Tyler, calculated using the discount rate of 7.25%, compared to what the city's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
City's net pension liability	\$ 39,182,440	\$ 27,404,309	\$ 17,493,565
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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

E. Pension Plans - continued

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2018	\$ 95,698,629	\$ 64,599,095	\$ 31,099,534
Changes for the year:			
Service cost	2,382,032	-	2,382,032
Interest	7,121,777	-	7,121,777
Difference between expected and actual experience	(1,839,950)	-	(1,839,950)
Contributions by the City	-	2,511,677	(2,511,677)
Firefighter contributions	-	1,605,481	(1,605,481)
Net investment income	-	12,119,485	(12,119,485)
Benefit payments	(6,247,265)	(6,247,265)	-
Administrative expenses	-	(15,903)	15,903
Assumption changes	4,861,656	-	4,861,656
Other changes	-	-	-
Net changes	6,278,250	9,973,475	(3,695,225)
Balance at 12/31/2019	<u>\$ 101,976,879</u>	<u>\$ 74,572,570</u>	<u>\$ 27,404,309</u>

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

For the year ended September 30, 2020, the city's GASB 68 pension expense was \$4,621,809. 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, 2019

	Components of Pension Expense
Service cost	\$ 2,382,032
Interest	7,121,777
Firefighter contributions	(1,605,481)
Projected earnings on pension plan investments	(4,764,457)
Amortization of differences between projected and actual earnings on plan investments	977,240
Amortization of changes of assumptions	807,851
Amortization of differences between expected and actual experience	(313,056)
Pension plan administrative expenses	15,903
Changes in benefit provisions	-
Total pension expense	<u>\$ 4,621,809</u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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	\$ -	\$ 2,037,776
Changes in actuarial assumptions	5,417,262	-
Difference between projected and actual investment earnings	81,735	2,303,369
Contributions subsequent to the measurement date	<u>1,982,075</u>	-
 Total	 <u>\$ 7,481,072</u>	 <u>\$ 4,341,145</u>

\$1,982,075 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30</u>		
2021	\$ (92,158)	
2022	28,037	
2023	981,736	
2024	(1,034,155)	
2025	376,540	
Thereafter	<u>897,852</u>	
 Total	 <u>\$ 1,157,852</u>	

F. Post-Employment Benefits Other Than Pensions

1. Health Plan

Plan Description

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

The plan does not issue a stand-alone report.

Benefits Provided

In addition to providing pension benefits, the City may provide group medical, dental, life and other benefits to eligible employees and their dependents. Detailed and summary information concerning eligibility, coverage and costs will be provided annually by 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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

F. Post-Employment Benefits Other Than Pensions – continued

Retirees who elect to remain in the insurance plan must continue to pay their portion of premiums and abide by the other conditions of the plan to have coverage. A retiree seeking continued coverage must inform Finance Department no later than the date of retirement that the person elects to continue coverage for the retiree and/or dependents. Employees hired after January 1, 1997 must pay full cost of premiums to continue coverage upon retirement. City may substitute Medicare supplement health benefits coverage as the coverage provided for a retiree who receives health benefits coverage under this policy, including a dependent, after the date that the retiree becomes eligible for Federal Medicare benefits. The City may refuse health benefits coverage to a retiree and/or the retiree's dependent covered under this policy if the retiree and/or retiree's dependent is eligible for group health benefits coverage through another employer; or if premiums are not paid; or if they do not provide required certificate of insurance from insurance company. Non-Medicare Retirees, Medicare Retirees, and their dependents, who elect to opt out of the health and/or dental plan(s), may do so by submitting a written notice to Finance Department. This written notice must include which plan(s) (health, dental and/or both) and the effective date (first day no longer covered). Retirees terminated for non-payment or who opted out and had not served 20 years with the City of Tyler will not be eligible to opt back into the health and/or dental plan(s) at a later date.

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

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

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

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

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

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

Contributions

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

Medicare eligible retirees are provided a Medicare insurance supplement program. For retirees hired before January 1, 1997, the City contributions are fixed at the 2013 subsidy level for age-band as of December 31, 2019. 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	\$ 60.83	\$ 9.82	\$ 5.50	\$ 6.15
Employee + Spouse	320.56	36.10	9.30	10.50
Employee + Child(ren)	249.08	34.96	9.90	11.15
Employee + Family	434.35	54.34	14.80	16.70

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

F. Post-Employment Benefits Other Than Pensions – continued

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, 2019, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

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

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

In addition, a 3.5% and 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements and are applied before the 3.5% and 3% minimum mortality floors are applied. Per TFDRRF, mortality rates for active members, retirees, and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected to 2024 using Scale AA for males and females.

The demographic assumptions for TMRS members are based on the assumptions that were developed for the defined benefit plan in which the City participates. The assumptions are based on the experience study covering the four-year period ending December 31, 2014 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, 2017.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 6.50%. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.50%; the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 6.50%.

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

F. Post-Employment Benefits Other Than Pensions - continued

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, 2018	\$ 36,562,163	\$ 10,824,428	\$ 25,737,735
Changes for the year:			
Service cost	660,205	-	660,205
Interest on the total OPEB liability	2,329,351	-	2,329,351
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(9,134,915)	-	(9,134,915)
Changes in assumptions	(477,666)	-	(477,666)
Employer contributions	-	3,188,005	(3,188,005)
Net investment income	-	2,019,451	(2,019,451)
Benefit payments	(2,112,205)	(2,112,205)	-
Administrative expenses	-	(37,313)	37,313
Other	-	-	-
Net Changes	(8,735,230)	3,057,938	(11,793,168)
Balances as of December 31, 2019	\$ 27,826,933	\$ 13,882,366	\$ 13,944,567

Sensitivity Analysis

The following presents the Net OPEB Liability of the City, calculated using the discount rate of 6.50%, as well as what the City's Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease in Discount Rate (5.50%)	Discount Rate (6.50%)	1% Increase in Discount Rate (7.50%)
Net OPEB Liability	\$ 16,094,533	\$ 13,944,567	\$ 12,003,834

The following presents the Net OPEB Liability of the City, calculated using the assumed trend rates (6.50% declining to the ultimate rate of 4.25% after 15 years), as well as what the City's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower (5.50% declining to the ultimate rate of 3.25% after 15 years) or 1-percentage-point higher (7.50% declining to the ultimate rate of 5.25% after 15 years) than the current rate:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ 12,107,165	\$ 13,944,567	\$ 16,037,980

OPEB Expense

For the year ended September 30, 2020, the City recognized OPEB expense of \$456,171.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

F. Post-Employment Benefits Other Than Pensions - continued

Components of OPEB Expense		
Service cost	\$ 660,205	
Interest on total OPEB liability	2,329,351	
Current-period benefit changes	-	
Employee contributions	-	
Projected earnings on OPEB plan investments	(737,339)	
OPEB plan administrative expenses	37,313	
Other changes in plan fiduciary net position	-	
Recognition of current year outflow/(inflow) due to liabilities	(1,606,488)	
Recognition of current year outflow/(inflow) due to assets	(256,422)	
Amortization of prior year outflow/(inflow) due to liabilities	(118,208)	
Amortization of prior year outflow/(inflow) due to assets	<u>147,759</u>	
Total OPEB expense	<u>\$ 456,171</u>	

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

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	8,107,899
Changes in actuarial assumptions	-	397,837
Difference between projected and actual investment earnings	-	479,938
Contributions subsequent to the measurement date	<u>(897,432)</u>	-
Total	<u>\$ (897,432)</u>	<u>\$ 8,985,674</u>

The City had \$(897,432) 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, 2020. The employer contributions include trust contributions of \$3,414,159 plus the benefit payments paid by the City of \$2,112,205 minus the trust reimbursements of \$2,338,359. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31
2020
2021
2022
2023
2024
Thereafter
<u>\$ (8,985,674)</u>

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

F. Post-Employment Benefits Other Than Pensions - continued

2. Supplemental Death Benefits Plan

Plan Description

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

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

TMRS issues a publicly available comprehensive annual financial report (CAFR) 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, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2019</u>	<u>12/31/2018</u>
Inactive employees currently receiving benefits	461	451
Inactive employees entitled to but not yet receiving benefits	70	72
Active employees	<u>684</u>	<u>665</u>
	<u>1,215</u>	<u>1,188</u>

Contributions

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

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

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

F. Post-Employment Benefits Other Than Pensions - continued

For calendar year 2019, the total SDB contributions rate for the City was 0.23%, while the retiree portion of the SDB contribution was 0.08%. The City's contributions for the year ended September 30, 2020, were \$30,259 for the retiree portion, and \$86,995 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, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.50% to 11.50% including inflation
Discount rate *	2.75%
Retiree's share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates - disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a three year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

F. Post-Employment Benefits Other Than Pensions - continued

These actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability

	<u>Increase (Decrease)</u>
	Total OPEB Liability
Balance at 12/31/2018	\$ 2,547,997
Changes for the year:	
Service cost	79,819
Interest	95,473
Change of benefit terms	-
Difference between expected and actual experience	(111,448)
Changes of assumptions or other inputs	451,855
Benefit payments	(29,025)
Net changes	486,674
Balance at 12/31/2019	<u><u>\$ 3,034,671</u></u>

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
Total OPEB Liability	\$ 3,621,782	\$ 3,034,671	\$ 2,571,388

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$246,684.

<u>Components of OPEB Expense</u>		
Service cost	\$ 79,819	
Interest on total OPEB liability	95,473	
Changes in benefit terms	-	
Employer administrative costs	-	
Recognition of deferred outflows/inflows of resources:		
Differences between expected and actual experience	(29,444)	
Changes in assumptions or other inputs	<u>100,836</u>	
Total OPEB expense	<u><u>\$ 246,684</u></u>	

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

F. Post-Employment Benefits Other Than Pensions - continued

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

At September 30, 2020, 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	\$ (103,934)	\$ -
Changes in actuarial assumptions	-	329,208
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	23,353	-
Total	\$ (80,581)	\$ 329,208

The City had \$23,353 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>Year Ended December 31</u>
2020	\$ 71,392
2021	65,912
2022	37,887
2023	50,083
2024	-
Thereafter	-
	\$ 225,274

G. Commitments

Effective April 10, 2017, the City entered into a ten-year agreement, known as a consent decree, with the U.S. Environmental Protection Agency (“EPA”) to make wastewater collection system upgrades and to enhance the City’s existing programs for inspections, maintenance, and cleaning of the wastewater system. The City is required to submit periodic reports to the EPA and Texas Commission on Environmental Quality to ensure that compliance with the terms of the consent decree is maintained. The City is in compliance with the terms of the consent decree at September 30, 2020.

The City invested in other projects and contracts with outside parties. The more significant of these at September 30, 2020, 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.

CITY OF TYLER, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

G. Commitments - continued

Water Sales Contracts – The City has an agreement with surrounding cities and water supply corporations to provide a supplemental source of water. The amount to be provided is estimated to be 50% of the annual supply. The parties have established a minimum annual and monthly take or pay volume and a surcharge to water taken above maximum day volume.

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

H. Landfill Closure and Post-closure Costs

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

I. COVID-19

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

The COVID-19 pandemic and economic disruptions resulting from measures to contain spread have resulted in reductions in actual and projected revenues in certain areas including sales tax collections and rents resulting from the use of congregating spaces, such as Harvey Convention Center. The reductions have been offset by increases in other certain revenue areas and additional government assistance. While the ultimate impact of the COVID-19 pandemic on the amount and timing of collections of City revenues cannot be determined with certainty, the net effect of the pandemic on the City's position as of September 30, 2020 is not considered to be significant.

As of September 30, 2020, The City had received and expended approximately \$5.9 million in funding from the Coronavirus Relief Fund and \$2.5 million in CARES Act funding for Airport, Transit, and Housing. These funds were primarily expended, as allowed, to pay the salaries and benefits of first responders employed by the City.

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

J. Subsequent Events

Subsequent events were evaluated through March 10, 2021, 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, 2020

	Measurement	Measurement	Measurement	Measurement	Measurement	Measurement
	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019
Total pension liability						
Service Cost	\$ 4,665,697	\$ 5,126,201	\$ 5,561,888	\$ 5,616,579	\$ 5,645,418	\$ 5,888,461
Interest (on the Total Pension Liability)	14,108,492	14,704,123	14,812,165	15,456,387	16,127,408	16,704,156
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual results	(1,004,139)	(331,903)	(473,353)	(196,987)	(1,686,661)	(1,141,178)
Change of assumptions	-	(478,359)	-	-	-	347,014
Benefit payments, including refunds of employee contributions	<u>(9,268,702)</u>	<u>(9,713,879)</u>	<u>(10,000,772)</u>	<u>(10,767,252)</u>	<u>(11,131,440)</u>	<u>(12,195,107)</u>
Net Change in Total Pension Liability	8,501,348	9,306,183	9,899,928	10,108,727	8,954,725	9,603,346
Total Pension Liability - Beginning	<u>203,851,387</u>	<u>212,352,735</u>	<u>221,658,918</u>	<u>231,558,846</u>	<u>241,667,573</u>	<u>250,622,298</u>
Total Pension Liability - Ending (a)	<u><u>\$ 212,352,735</u></u>	<u><u>\$ 221,658,918</u></u>	<u><u>\$ 231,558,846</u></u>	<u><u>\$ 241,667,573</u></u>	<u><u>\$ 250,622,298</u></u>	<u><u>\$ 260,225,644</u></u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 6,710,788	\$ 7,010,794	\$ 7,040,230	\$ 7,170,297	\$ 7,214,614	\$ 7,579,707
Contributions - Employee	2,227,512	2,327,022	2,388,648	2,420,194	2,438,458	2,539,876
Net Investment Income	8,776,879	238,696	10,912,920	23,797,094	(5,816,547)	28,874,055
Benefit payments, including refunds of employee contributions	(9,268,702)	(9,713,879)	(10,000,772)	(10,767,252)	(11,131,440)	(12,195,107)
Administrative Expense	(91,634)	(145,395)	(123,252)	(123,321)	(112,418)	(163,154)
Other	(7,534)	(7,181)	(6,641)	(6,250)	(5,873)	(4,901)
Net Change in Plan Fiduciary Net Position	8,347,309	(289,943)	10,211,133	22,490,762	(7,413,206)	26,630,476
Plan Fiduciary Net Position - Beginning	<u>153,424,630</u>	<u>161,771,939</u>	<u>161,481,996</u>	<u>171,693,129</u>	<u>194,183,891</u>	<u>186,770,685</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 161,771,939</u></u>	<u><u>\$ 161,481,996</u></u>	<u><u>\$ 171,693,129</u></u>	<u><u>\$ 194,183,891</u></u>	<u><u>\$ 186,770,685</u></u>	<u><u>\$ 213,401,161</u></u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u><u>\$ 50,580,796</u></u>	<u><u>\$ 60,176,922</u></u>	<u><u>\$ 59,865,717</u></u>	<u><u>\$ 47,483,682</u></u>	<u><u>\$ 63,851,613</u></u>	<u><u>\$ 46,824,483</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.18%	72.85%	74.15%	80.35%	74.52%	82.01%
Covered Payroll	\$ 31,816,401	\$ 33,222,301	\$ 34,080,198	\$ 34,542,306	\$ 34,783,842	\$ 36,281,338
Net Pension Liability as a Percentage of Covered Payroll	158.98%	181.13%	175.66%	137.47%	183.57%	129.06%

Notes to Schedule:

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

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 6,596,251	\$ 6,906,104	\$ 7,323,791	\$ 7,067,763	\$ 7,242,722	\$ 7,480,539	\$ 7,930,591
Contributions in relation to the actuarially determined contributions	<u>6,596,251</u>	<u>6,906,104</u>	<u>7,323,791</u>	<u>7,067,763</u>	<u>7,242,722</u>	<u>7,480,539</u>	<u>7,930,591</u>
Contribution deficiency (Overpayment)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 31,503,109	\$ 32,746,475	\$ 35,299,165	\$ 34,107,320	\$ 34,968,816	\$ 35,884,086	\$ 37,823,838
Contributions as a percentage of covered payroll	20.94%	21.09%	20.75%	20.72%	20.71%	20.85%	20.97%

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	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to the experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information:	There were no benefit changes during the year.
Notes to Schedule:	Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' RELIEF AND RETIREMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2020

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

Notes to Schedule:

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

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' RELIEF AND RETIREMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 2,402,466	\$ 2,448,625	\$ 2,508,633	\$ 2,244,357	\$ 2,640,922	\$ 2,525,746	\$ 2,578,616
Contributions in relation to the actuarially determined contributions	<u>2,402,466</u>	<u>2,448,625</u>	<u>2,442,540</u>	<u>2,189,346</u>	<u>2,620,919</u>	<u>2,487,004</u>	<u>2,578,616</u>
Contribution deficiency	\$ -	\$ -	\$ 66,093	\$ 55,011	\$ 20,003	\$ 38,742	\$ -
Covered payroll	\$ 11,272,803	\$ 11,506,705	\$ 11,963,428	\$ 10,721,551	\$ 12,616,845	\$ 11,985,380	\$ 12,160,729
Contributions as a percentage of covered payroll	21.31%	21.28%	20.42%	20.42%	20.77%	20.75%	21.20%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll Method
Remaining Amortization Period	29 years
Inflation	3.0%
Salary Increases	3.0%, plus promotion, step and longevity increases that vary by service
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Retirement Age	Firefighters become eligible for normal service retirement at age 50 with 25 years of service or at age 55 with 20 years of service.
Mortality	PubS-2010 total dataset mortality tables for employees and retirees (sex distinct), projected generationally using projection scale MP-2019.
Other Information:	There were no benefit changes during the year.

Notes to Schedule:

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

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
HEALTH PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Measurement	Measurement	Measurement
	Year	Year	Year
	2017	2018	2019
Total OPEB liability			
Service Cost	\$ 617,273	\$ 656,975	\$ 660,205
Interest (on the Total OPEB Liability)	2,303,993	2,317,569	2,329,351
Difference between expected and actual experience	-	(736,059)	(9,134,915)
Change of assumptions	-	-	(477,666)
Benefit payments	<u>(3,459,056)</u>	<u>(2,005,477)</u>	<u>(2,112,205)</u>
Net Change in Total OPEB Liability	(537,790)	233,008	(8,735,230)
Total OPEB Liability - Beginning	<u>36,866,945</u>	<u>36,329,155</u>	<u>36,562,163</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 36,329,155</u></u>	<u><u>\$ 36,562,163</u></u>	<u><u>\$ 27,826,933</u></u>

Plan Fiduciary Net Position

Contributions - Employer	\$ 6,125,793	\$ 2,880,184	\$ 3,188,005
OPEB plan net investment income	1,042,478	(539,956)	2,019,451
Benefit payments	(3,459,056)	(2,005,477)	(2,112,205)
OPEB plan administrative Expense	(23,966)	(29,550)	(37,313)
Net Change in Plan Fiduciary Net Position	3,685,249	305,201	3,057,938
Plan Fiduciary Net Position - Beginning	<u>6,833,978</u>	<u>10,519,227</u>	<u>10,824,428</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 10,519,227</u></u>	<u><u>\$ 10,824,428</u></u>	<u><u>\$ 13,882,366</u></u>
Net OPEB Liability (Asset) - Ending (a)-(b)	<u><u>\$ 25,809,928</u></u>	<u><u>\$ 25,737,735</u></u>	<u><u>\$ 13,944,567</u></u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	28.96%	29.61%	49.89%
Covered Payroll	\$ 45,211,468	\$ 45,363,280	\$ 48,419,528
Net OPEB Liability as a Percentage of Covered Payroll	57.09%	56.74%	28.80%

Notes to Schedule:

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

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	2018	2019	2020
Actuarially Determined Contribution	\$ 2,988,214	\$ 2,988,214	\$ 2,748,039
Contributions in relation to the actuarially determined contributions	3,226,151	3,129,268	3,414,231
Contribution excess	\$ (237,937)	\$ (141,054)	\$ (666,192)
Covered payroll	\$ 44,647,862	\$ 48,416,755	\$ 50,375,986
Contributions as a percentage of covered payroll	7.23%	6.46%	6.78%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: The actuarially determined contribution for fiscal year ending September 30, 2020 was developed in the December 31, 2017 valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Closed, 22 years as of FYE 20
Asset Valuation Method	Fair Value
Investment Rate of Return	6.50%, net of investment expenses, including inflation
Inflation	2.50%
Salary Increases	TMRS: 3.50% to 10.50%, including inflation FIRE: 3.50% to 9.71%, including inflation
Demographic Assumptions	TMRS: Based on the experience study covering the four-year period ending December 31, 2014 as conducted by the Texas Municipal Retirement System. FIRE: Based on the pension valuation report for the Tyler Firefighters' Relief and Retirement Fund as of December 31, 2017.
Mortality	TMRS: For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. FIRE: RP-2000 Combined Healthy Mortality Table projected to 2024 using Scale AA for males and for females for all three types of mortality
Participation Rates	It was assumed that 85% of future retirees who were hired before January 1, 1997 and 30% of future retirees who were hired after January 1, 1997 would choose to receive retiree health care benefits through the City.
Healthcare Cost Trend Rates	Initial rates of 7.0% declining to ultimate rates of 4.15% after 15 years.

Notes to Schedule:

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

CITY OF TYLER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SUPPLEMENTAL DEATH BENEFITS PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total OPEB liability			
Service Cost	\$ 72,539	\$ 86,960	\$ 79,819
Interest	86,877	86,971	95,473
Difference between expected and actual experience	-	(27,611)	(111,448)
Change of assumptions and other inputs	190,285	(168,451)	451,855
Benefit payments	<u>(27,634)</u>	<u>(27,827)</u>	<u>(29,025)</u>
Net Change in Total OPEB Liability	322,067	(49,958)	486,674
Total OPEB Liability - Beginning	<u>2,275,888</u>	<u>2,597,955</u>	<u>2,547,997</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 2,597,955</u></u>	<u><u>\$ 2,547,997</u></u>	<u><u>\$ 3,034,671</u></u>
Covered Payroll	\$ 34,542,306	\$ 34,783,842	\$ 34,783,842
Net OPEB Liability as a Percentage of Covered Payroll	7.52%	7.33%	8.72%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Summary of Actuarial Assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount Rate*	2.75%
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	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality Rates - Disabled Retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

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

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

Notes to Schedule:

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

ADDITIONAL SUPPLEMENTARY INFORMATION

CITY OF TYLER, TEXAS
COMBINING BALANCE SHEET
GENERAL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	GENERAL	DEVELOPMENT SERVICES	TOURISM AND CONVENTION	RAINY DAY	FAIR PARKING GARAGE	ELIMINATIONS	TOTAL GENERAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 7,647,141	\$ 1,594,885	\$ 244,974	\$ 7,159,688	\$ -	\$ -	\$ 16,646,688
Receivables (net of allowance for doubtful accounts) :							
Property taxes	636,729	-	-	-	-	-	636,729
Other	24,977,974	41,375	294	6,718	6,886	-	25,033,247
Due from other funds	1,222,398	-	-	-	-	(4,839)	1,217,559
Inventories	74,900	-	-	-	-	-	74,900
Prepaid items	92,845	978	150	-	-	-	93,973
Total assets	<u>\$ 34,651,987</u>	<u>\$ 1,637,238</u>	<u>\$ 245,418</u>	<u>\$ 7,166,406</u>	<u>\$ 6,886</u>	<u>\$ (4,839)</u>	<u>\$ 43,703,096</u>
LIABILITIES							
Accounts payable	\$ 2,647,133	\$ 81,783	\$ 91,790	\$ -	\$ 2,047	\$ -	\$ 2,822,753
Due to other funds	-	-	-	-	4,839	(4,839)	-
Deposits and other refundable balances	36,700	958,084	26,212	5,000	-	-	1,025,996
Unearned revenue	31,176	-	-	-	-	-	31,176
Total liabilities	<u>2,715,009</u>	<u>1,039,867</u>	<u>118,002</u>	<u>5,000</u>	<u>6,886</u>	<u>(4,839)</u>	<u>3,879,925</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	607,738	-	-	-	-	-	607,738
Unavailable revenue - fines	12,299,925	-	-	-	-	-	12,299,925
Unavailable revenue - permits	-	40,113	-	-	-	-	40,113
Total deferred inflows of resources	<u>12,907,663</u>	<u>40,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,947,776</u>
FUND BALANCES							
Nonspendable:							
Inventories	74,900	-	-	-	-	-	74,900
Prepaid items	92,845	978	150	-	-	-	93,973
Assigned to:							
Development services	-	794,038	-	-	-	-	794,038
Tourism and convention	-	-	127,266	-	-	-	127,266
Unassigned	18,861,570	(237,758)	-	7,161,406	-	-	25,785,218
Total fund balances	<u>19,029,315</u>	<u>557,258</u>	<u>127,416</u>	<u>7,161,406</u>	<u>-</u>	<u>-</u>	<u>26,875,395</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,651,987</u>	<u>\$ 1,637,238</u>	<u>\$ 794,737</u>	<u>\$ 7,166,406</u>	<u>\$ 6,886</u>	<u>\$ (4,839)</u>	<u>\$ 43,703,096</u>

CITY OF TYLER, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	GENERAL	DEVELOPMENT SERVICES	TOURISM AND CONVENTION	RAINY DAY	FAIR PARKING GARAGE	ELIMINATIONS	TOTAL GENERAL GOVERNMENTAL FUNDS
REVENUES							
Taxes:							
Property	\$ 22,732,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,732,277
Franchise	11,000,729	-	-	-	-	-	11,000,729
Sales and use	31,110,809	-	-	-	-	-	31,110,809
Licenses and permits	434,261	1,294,044	-	-	-	-	1,728,305
Fines, forfeitures and penalties	3,532,014	-	-	-	-	-	3,532,014
Revenues from use of money or property	267,834	22,400	136,613	131,113	(26,325)	-	531,635
Charges for current services	2,354,363	74,531	54,216	-	-	-	2,483,110
Revenues from other agencies	6,311,699	-	-	-	-	-	6,311,699
Miscellaneous	446,981	121,293	10,378	417,040	-	-	995,692
Total revenues	<u>78,190,967</u>	<u>1,512,268</u>	<u>201,207</u>	<u>548,153</u>	<u>(26,325)</u>	<u>-</u>	<u>80,426,270</u>
EXPENDITURES							
Current:							
General government	7,050,715	-	-	8,501	2,255	-	7,061,471
Public safety	49,359,878	-	-	-	-	-	49,359,878
Public services	1,040,713	1,742,216	-	-	-	-	2,782,929
Highways and streets	4,839,899	-	-	-	-	-	4,839,899
Culture and recreations	5,670,118	-	2,346,968	-	-	-	8,017,086
Capital outlay	96,909	-	125,115	-	-	-	222,024
Total expenditures	<u>68,058,232</u>	<u>1,742,216</u>	<u>2,472,083</u>	<u>8,501</u>	<u>2,255</u>	<u>-</u>	<u>72,283,287</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,132,735</u>	<u>(229,948)</u>	<u>(2,270,876)</u>	<u>539,652</u>	<u>(28,580)</u>	<u>-</u>	<u>8,142,983</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	4,611	-	1,833,500	500,000	28,575	(533,186)	1,833,500
Transfers out	(3,663,216)	(11,868)	(31,599)	-	(4,611)	533,186	(3,178,108)
Total other financing sources (uses)	<u>(3,658,605)</u>	<u>(11,868)</u>	<u>1,801,901</u>	<u>500,000</u>	<u>23,964</u>	<u>-</u>	<u>(1,344,608)</u>
Net change in fund balances	6,474,130	(241,816)	(468,975)	1,039,652	(4,616)	-	6,798,375
Fund balances - beginning of year	12,555,185	799,074	596,391	6,121,754	4,616	-	20,077,020
Fund balances - end of year	<u>\$ 19,029,315</u>	<u>\$ 557,258</u>	<u>\$ 127,416</u>	<u>\$ 7,161,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,875,395</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

The ***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 ***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

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.

SPECIAL REVENUE FUNDS, CONTINUED

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

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

CAPITAL PROJECTS FUND

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

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

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, 2020

SPECIAL REVENUE FUND												
	POLICE FORFEITURE	COURT SPECIAL FEE	HOTEL- MOTEL OCCUPANCY	DONATIONS	PASSENGER FACILITY CHARGE	PEG FEE	CDBG	HOME GRANT	HOUSING	HOUSING ASSISTANCE PAYMENT		
ASSETS												
Equity in pooled cash and investments	\$ -	\$ -	\$ 5,659,459	\$ -	\$ 127,096	\$ 837,858	\$ -	\$ 277,654	\$ 424	\$ -		
Accounts and grants receivable	508	49	315,674	-	96	60,272	881,631	-	-	-	8,192	
Inventories	-	-	-	-	-	-	-	-	-	-	-	
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	
Cash - restricted	656,129	49,899	-	373,384	-	-	-	-	-	-	1,292,843	
Total assets	656,637	49,948	5,975,133	373,384	127,192	898,130	881,631	282,104	424	1,301,035		
LIABILITIES												
Accounts payable	31,469	21,135	-	10,511	-	2,194	263,144	1,151	-	-	44,336	
Deposits and other refundable balances	158,899	-	-	-	-	-	-	-	-	-	96,746	
Due to other funds	-	-	-	-	-	-	555,729	-	-	-	-	
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	
Total liabilities	190,368	21,135	-	10,511	-	2,194	818,873	3,716	-	-	141,082	
FUND BALANCES												
Nonspendable:												
Inventories	-	-	-	-	-	-	-	-	-	-	-	
Permanent fund principal	-	-	-	-	-	-	-	-	-	-	-	
Restricted for:												
Public safety	466,269	28,813	-	-	-	-	-	-	-	-	-	
Capital improvements	-	-	-	-	-	-	-	-	-	-	-	
Tourism and convention	-	-	5,975,133	-	-	-	-	-	-	-	-	
Donor restrictions	-	-	-	362,873	-	-	-	-	-	-	-	
Airport improvements	-	-	-	-	127,192	-	-	-	-	-	-	
Communications	-	-	-	-	-	895,936	-	-	-	-	-	
Housing assistance	-	-	-	-	-	-	-	-	-	424	1,159,953	
Grant restrictions	-	-	-	-	-	-	62,758	273,938	-	-	-	
Assign to:												
Capital projects	-	-	-	-	-	-	-	-	-	-	-	
Cemetery maintenance	-	-	-	-	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	-	-	-	-	
Total fund balances	466,269	28,813	5,975,133	362,873	127,192	895,936	62,758	278,388	424	1,159,953		
Total liabilities and fund balances	\$ 656,637	\$ 49,948	\$ 5,975,133	\$ 373,384	\$ 127,192	\$ 898,130	\$ 881,631	\$ 282,104	\$ 424	\$ 1,301,035		

CITY OF TYLER, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020

	SPECIAL REVENUE FUND					TOTAL SPECIAL REVENUE	CAPITAL PROJECTS FUND		PERMANENT FUNDS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
	STATE AND FEDERAL GRANTS	TRANSIT SYSTEM	TIF / TIRZ #2 FUND	TIF / TIRZ #3 FUND	TIF / TIRZ #4 FUND		GENERAL CAPITAL PROJECTS	STREET PROJECTS	CEMETERIES	
ASSETS										
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ 520,199	\$ 6,194	\$ 7,428,884	\$ 419,868	\$ 313,054	\$ 150,055	\$ 8,311,861
Accounts and grants receivable	130,631	607,616	8	2,358	29	2,007,064	215	280	2,523	2,010,082
Inventories	-	-	-	-	-	4,450	-	-	-	4,450
Prepaid items	102	-	-	-	-	102	-	-	-	102
Cash - restricted	-	47,263	-	-	-	2,419,518	-	-	3,092,164	5,511,682
Total assets	130,733	654,879	8	522,557	6,223	11,860,018	420,083	313,334	3,244,742	15,838,177
LIABILITIES										
Accounts payable	15,817	85,528	-	1,350	-	476,635	14,910	46,576	7,752	545,873
Deposits and other refundable balances	-	-	-	-	-	258,210	-	-	-	258,210
Due to other funds	114,087	518,682	-	-	-	1,188,498	-	-	-	1,188,498
Unearned revenue	829	-	-	-	-	829	-	-	-	829
Total Liabilities	130,733	604,210	-	1,350	-	1,924,172	14,910	46,576	7,752	1,993,410
FUND BALANCES										
Nonspendable:										
Inventories	-	-	-	-	-	4,450	-	-	-	4,450
Permanent fund principal	-	-	-	-	-	-	-	-	3,094,567	3,094,567
Restricted for:										
Public safety	-	-	-	-	-	495,082	-	-	-	495,082
Capital improvements	-	-	8	521,207	6,223	527,438	-	-	-	527,438
Tourism and convention	-	-	-	-	-	5,975,133	-	-	-	5,975,133
Donor restrictions	-	-	-	-	-	362,873	-	-	-	362,873
Airport improvements	-	-	-	-	-	127,192	-	-	-	127,192
Communications	-	-	-	-	-	895,936	-	-	-	895,936
Housing assistance	-	-	-	-	-	1,160,377	-	-	-	1,160,377
Grant restrictions	-	50,669	-	-	-	387,365	-	-	-	387,365
Assign to:										
Capital projects	-	-	-	-	-	-	405,173	266,758	-	671,931
Unassigned	-	-	-	-	-	-	-	-	142,423	142,423
Total fund balances	-	50,669	8	521,207	6,223	9,935,846	405,173	266,758	3,236,990	13,844,767
Total liabilities and fund balances	\$ 130,733	\$ 654,879	\$ 8	\$ 522,557	\$ 6,223	\$ 11,860,018	\$ 420,083	\$ 313,334	\$ 3,244,742	\$ 15,838,177

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, 2020

	SPECIAL REVENUE FUND									
	POLICE FORFEITURE	COURT SPECIAL FEE	HOTEL- MOTEL OCCUPANCY	DONATIONS	PASSENGER FACILITY CHARGE	PEG FEE	CDBG	HOME GRANT	HOUSING	HOUSING ASSISTANCE PAYMENT
REVENUES										
Taxes:										
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise	-	-	-	-	-	-	-	-	-	-
Sales and use	-	-	2,847,784	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	1,651,682	4,499	-	8,972,889
Fines, forfeitures and penalties	33,223	444,358	-	-	-	-	-	-	-	-
Revenues from use of money and property	10,752	528	110,961	-	2,347	15,988	-	-	8	21,111
Donations	-	-	-	168,415	-	-	-	-	-	-
Charges for services	-	-	-	-	194,000	-	-	-	-	-
Miscellaneous	400	-	10,000	-	-	-	11,912	-	-	-
Total revenues	44,375	444,886	2,968,745	168,415	196,347	139,763	1,663,594	4,499	8	8,994,000
EXPENDITURES										
Current:										
General government	-	-	-	25	-	105,532	-	-	-	-
Public safety	-	391,303	-	37,729	-	-	-	-	-	-
Culture and recreation	-	-	-	158,900	-	-	-	-	-	-
Public services	41,000	-	1,692,489	18,187	-	-	159,580	4,499	-	8,319,259
Capital outlay	107,778	-	45,680	-	-	76,191	1,496,650	-	-	-
Debt service:										
Principal	-	83,397	-	-	-	-	-	-	-	-
Interest and fiscal charges	519	7,657	-	-	-	-	-	-	-	-
Total expenditures	149,297	482,357	1,738,169	214,841	-	181,723	1,656,230	4,499	-	8,319,259
Excess (deficiency) of revenues over (under) expenditures	(104,922)	(37,471)	1,230,576	(46,426)	196,347	(41,960)	7,364	-	8	674,741
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	45,680	-	-	-	-	-	-	-
Transfers out	-	(1,458)	(1,858,500)	-	(113,667)	-	-	-	-	-
Total other financing sources (uses)	-	(1,458)	(1,812,820)	-	(113,667)	-	-	-	-	-
Change in net assets	(104,922)	(38,929)	(582,244)	(46,426)	82,680	(41,960)	7,364	-	8	674,741
Fund balances - beginning of year	571,191	67,742	6,557,377	409,299	44,512	937,896	55,394	278,388	416	485,212
Fund balances - end of year	\$ 466,269	\$ 28,813	\$ 5,975,133	\$ 362,873	\$ 127,192	\$ 895,936	\$ 62,758	\$ 278,388	\$ 424	\$ 1,159,953

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, 2020

	SPECIAL REVENUE FUND						CAPITAL PROJECTS FUND			PERMANENT FUNDS			TOTAL NON-MAJOR GOVERNMENTAL FUNDS
	STATE AND FEDERAL GRANTS	TRANSIT SYSTEM	TIF / TIRZ #2 FUND	TIF / TIRZ #3 FUND	TIF / TIRZ #4 FUND	TOTAL SPECIAL REVENUE FUNDS	GENERAL CAPITAL PROJECTS	STREET PROJECTS	CEMETERIES				
REVENUES													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ 92,699	\$ 1,499	\$ 94,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,198
Franchise	-	-	-	-	-	123,775	-	-	-	-	-	-	123,775
Sales and use	-	-	-	-	-	2,847,784	-	-	-	-	-	-	2,847,784
Licenses and permits	-	-	-	-	-	-	-	-	-	6,525	-	-	6,525
Grants	308,143	3,040,557	-	-	-	13,977,770	-	-	-	-	-	-	13,977,770
Fines, forfeitures and penalties	-	-	-	-	-	477,581	-	-	-	-	-	-	477,581
Revenues from use of money and property	-	11,100	-	9,314	123	182,232	6,302	8,329	61,511	-	-	-	258,374
Donations	-	-	-	-	-	168,415	-	-	-	-	-	-	168,415
Charges for services	-	91,560	-	-	-	285,560	-	-	-	186,053	-	-	471,613
Miscellaneous	-	12,310	-	-	-	34,622	7,736	-	-	-	-	-	42,358
Total revenues	308,143	3,155,527	-	102,013	1,622	18,191,937	14,038	8,329	254,089	-	-	-	18,468,393
EXPENDITURES													
Current:													
General government	-	-	-	1,350	-	106,907	-	-	-	-	-	-	106,907
Public safety	-	-	-	-	-	429,032	-	-	-	-	-	-	429,032
Culture and recreation	-	-	-	-	-	158,900	-	-	-	240,072	-	-	398,972
Public services	270,643	2,479,407	-	-	-	12,985,064	-	-	-	-	-	-	12,985,064
Capital outlay	37,500	687,102	-	-	-	2,450,901	618,080	1,398,844	-	67,525	-	-	4,535,350
Debt service:													
Principal	-	-	-	-	-	83,397	52,717	-	-	-	-	-	136,114
Interest and fiscal charges	-	-	-	-	-	8,176	9,539	-	-	-	-	-	17,715
Total expenditures	308,143	3,166,509	-	1,350	-	16,222,377	680,336	1,398,844	-	307,597	-	-	18,609,154
Excess (deficiency) of revenues over (under) expenditures	-	(10,982)	-	100,663	1,622	1,969,560	(666,298)	(1,390,515)	(53,508)	-	-	-	(140,761)
OTHER FINANCING SOURCES (USES)													
Transfers in	-	13,658	-	-	3	59,341	674,731	1,546,952	-	212,368	-	-	2,493,392
Transfers out	-	-	(3)	-	-	(1,973,628)	-	-	-	(113,547)	-	-	(2,087,175)
Total other financing sources (uses)	-	13,658	(3)	-	3	(1,914,287)	674,731	1,546,952	-	98,821	-	-	406,217
Change in net assets	-	2,676	(3)	100,663	1,625	55,273	8,433	156,437	-	45,313	-	-	265,456
Fund balances - beginning of year	-	47,993	11	420,544	4,598	9,880,573	396,740	110,321	3,191,677	-	-	-	13,579,311
Fund balances - end of year	-	50,669	8	521,207	6,223	9,935,846	405,173	266,758	3,236,990	-	-	-	13,844,767

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, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fines, forfeitures and penalties	\$ 41,000	\$ 33,223	\$ (7,777)
Revenues from use of money and property	<u>6,981</u>	<u>11,152</u>	<u>4,171</u>
Total revenues	<u>47,981</u>	<u>44,375</u>	<u>(3,606)</u>
EXPENDITURES			
Public services:			
Supplies and services	185,700	41,000	144,700
Capital outlay	-	107,778	(107,778)
Debt service:			
Interest	-	519	(519)
Total expenditures	<u>185,700</u>	<u>149,297</u>	<u>36,403</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ (137,719)</u>	<u>(104,922)</u>	<u>\$ 32,797</u>
Fund balance - beginning of year		<u>571,191</u>	
Fund balance - end of year		<u>\$ 466,269</u>	

CITY OF TYLER, TEXAS
COURT SPECIAL FEE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
				POSITIVE (NEGATIVE)
REVENUES				
Fines, forfeitures and penalties	\$ 648,500	\$ 444,358	\$ (204,142)	
Revenues from use of money and property	4,019	528	(3,491)	
Total revenues	<u>652,519</u>	<u>444,886</u>		(207,633)
EXPENDITURES				
Public safety:				
Salaries and benefits	186,804	190,911	(4,107)	
Supplies and services	259,150	198,230	60,920	
Maintenance	52,112	2,162	49,950	
Total expenditures	<u>498,066</u>	<u>391,303</u>		106,763
OTHER FINANCING SOURCES (USES)				
Principal paid on debt	-	(83,397)	(83,397)	
Interest and fiscal charges	-	(7,657)	(7,657)	
Transfer out	(1,458)	(1,458)		-
Total other financing sources (uses)	<u>(1,458)</u>	<u>(92,512)</u>		(91,054)
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 152,995</u>	<u>(38,929)</u>	<u>\$ (191,924)</u>	
Fund balance - beginning of year		<u>67,742</u>		
Fund balance - end of year		<u>\$ 28,813</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, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Taxes	\$ 3,867,192	\$ 2,847,784	\$ (1,019,408)
Revenues from use of money and property	96,327	110,961	14,634
Miscellaneous	10,000	10,000	-
 Total revenues	 3,973,519	 2,968,745	 (1,004,774)
EXPENDITURES			
Hotel-motel administration:			
Texas Rose Festival	9,000	-	9,000
Discovery Place	32,400	32,400	-
East Texas Symphony	50,000	50,000	-
Tyler Museum of Art	35,000	35,000	-
Historical Museum	13,500	13,500	-
Historic Aviation Museum	13,500	13,500	-
Visitors and Convention Bureau	666,500	666,500	-
McClendon House	4,500	4,500	-
Tyler Civic Theatre	4,050	-	4,050
Sports Tyler Award	25,000	25,000	-
Supplies and services	1,294,889	852,089	442,800
Contingency	135,000	-	135,000
Capital outlay	-	45,680	(45,680)
 Total expenditures	 2,283,339	 1,738,169	 545,170
 Excess of revenues over (under) expenditures	 1,690,180	 1,230,576	 (1,549,944)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	45,680	45,680
Transfers out	(1,858,500)	(1,858,500)	-
 Total other financing sources (uses)	 (1,858,500)	 (1,812,820)	 45,680
 Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	 \$ (168,320)	 (582,244)	 \$ (413,924)
 Fund balance - beginning of year		6,557,377	
 Fund balance - end of year		\$ 5,975,133	

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, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET
			POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 6,390	\$ 2,347	\$ (4,043)
Charges for services	<u>341,000</u>	<u>194,000</u>	<u>(147,000)</u>
Total revenues	<u>347,390</u>	<u>196,347</u>	<u>(151,043)</u>
EXPENDITURES			
Public services	-	-	-
Supplies and services	-	-	-
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	<u>347,390</u>	<u>196,347</u>	<u>(151,043)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(341,333)</u>	<u>(113,667)</u>	<u>227,666</u>
Total other financing sources (uses)	<u>(341,333)</u>	<u>(113,667)</u>	<u>227,666</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 6,057</u>	<u>82,680</u>	<u>\$ 76,623</u>
Fund balance - beginning of year		<u>44,512</u>	
Fund balance - end of year		<u>\$ 127,192</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, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
			POSITIVE (NEGATIVE)
REVENUES			
Franchise fees	\$ 255,850	\$ 123,775	\$ (132,075)
Revenues from use of money and property	<u>15,190</u>	<u>15,988</u>	<u>798</u>
Total revenues	<u>271,040</u>	<u>139,763</u>	<u>(131,277)</u>
EXPENDITURES			
General government	155,681	105,532	50,149
Capital outlay	<u>91,754</u>	<u>76,191</u>	<u>15,563</u>
Total expenditures	<u>247,435</u>	<u>181,723</u>	<u>65,712</u>
Excess of revenues over (under) expenditures	23,605	(41,960)	(65,565)
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 23,605</u>	<u>(41,960)</u>	<u>\$ (65,565)</u>
Fund balance - beginning of year		<u>937,896</u>	
Fund balance - end of year		<u>\$ 895,936</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, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET
			POSITIVE (NEGATIVE)
REVENUES			
Grants	\$ 2,527,571	\$ 1,651,682	\$ (875,889)
Miscellaneous	12,000	11,912	(88)
Total revenues	<u>2,539,571</u>	<u>1,663,594</u>	<u>(875,977)</u>
EXPENDITURES			
Public services:			
Salaries and benefits	118,493	37,509	80,984
Supplies and services	181,008	118,258	62,750
Utilities	60	1,941	(1,881)
Maintenance	8,140	1,872	6,268
Capital outlay	<u>2,231,870</u>	<u>1,496,650</u>	<u>735,220</u>
Total expenditures	<u>2,539,571</u>	<u>1,656,230</u>	<u>883,341</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ -</u>	<u>7,364</u>	<u>\$ 7,364</u>
Fund balance - beginning of year		<u>55,394</u>	
Fund balance - end of year		<u>\$ 62,758</u>	

CITY OF TYLER, TEXAS
HOME GRANT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	POSITIVE (NEGATIVE)
REVENUES			
Grants	\$ 1,264,136	\$ 4,499	\$ (1,259,637)
Total revenues	<u>1,264,136</u>	<u>4,499</u>	<u>(1,259,637)</u>
EXPENDITURES			
Public services:			
Salaries and benefits	32,935	3,799	29,136
Supplies and services	885,154	700	884,454
Capital outlay	<u>577,580</u>	<u>-</u>	<u>577,580</u>
Total expenditures	<u>1,495,669</u>	<u>4,499</u>	<u>1,491,170</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ (231,533)</u>	<u>-</u>	<u>\$ 231,533</u>
Fund balance - beginning of year		<u>278,388</u>	
Fund balance - end of year		<u>\$ 278,388</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, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET
			POSITIVE (NEGATIVE)
REVENUES			
Grants	\$ 8,054,261	\$ 8,972,889	\$ 918,628
Revenue from use of money and property	<u>21,431</u>	<u>21,111</u>	<u>(320)</u>
Total revenues	<u>8,075,692</u>	<u>8,994,000</u>	<u>918,308</u>
EXPENDITURES			
Public services:			
Salaries and benefits	588,121	456,834	131,287
Supplies and services	7,849,222	7,822,635	26,587
Utilities	14,383	9,340	5,043
Maintenance	<u>37,334</u>	<u>30,450</u>	<u>6,884</u>
Total expenditures	<u>8,489,060</u>	<u>8,319,259</u>	<u>169,801</u>
Excess of revenues over (under) expenditures - GAAP basis	<u>\$ (413,368)</u>	<u>674,741</u>	<u>\$ 1,088,109</u>
Fund balance - beginning of year		485,212	
Fund balance - end of year		<u>\$ 1,159,953</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, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
				POSITIVE (NEGATIVE)
REVENUES				
Grants	\$ 3,596,650	\$ 3,040,557	\$ (556,093)	
Charges for services	155,000	91,560	(63,440)	
Revenue from use of money and property	10,000	11,100	1,100	
Miscellaneous	25,000	12,310	(12,690)	
Total revenues	<u>3,786,650</u>	<u>3,155,527</u>	<u>(631,123)</u>	
EXPENDITURES				
Public services				
Salaries and benefits	1,299,623	962,446	337,177	
Supplies and services	1,254,033	1,112,841	141,192	
Utilities	12,513	15,121	(2,608)	
Maintenance	545,688	388,999	156,689	
Capital outlay	1,155,450	687,102	468,348	
Total expenditures	<u>4,267,307</u>	<u>3,166,509</u>	<u>1,100,798</u>	
Excess of revenues over (under) expenditures	<u>(480,657)</u>	<u>(10,982)</u>	<u>(1,731,921)</u>	
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>463,046</u>	<u>13,658</u>	<u>(631,123)</u>	
Total other financing sources (uses)	<u>463,046</u>	<u>13,658</u>	<u>(631,123)</u>	
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (17,611)</u>	<u>2,676</u>	<u>\$ 20,287</u>	
Fund balance - beginning of year		<u>47,993</u>		
Fund balance - end of year		<u>\$ 50,669</u>		

CITY OF TYLER, TEXAS
TIF / TIRZ #3 FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET
			POSITIVE (NEGATIVE)
REVENUES			
Taxes	\$ 93,636	\$ 92,699	\$ (937)
Revenue from use of money and property	<u>6,508</u>	<u>9,314</u>	<u>2,806</u>
Total revenues	<u>100,144</u>	<u>102,013</u>	<u>1,869</u>
EXPENDITURES			
Special services	5,000	1,350	3,650
Total expenditures	<u>5,000</u>	<u>1,350</u>	<u>3,650</u>
Excess of revenues over (under) expenditures	<u>95,144</u>	<u>100,663</u>	<u>(1,781)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 95,144</u>	<u>100,663</u>	<u>\$ 5,519</u>
Fund balance - beginning of year		<u>420,544</u>	
Fund balance - end of year		<u>\$ 521,207</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, 2020

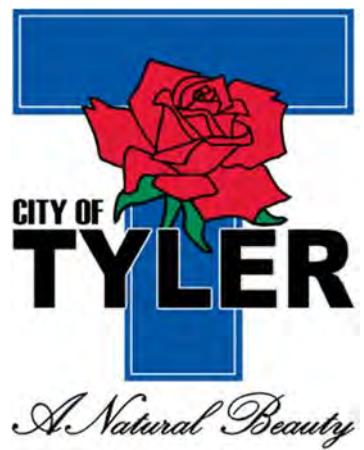
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET
			<u>POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 1,029	\$ 1,499	\$ 470
Revenue from use of money and property	- <hr/>	123 <hr/>	123 <hr/>
Total revenues	1,029 <hr/>	1,622 <hr/>	593 <hr/>
EXPENDITURES			
Special services	- <hr/>	- <hr/>	- <hr/>
Total expenditures	- <hr/>	- <hr/>	- <hr/>
Excess of revenues over (under) expenditures	1,029 <hr/>	1,622 <hr/>	593 <hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	- <hr/>	3 <hr/>	3 <hr/>
Total other financing sources (uses)	- <hr/>	3 <hr/>	3 <hr/>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	\$ 1,029 <hr/>	1,625 <hr/>	\$ 596 <hr/>
Fund balance - beginning of year			4,598 <hr/>
Fund balance - end of year			\$ 6,223 <hr/>

CITY OF TYLER, TEXAS
CAPITAL PROJECTS FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
				POSITIVE (NEGATIVE)
REVENUES				
Revenue from use of money and property	\$ 5,552	\$ 6,302	\$ 750	
Miscellaneous	<u>25,000</u>	<u>7,736</u>	<u>(17,264)</u>	
Total revenues	<u>30,552</u>	<u>14,038</u>	<u>(16,514)</u>	
EXPENDITURES				
Capital outlay	525,751	618,080	(92,329)	
Total expenditures	<u>525,751</u>	<u>618,080</u>	<u>(92,329)</u>	
Excess of revenues over (under) expenditures	<u>(495,199)</u>	<u>(604,042)</u>	<u>(108,843)</u>	
OTHER FINANCING SOURCES (USES)				
Principal paid on debt	(62,254)	(52,717)	9,537	
Interest and fiscal charges	-	(9,539)	(9,539)	
Transfers in	<u>212,492</u>	<u>674,731</u>	<u>462,239</u>	
Total other financing sources (uses)	<u>150,238</u>	<u>612,475</u>	<u>462,237</u>	
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (344,961)</u>	<u>8,433</u>	<u>\$ 353,394</u>	
Fund balance - beginning of year		<u>396,740</u>		
Fund balance - end of year		<u>\$ 405,173</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, 2020

	<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	\$ 52,368	\$ 58,934	\$ 6,566
Mausoleum and lot sales	100,180	43,046	(57,134)
Operations:			
Revenues from use of money and property	3,369	2,577	(792)
Licenses and permits	13,450	6,525	(6,925)
Mausoleum and lot sales	<u>212,820</u>	<u>143,007</u>	<u>(69,813)</u>
Total revenues	<u>382,187</u>	<u>254,089</u>	<u>(128,098)</u>
EXPENDITURES			
Operations:			
Salaries and benefits	144,653	109,028	35,625
Supplies and services	40,041	47,929	(7,888)
Utilities	44,722	47,109	(2,387)
Maintenance	36,839	36,006	833
Capital outlay	<u>84,073</u>	<u>67,525</u>	<u>16,548</u>
Total expenditures	<u>350,328</u>	<u>307,597</u>	<u>26,183</u>
Excess of revenues over (under) expenditures	<u>31,859</u>	<u>(53,508)</u>	<u>(154,281)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	212,368	212,368	-
Transfers out	<u>(113,547)</u>	<u>(113,547)</u>	<u>-</u>
Total other financing sources (uses)	<u>98,821</u>	<u>98,821</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ 130,680</u>	<u>45,313</u>	<u>\$ (85,367)</u>
Fund balance - beginning of year		<u>3,191,677</u>	
Fund balance - end of year		<u>\$ 3,236,990</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, 2020

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	TOTAL
ASSETS								
Current assets:								
Equity in pooled cash and investments	\$ 2,110,533	\$ 7,467,724	\$ 1,575,002	\$ 6,086,069	\$ -	\$ 1,192,353	\$ 1,330,067	\$ 19,761,748
Prepaid expenses	4,507	-	-	-	71,347	-	108	75,962
Accounts receivable (net)	1,730	21,141	1,180	160,406	135,782	(55)	1,161	321,345
Inventories - at average cost	-	319,266	-	-	-	-	-	319,266
Total current assets	<u>2,116,770</u>	<u>7,808,131</u>	<u>1,576,182</u>	<u>6,246,475</u>	<u>207,129</u>	<u>1,192,298</u>	<u>1,331,336</u>	<u>20,478,321</u>
Noncurrent assets:								
Other post employment benefit assets	-	-	-	14,707	-	-	-	14,707
Capital assets:								
Land	-	93,938	-	-	-	-	-	93,938
Construction in progress	-	14,500	-	-	-	-	-	14,500
Buildings	-	532,777	-	-	-	961,752	3,267	1,497,796
Improvements other than buildings	-	713,213	-	-	-	1,513,868	6,488	2,233,569
Machinery and equipment	-	37,490,647	-	-	-	79,757	11,442,719	49,013,123
Infrastructure	-	-	-	-	-	194,329	-	194,329
Less: accumulated depreciation	-	(23,640,368)	-	-	-	(1,117,898)	(9,429,991)	(34,188,257)
Total capital assets, net of accumulated depreciation	-	<u>15,204,707</u>	-	-	-	<u>1,631,808</u>	<u>2,022,483</u>	<u>18,858,998</u>
Total assets	<u>2,116,770</u>	<u>23,012,838</u>	<u>1,576,182</u>	<u>6,261,182</u>	<u>207,129</u>	<u>2,824,106</u>	<u>3,353,819</u>	<u>39,352,026</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to pensions	62,146	203,203	(5,687)	(2,111)	(2,641)	42,924	224,127	521,961
Deferred outflows related to OPEB	(187)	2,420	-	(544)	(247)	(343)	(199,423)	(198,324)
Total deferred outflows of resources	<u>61,959</u>	<u>205,623</u>	<u>(5,687)</u>	<u>(2,655)</u>	<u>(2,888)</u>	<u>42,581</u>	<u>24,704</u>	<u>323,637</u>
LIABILITIES								
Current liabilities:								
Accounts and contracts payable	14,678	568,827	39,157	9,680	75,410	22,074	229,296	959,122
Insurance claims payable	-	-	872,229	620,137	52,800	-	-	1,545,166
Accrued interest payable	-	4,428	-	-	-	-	18,113	22,541
Current portion of compensated absences payable	153	2,344	34	-	-	2,507	5,293	10,331
Current portion of capital lease payable	-	-	-	-	-	-	628,851	628,851
Total current liabilities	<u>14,831</u>	<u>575,599</u>	<u>911,420</u>	<u>629,817</u>	<u>128,210</u>	<u>24,581</u>	<u>881,553</u>	<u>3,166,011</u>
Noncurrent liabilities:								
Compensated absences payable	2,911	44,544	644	-	-	47,633	100,575	196,307
Net pension obligation	243,024	838,687	153,752	3,366	(7,958)	174,222	881,601	2,286,694
Net OPEB obligation	85,404	279,387	64,401	535	(5,654)	51,686	350,287	826,046
Capital lease payable	-	-	-	-	-	-	444,542	444,542
Total noncurrent liabilities	<u>331,339</u>	<u>1,162,618</u>	<u>218,797</u>	<u>3,901</u>	<u>(13,612)</u>	<u>273,541</u>	<u>1,777,005</u>	<u>3,753,589</u>
Total liabilities	<u>346,170</u>	<u>1,738,217</u>	<u>1,130,217</u>	<u>633,718</u>	<u>114,598</u>	<u>298,122</u>	<u>2,658,558</u>	<u>6,919,600</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to pensions	31,017	176,809	-	11,850	4,923	30,117	273,302	528,018
Deferred inflows related to OPEB	19,029	121,291	45,928	9,648	4,386	23,795	12,831	236,908
Total deferred inflows of resources	<u>50,046</u>	<u>298,100</u>	<u>45,928</u>	<u>21,498</u>	<u>9,309</u>	<u>53,912</u>	<u>286,133</u>	<u>764,926</u>
NET POSITION								
Net investment in capital assets	-	<u>15,204,707</u>	-	-	-	<u>1,631,808</u>	<u>2,022,483</u>	<u>18,858,998</u>
Unrestricted	1,782,513	<u>5,977,437</u>	<u>394,350</u>	<u>5,603,311</u>	<u>80,334</u>	<u>882,845</u>	<u>(1,588,651)</u>	<u>13,132,139</u>
Total net position	<u>\$ 1,782,513</u>	<u>\$ 21,182,144</u>	<u>\$ 394,350</u>	<u>\$ 5,603,311</u>	<u>\$ 80,334</u>	<u>\$ 2,514,653</u>	<u>\$ 433,832</u>	<u>\$ 31,991,137</u>

CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FLEET	MAINTENANCE	PROPERTY	EMPLOYEE	RETIREE	PROPERTY AND	TECHNOLOGY	ELIMINATIONS	TOTAL
	PRODUCTIVITY	AND	AND LIABILITY	BENEFITS	BENEFITS	FACILITY			
	IMPROVEMENT	REPLACEMENT	INSURANCE			MANAGEMENT			
OPERATING REVENUES									
Charges for services	\$ 750,000	\$ 10,052,978	\$ 1,903,240	\$ 5,949	\$ -	\$ 506,156	\$ 5,407,758	\$ -	\$ 18,626,081
Contributions	-	-	-	10,315,239	822,404	-	-	-	11,137,643
Miscellaneous	-	19,261	75,053	774,150	1,595,263	-	221,000	-	2,684,727
Total operating revenues	750,000	10,072,239	1,978,293	11,095,338	2,417,667	506,156	5,628,758	-	32,448,451
OPERATING EXPENSES									
Garage operations	-	5,915,499	-	-	-	-	-	-	5,915,499
Depreciation	-	3,393,103	-	-	-	143,452	648,491	-	4,185,046
Insurance claims	-	-	2,146,669	9,779,023	1,366,918	(5,644)	-	-	13,286,966
Administrative	73,703	-	248,844	1,023,463	1,008,642	301,607	4,119,729	-	6,775,988
Special services	758,438	-	-	75,243	40,761	-	-	-	874,442
Maintenance	76,312	-	-	-	-	333,928	-	-	410,240
Total operating expenses	908,453	9,308,602	2,395,513	10,877,729	2,416,321	773,343	4,768,220	-	31,448,181
Operating income (loss)	(158,453)	763,637	(417,220)	217,609	1,346	(267,187)	860,538	-	1,000,270
NON-OPERATING REVENUES (EXPENSES)									
Revenues from use of money and property	45,860	139,063	32,150	96,535	359	44,842	56,198	-	415,007
Gain (loss) on sale of assets	-	261,091	-	-	-	-	-	-	261,091
Interest expense	-	-	-	-	-	-	(26,051)	-	(26,051)
Total non-operating revenues (expenses)	45,860	400,154	32,150	96,535	359	44,842	30,147	-	650,047
Income (loss) before transfers	(112,593)	1,163,791	(385,070)	314,144	1,705	(222,345)	890,685	-	1,650,317
Transfers in	781,569	173,227	-	-	-	227,611	320,000	(22,155)	1,480,252
Transfers out	-	(145,551)	(1,880)	(670)	(287)	(1,067)	(10,665)	22,155	(137,965)
Change in net position	668,976	1,191,467	(386,950)	313,474	1,418	4,199	1,200,020	-	2,992,604
Net position - beginning of year	1,113,537	19,990,677	781,300	5,289,837	78,916	2,510,454	(766,188)	-	28,998,533
Net position - end of year	\$ 1,782,513	\$ 21,182,144	\$ 394,350	\$ 5,603,311	\$ 80,334	\$ 2,514,653	\$ 433,832	\$ -	\$ 31,991,137

**CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020**

	PRODUCTIVITY IMPROVEMENT	FLEET MAINTENANCE AND REPLACEMENT	PROPERTY AND LIABILITY INSURANCE	EMPLOYEE BENEFITS	RETIREE BENEFITS	PROPERTY AND FACILITY MANAGEMENT	TECHNOLOGY	ELIMINATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash received from customers and users	\$ 494,342	\$ 10,058,190	\$ 1,975,386	\$ 10,938,224	\$ 2,326,193	\$ 486,656	\$ 5,625,915	\$ -	\$ 31,904,906
Cash paid to suppliers for goods and services	(851,329)	(5,118,162)	27,827	(1,033,367)	(1,020,084)	(502,057)	(3,001,445)	-	(11,498,617)
Cash paid to employees for services	(81,879)	(881,364)	(243,749)	(58,823)	(26,673)	(121,852)	(1,159,222)	-	(2,573,562)
Insurance claims paid	-	-	(1,938,964)	(9,401,761)	(1,530,386)	-	-	-	(12,871,111)
Net cash provided by (used in) operating activities	(438,866)	4,058,664	(179,500)	444,273	(250,950)	(137,253)	1,465,248	-	4,961,616
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES									
Transfers in from other funds	781,569	173,227	-	-	-	227,611	320,000	(22,155)	1,480,252
Transfers out to other funds	-	(145,551)	(1,880)	(670)	(287)	(1,067)	(10,665)	22,155	(137,965)
Net cash provided by (used in) non-capital financing activities	781,569	27,676	(1,880)	(670)	(287)	226,544	309,335	-	1,342,287
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES									
Acquisition, construction, and retirement of capital assets	-	(3,514,800)	-	-	29,061	(100,920)	(930,309)	-	(4,516,968)
Interest paid	-	-	-	-	-	-	(21,362)	-	(21,362)
Payment of capital lease obligations	-	-	-	-	-	-	(427,349)	-	(427,349)
Proceeds from sale of assets	-	261,091	-	-	-	-	-	-	261,091
Net cash provided by (used in) capital and related financing activities	-	(3,253,709)	-	-	29,061	(100,920)	(1,379,020)	-	(4,704,588)
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and dividends	45,920	136,774	35,953	101,083	592	45,964	38,487	-	404,773
Net cash provided by investing activities	45,920	136,774	35,953	101,083	592	45,964	38,487	-	404,773
Net increase (decrease) in cash and cash equivalents	388,623	969,405	(145,427)	544,686	(221,584)	34,335	434,050	-	2,004,088
Cash and cash equivalents - beginning of year	1,471,910	6,498,319	1,720,429	5,541,383	221,584	1,158,018	896,017	-	17,507,660
Cash and cash equivalents - end of year	\$ 1,860,533	\$ 7,467,724	\$ 1,575,002	\$ 6,086,069	\$ -	\$ 1,192,353	\$ 1,330,067	\$ -	\$ 19,511,748

**CITY OF TYLER, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020**

**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)	\$ (158,453)	\$ 763,637	\$ (417,220)	\$ 217,609	\$ 1,346	\$ (267,187)	\$ 860,538	\$ 1,000,270
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation expense	-	3,393,103	-	-	-	143,452	648,491	4,185,046
(Increase) decrease in accounts receivable	-	(14,049)	-	(157,114)	(91,474)	-	-	(262,637)
(Increase) decrease in prepaid expenses	(4,507)	-	-	-	(4,524)	-	1,715	(7,316)
(Increase) decrease in inventories	-	224	-	-	-	-	-	224
(Increase) decrease in deferred outflows related to pensions	10,783	68,186	26,908	6,162	3,003	13,953	124,283	253,278
(Increase) decrease in deferred outflows related to OPEB	(286)	56	2,373	(12,428)	(115)	1,236	204,722	195,558
Increase (decrease) in accounts payable	(16,579)	(57,493)	22,341	7,091	7,478	1,264	(10,516)	(46,414)
Increase (decrease) in claims payable	-	-	229,998	377,262	(163,468)	-	-	443,792
Increase (decrease) in accrued interest payable	-	-	-	-	-	-	4,528	4,528
Increase (decrease) in compensated absences payable	(2,691)	8,000	(807)	2,589	1,109	(7,598)	23,051	23,653
Increase (decrease) in post employment benefits liability	(21,482)	(137,296)	(54,270)	535	(5,654)	(28,367)	(248,743)	(495,277)
Increase (decrease) in deferred inflows related to pensions	20,103	127,116	50,164	11,443	4,903	26,012	231,693	471,434
Increase (decrease) in deferred inflows related to OPEB	16,741	112,653	42,099	9,692	4,404	22,028	-	207,617
Increase (decrease) in net pension obligation	(32,495)	(205,473)	(81,086)	(18,568)	(7,958)	(42,046)	(374,514)	(762,140)
Total adjustments	(30,413)	3,295,027	237,720	226,664	(252,296)	129,934	604,710	4,211,346
Net cash provided by (used in) operating activities	\$ (188,866)	\$ 4,058,664	\$ (179,500)	\$ 444,273	\$ (250,950)	\$ (137,253)	\$ 1,465,248	\$ 5,211,616

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, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
			<u>POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 13,366	\$ 45,860	\$ 32,494
Charges for services	<u>920,000</u>	<u>750,000</u>	<u>(170,000)</u>
Total revenues	933,366	795,860	(137,506)
Transfers in	<u>611,569</u>	<u>781,569</u>	<u>170,000</u>
Total revenues - budget and GAAP basis	<u>\$ 1,544,935</u>	<u>\$ 1,577,429</u>	<u>\$ 32,494</u>
EXPENSES			
Salaries and benefits	\$ 215,104	\$ 110,004	\$ 105,100
Supplies and services	<u>2,795,478</u>	<u>800,664</u>	<u>1,994,814</u>
Capital outlay	<u>3,400</u>	<u>3,273</u>	<u>127</u>
Total expenses - budget basis	<u>\$ 3,013,982</u>	<u>913,941</u>	<u>\$ 2,100,041</u>
Financial statement adjustments:			
Adjustment for net pension liability		(1,609)	
Adjustment for OPEB liability		<u>(3,879)</u>	
Total expenses - GAAP basis		<u>\$ 908,453</u>	

CITY OF TYLER, TEXAS
FLEET MAINTENANCE AND REPLACEMENT FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 60,000	\$ 139,063	\$ 79,063
Current service charges	10,521,743	10,052,978	(468,765)
Miscellaneous	4,000	19,261	15,261
Sale of assets	<u>368,000</u>	<u>415,100</u>	<u>47,100</u>
Total revenues	<u>10,953,743</u>	<u>10,626,402</u>	<u>(327,341)</u>
Transfers out - COGS	(72,933)	(145,551)	(72,618)
Transfers in	<u>-</u>	<u>173,227</u>	<u>173,227</u>
Total revenues - budget basis	<u>\$ 10,880,810</u>	<u>10,654,078</u>	<u>\$ (226,732)</u>
Financial statement adjustments:			
Retirement of assets sold		<u>(154,009)</u>	
Total revenues - GAAP basis		<u>\$ 10,500,069</u>	
EXPENSES			
Garage administration and operations:			
Salaries and benefits	\$ 1,048,008	873,364	\$ 174,644
Supplies and services	4,769,653	4,660,551	109,102
Utilities	66,620	59,225	7,395
Maintenance	204,472	184,723	19,749
Capital outlay	<u>5,699,833</u>	<u>3,931,711</u>	<u>1,768,122</u>
Total garage administration and operations	<u>11,788,586</u>	<u>9,709,574</u>	<u>2,079,012</u>
Total expenses - budget basis	<u>\$ 11,788,586</u>	<u>9,709,574</u>	<u>\$ 2,079,012</u>
Financial statement adjustments:			
Adjustment for net pension liability		(10,171)	
Adjust OPEB assets and liabilities		(24,699)	
Capital outlay items not expensed		(3,759,205)	
Depreciation expense		<u>3,393,103</u>	
Total expenses - GAAP basis		<u>\$ 9,308,602</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, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
			<u>POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 35,642	\$ 32,150	\$ (3,492)
Collections - subrogation	50,000	75,053	25,053
Charges for services	<u>1,886,332</u>	<u>1,903,240</u>	<u>16,908</u>
Total revenues - budget and GAAP basis	<u><u>\$ 1,971,974</u></u>	<u><u>\$ 2,010,443</u></u>	<u><u>\$ 38,469</u></u>
EXPENSES			
Claims and premiums	\$ 1,784,697	\$ 2,146,669	\$ (361,972)
Administrative	<u>731,881</u>	<u>262,665</u>	<u>469,216</u>
	<u><u>2,516,578</u></u>	<u><u>2,409,334</u></u>	<u><u>107,244</u></u>
Transfers out	<u>1,880</u>	<u>1,880</u>	<u>-</u>
Total expenses - budget basis	<u><u>\$ 2,518,458</u></u>	<u><u>2,411,214</u></u>	<u><u>\$ 107,244</u></u>
Financial statement adjustments:			
Adjustment for net pension liability		(4,014)	
Adjustment for OPEB liability		<u>(9,807)</u>	
Total expenses - GAAP basis	<u><u>\$ 2,397,393</u></u>		

CITY OF TYLER, TEXAS
EMPLOYEE BENEFITS FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 67,815	\$ 96,535	\$ 28,720
Charges for services	23,648	5,949	(17,699)
Contributions from City of Tyler	8,200,050	7,997,042	(203,008)
Contributions from employees	2,337,578	2,318,197	(19,381)
Miscellaneous	-	774,150	774,150
 Total revenues - budget and GAAP basis	 \$ 10,629,091	 \$ 11,191,873	 \$ 562,782
EXPENSES			
Employee insurance fund administration:			
Special services	\$ 103,387	\$ 75,243	\$ 28,144
Claims	9,206,012	9,779,023	(573,011)
Administrative	868,875	863,638	5,237
Life insurance	147,509	150,017	(2,508)
	10,325,783	10,867,921	(542,138)
Transfers out	670	670	-
 Total expenses - budget and GAAP basis	 \$ 10,326,453	 \$ 10,868,591	 \$ (542,138)
Financial statement adjustments:			
Adjustment for net pension liability		(919)	
Adjustment for OPEB liability		10,727	
 Total expenses - GAAP basis		 \$ 10,878,399	

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, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues from use of money and property	\$ 35,930	\$ 359	\$ (35,571)
Contributions from retirees	713,813	822,404	108,591
Contributions - OPEB Trust and RDS Reimbursement	<u>2,309,578</u>	<u>1,595,263</u>	<u>(714,315)</u>
Total revenues - budget and GAAP basis	<u><u>\$ 3,059,321</u></u>	<u><u>\$ 2,418,026</u></u>	<u><u>\$ (641,295)</u></u>
EXPENSES			
Employee insurance fund administration:			
Special services	\$ 44,308	\$ 40,761	\$ 3,547
Claims	2,036,930	1,366,918	670,012
Administrative fees	933,923	980,837	(46,914)
Life insurance	<u>44,160</u>	<u>29,220</u>	<u>14,940</u>
	<u><u>3,059,321</u></u>	<u><u>2,417,736</u></u>	<u><u>641,585</u></u>
Transfers out	<u><u>287</u></u>	<u><u>287</u></u>	<u><u>-</u></u>
Total expenses - budget and GAAP basis	<u><u>\$ 3,059,608</u></u>	<u><u>\$ 2,418,023</u></u>	<u><u>\$ 641,585</u></u>
Financial statement adjustments:			
Adjustment for net pension liability		(394)	
Adjustment for OPEB liability		<u>(1,021)</u>	
Total expenses - GAAP basis		<u><u>\$ 2,416,608</u></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, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 41,623	\$ 44,842	\$ 3,219
Charges for services	<u>506,110</u>	<u>506,156</u>	<u>46</u>
Total revenues	547,733	550,998	3,265
Transfers in	<u>227,611</u>	<u>227,611</u>	<u>-</u>
Total revenues - budget and GAAP basis	<u>\$ 775,344</u>	<u>\$ 778,609</u>	<u>\$ 3,265</u>
EXPENSES			
Salaries and benefits	\$ 125,155	\$ 134,843	\$ (9,688)
Supplies and services	91,669	75,719	15,950
Maintenance	<u>511,252</u>	<u>426,513</u>	<u>84,739</u>
Capital Outlay	<u>566,357</u>	<u>100,920</u>	<u>465,437</u>
Total property and facility administration	<u>1,294,433</u>	<u>737,995</u>	<u>556,438</u>
Transfers out	<u>1,067</u>	<u>1,067</u>	<u>-</u>
Total expenses - budget basis	<u>\$ 1,295,500</u>	<u>739,062</u>	<u>\$ 556,438</u>
Financial statement adjustments:			
Adjustment for net pension liability		(2,081)	
Adjustment for OPEB liability		(5,103)	
Capital outlay items not expensed		(100,920)	
Depreciation expense		<u>143,452</u>	
Total expenses - GAAP basis	<u>\$ 774,410</u>		

CITY OF TYLER, TEXAS
TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Revenues from use of money and property	\$ 48,139	\$ 56,198	\$ 8,059
Charges for services	4,726,430	5,407,758	681,328
Miscellaneous	<u>135,000</u>	<u>221,000</u>	<u>86,000</u>
Transfers in	<u>997,347</u>	<u>320,000</u>	<u>(677,347)</u>
Total revenues - budget and GAAP basis	<u><u>\$ 5,906,916</u></u>	<u><u>\$ 6,004,956</u></u>	<u><u>\$ 98,040</u></u>
EXPENSES			
Office technology fund administration:			
Salaries and benefits	\$ 1,156,277	\$ 1,182,273	\$ (25,996)
Supplies and services	40,837	43,115	(2,278)
Utilities	150	131	19
Maintenance	<u>9,494</u>	<u>9,512</u>	<u>(18)</u>
Total office technology fund administration	<u>1,206,758</u>	<u>1,235,031</u>	<u>(28,273)</u>
Office technology services:			
Supplies and services	1,920,779	1,401,538	519,241
Utilities	304,383	159,747	144,636
Maintenance	2,557,451	1,814,209	743,242
Capital outlay	<u>-</u>	<u>1,382,887</u>	<u>(1,382,887)</u>
Total office technology services	<u>4,782,613</u>	<u>4,758,381</u>	<u>24,232</u>
Transfers out	<u>10,665</u>	<u>10,665</u>	<u>-</u>
Total expenses - budget basis	<u><u>\$ 6,000,036</u></u>	<u><u>6,004,077</u></u>	<u><u>\$ (4,041)</u></u>
Financial statement adjustments:			
Adjustment for net pension liability	(18,538)		
Adjustment for OPEB liability	(44,909)		
Capital outlay items not expensed	(1,382,887)		
Principal paid on capital leases	(427,349)		
Interest expense	26,051		
Depreciation expense	<u>648,491</u>		
Total expenses - GAAP basis	<u><u>\$ 4,804,936</u></u>		

FIDUCIARY FUNDS

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

Employee Benefit Trust Funds

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

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

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

Private Purpose Trust Funds

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

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

CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
EMPLOYEE BENEFIT TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	EMPLOYEE BENEFIT PLAN (SECTION 125 PLAN)	OPEB TRUST	TYLER FIRE DEPARTMENT RELIEF AND RETIREMENT FUND	TOTAL
ASSETS				
Equity in pooled cash	\$ 1,024,341	\$ 371,970	\$ 1,175,999	\$ 2,572,310
Investments, at fair value				
Equities	-	-	6,026,623	6,026,623
Mutual funds	-	12,685,114	65,336,024	78,021,138
Total investments	-	12,685,114	71,362,647	84,047,761
Receivables				
Contributions receivable	-	-	123,849	123,849
Interest receivable	1,605	-	13,022	14,627
Total receivables	1,605	-	136,871	138,476
Total assets	1,025,946	13,057,084	72,675,517	86,758,547
LIABILITIES				
Accounts payable	<u>819,594</u>	<u>25,025</u>	<u>-</u>	<u>844,619</u>
Total liabilities	<u>819,594</u>	<u>25,025</u>	<u>-</u>	<u>844,619</u>
NET POSITION				
Restricted for OPEB	-	13,032,059	-	13,032,059
Restricted for pensions	-	-	72,675,517	72,675,517
Held in trust for other purposes	<u>206,352</u>	<u>-</u>	<u>-</u>	<u>206,352</u>
Total net position	<u><u>\$ 206,352</u></u>	<u><u>\$ 13,032,059</u></u>	<u><u>\$ 72,675,517</u></u>	<u><u>\$ 85,913,928</u></u>

CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
EMPLOYEE BENEFIT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	EMPLOYEE BENEFIT PLAN (SECTION 125 PLAN)	OPEB TRUST	TYLER FIRE DEPARTMENT RELIEF AND RETIREMENT FUND	TOTAL
ADDITIONS				
Contributions				
Employees	\$ 149,727	\$ -	\$ 1,802,967	\$ 1,952,694
Employer	-	3,414,159	2,577,356	5,991,515
Total contributions	<u>149,727</u>	<u>3,414,159</u>	<u>4,380,323</u>	<u>7,944,209</u>
Investment income				
Interest and dividend income	-	622,560	1,884,002	2,506,562
Net appreciation in fair value of investments	-	276,004	3,172,916	3,448,920
Less investment expense	-	(64,358)	(170,106)	(234,464)
Total investment income	<u>-</u>	<u>834,206</u>	<u>4,886,812</u>	<u>5,721,018</u>
Other income	-	-	35,654	35,654
Total additions	<u>149,727</u>	<u>4,248,365</u>	<u>9,302,789</u>	<u>13,700,881</u>
DEDUCTIONS				
Reimbursement for benefit claims	-	1,595,263	-	1,595,263
Benefits	<u>154,766</u>	<u>-</u>	<u>7,751,378</u>	<u>7,906,144</u>
Total deductions	<u>154,766</u>	<u>1,595,263</u>	<u>7,751,378</u>	<u>9,501,407</u>
Change in net position	(5,039)	2,653,102	1,551,411	4,199,474
Net position - beginning of year	<u>211,391</u>	<u>10,378,957</u>	<u>71,124,106</u>	<u>81,714,454</u>
Net position - end of year	<u>\$ 206,352</u>	<u>\$ 13,032,059</u>	<u>\$ 72,675,517</u>	<u>\$ 85,913,928</u>

CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	GREENWOOD LANDFILL PRIVATE-PURPOSE TRUST	LINDSEY TRUST PRIVATE-PURPOSE TRUST	TOTAL
ASSETS			
Equity in pooled cash	\$ 2,837,242	\$ -	\$ 2,837,242
Investments, at fair value			
Equities	- -	89,440 89,440	89,440 89,440
Total investments	- -	89,440 89,440	89,440 89,440
Receivables			
Interest receivable	2,200 -	2,200 -	2,200 -
Total receivables	2,200 -	2,200 -	2,200 -
Total assets	<u>2,839,442</u>	<u>89,440</u>	<u>2,928,882</u>
NET POSITION			
Held in trust for other purposes	<u>\$ 2,839,442</u>	<u>\$ 89,440</u>	<u>\$ 2,928,882</u>

CITY OF TYLER, TEXAS
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	GREENWOOD LANDFILL PRIVATE-PURPOSE TRUST	LINDSEY TRUST PRIVATE-PURPOSE TRUST	TOTAL
ADDITIONS			
Contributions	\$ 33,000	\$ -	\$ 33,000
Investment income			
Interest and dividend income	53,034	2,420	55,454
Net appreciation in fair value of investments	-	4,486	4,486
Less investment expense	-	(3,488)	(3,488)
Total investment income	<u>53,034</u>	<u>3,418</u>	<u>56,452</u>
Total additions	<u>86,034</u>	<u>3,418</u>	<u>89,452</u>
DEDUCTIONS			
Benefits	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	86,034	3,418	89,452
Net position - beginning of year	<u>2,753,408</u>	<u>86,022</u>	<u>2,839,430</u>
Net position - end of year	<u>\$ 2,839,442</u>	<u>\$ 89,440</u>	<u>\$ 2,928,882</u>

DETAILED BUDGETARY COMPARISONS

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

CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
PROPERTY TAX COLLECTIONS			
Current taxes	\$ 22,545,337	\$ 22,384,541	\$ (160,796)
Delinquent taxes	164,356	166,150	1,794
Penalty and interest	149,500	181,586	32,086
Total property tax collections	<u>22,859,193</u>	<u>22,732,277</u>	<u>(126,916)</u>
FRANCHISE FEES			
Franchise - light and power	4,853,330	4,571,377	(281,953)
Franchise - natural gas	1,058,298	1,073,432	15,134
Franchise - telephone	472,459	659,088	186,629
Franchise - cable television	1,259,958	1,289,898	29,940
Franchise - street use fee	995,234	1,012,702	17,468
Franchise - water and sewer	2,286,408	2,394,232	107,824
Total franchise fees	<u>10,925,687</u>	<u>11,000,729</u>	<u>75,042</u>
SALES AND USE TAXES			
General sales tax	30,046,357	30,630,636	584,279
Mixed drink tax	539,501	434,921	(104,580)
Bingo tax	25,600	45,252	19,652
Total sales and use taxes	<u>30,611,458</u>	<u>31,110,809</u>	<u>499,351</u>
LICENSES AND PERMITS			
Parking meter	182,808	70,639	(112,169)
Taxicab and limousine	2,000	4,350	2,350
Burglar alarm	333,000	359,272	26,272
Building	905,460	819,717	(85,743)
Electrical	165,000	136,385	(28,615)
Plumbing	115,000	105,657	(9,343)
Zoning	69,250	74,178	4,928
Mechanical	95,000	53,934	(41,066)
Cert. of Occupancy	30,000	23,230	(6,770)
TABC fee	24,475	6,525	(17,950)
Billboard registration	18,000	17,255	(745)
Sign	36,000	24,292	(11,708)
Moving and clearing	750	75	(675)
Contractor license	45,000	32,796	(12,204)
Total licenses and permits	<u>2,021,743</u>	<u>1,728,305</u>	<u>(293,438)</u>
FINES, FORFEITURES AND PENALTIES			
Moving violation fines	2,280,000	1,868,312	(411,688)
Tax service fees on fines	158,200	127,941	(30,259)
Arrest fee fines	115,000	90,374	(24,626)
Municipal court administrative fees	88,000	55,428	(32,572)
Warrant fees	264,000	255,803	(8,197)
Child safety fees	132,000	137,012	5,012
Miscellaneous municipal court fines	24,000	50,736	26,736
Special court fees	775,000	661,157	(113,843)
Collection firm fee	180,000	186,878	6,878
Parking fees	48,000	54,942	6,942
Scofflaw	10,000	12,396	2,396
Animal fines	8,400	14,897	6,497
Omnibase program	20,000	16,138	(3,862)
Total fines, forfeitures and penalties	<u>4,102,600</u>	<u>3,532,014</u>	<u>(570,586)</u>

CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
	POSITIVE (NEGATIVE)		
REVENUES FROM USE OF MONEY OR PROPERTY			
Rent - miscellaneous	\$ 540,684	\$ 133,133	\$ (407,551)
Distributed interest	433,027	398,502	(34,525)
Total revenues from use of money or property	<u>973,711</u>	<u>531,635</u>	<u>(442,076)</u>
CHARGES FOR CURRENT SERVICES			
Swimming pool admissions	1,665	-	(1,665)
Fire inspection fees	80,000	99,273	19,273
Lot mowing	35,000	62,737	27,737
Glass membership fees	49,700	42,020	(7,680)
Copying fees	20,000	12,749	(7,251)
Utility cut fees	132,000	132,000	-
Open records	33,000	29,849	(3,151)
Participant fees	2,400	1,622	(778)
Sports field maintenance	75,000	70,668	(4,332)
Recreation classes and events	48,000	11,300	(36,700)
Reimbursement of overhead from tourism and convention fund	47,566	47,566	-
One-Half cent administration costs	175,000	175,000	-
Reimbursement of overhead from water and sewer operating fund	1,332,641	1,332,641	-
Reimbursement of overhead from sanitation fund	246,747	246,837	90
Platting	65,000	74,522	9,522
Main street festivals	9,000	9	(8,991)
Animal adoption fees	21,000	26,000	5,000
Animal shelter fees	14,400	19,336	4,936
Liberty hall tickets sales	100,000	54,207	(45,793)
Library	95,292	44,774	(50,518)
Total charges for current services	<u>2,583,411</u>	<u>2,483,110</u>	<u>(100,301)</u>
REVENUES FROM OTHER AGENCIES			
Coronavirus relief fund grant	-	5,915,195	5,915,195
State government	20,000	1,626	(18,374)
County hazardous material service	5,000	5,000	-
Prior year restitution income	-	445	445
Auto theft task force grant	112,000	120,771	8,771
Safe and Sober grant	64,000	43,656	(20,344)
School crossing guards	236,452	171,022	(65,430)
US Marshal grant	1,000	-	(1,000)
Fire TCLEOSE allocation	-	1,075	1,075
Federal JAG	-	24,410	24,410
Justice assistance	22,800	28,499	5,699
Total revenues from other agencies	<u>461,252</u>	<u>6,311,699</u>	<u>5,850,447</u>

(Continued)

CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
			POSITIVE (NEGATIVE)
MISCELLANEOUS			
Oil and lease royalties	\$ 487,269	\$ 228,003	\$ (259,266)
Miscellaneous charges	159,712	127,607	(32,105)
Unclaimed property revenue	15,000	11,933	(3,067)
Returned check fees	600	210	(390)
Funeral escorts	14,000	9,500	(4,500)
Fire cost recovery	-	100,861	100,861
Contractor testing fees	165,000	92,993	(72,007)
Merchandise sales	63,000	10,378	(52,622)
Subdivision plan review	70,500	28,000	(42,500)
Sale of equipment	1,000	1,670	670
Sale of property	-	384,330	384,330
Junked vehicle	-	207	207
 Total miscellaneous	 976,081	 995,692	 19,611
 Total revenues before other financing sources	 75,515,136	 80,426,270	 4,911,134
OTHER FINANCING SOURCES (USES)			
Net transfers (to) from special revenue funds	(1,620,769)	(1,344,608)	276,161
 Total other financing sources	 (1,620,769)	 (1,344,608)	 276,161
 Total revenue	 \$ 73,894,367	 \$ 79,081,662	 \$ 5,187,295

CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
GENERAL GOVERNMENT			
GENERAL GOVERNMENT SERVICES			
Salaries and benefits	\$ 2,486,907	\$ 2,455,293	\$ 31,614
Supplies and services	1,804,495	1,351,257	453,238
Utilities	67,350	69,654	(2,304)
Maintenance	22,278	22,278	-
Total general government services	<u>4,381,030</u>	<u>3,898,482</u>	<u>482,548</u>
COMMUNICATIONS			
Salaries and benefits	366,447	358,599	7,848
Supplies and services	87,522	53,864	33,658
Utilities	15	-	15
Maintenance	535	208	327
Total communications	<u>454,519</u>	<u>412,671</u>	<u>41,848</u>
FINANCE			
Salaries and benefits	712,089	727,498	(15,409)
Supplies and services	579,606	530,537	49,069
Utilities	700	42	658
Total finance	<u>1,292,395</u>	<u>1,258,077</u>	<u>34,318</u>
HUMAN RESOURCES			
Salaries and benefits	402,734	357,209	45,525
Supplies and services	80,479	89,051	(8,572)
Total human resources	<u>483,213</u>	<u>446,260</u>	<u>36,953</u>
LEGAL			
Salaries and benefits	842,482	887,290	(44,808)
Supplies and services	189,026	115,525	73,501
Utilities	260	177	83
Maintenance	839	-	839
Total legal	<u>1,032,607</u>	<u>1,002,992</u>	<u>29,615</u>
PARKING GARAGE			
Supplies and services	5,433	784	4,649
Utilities	28,421	16,181	12,240
Maintenance	16,941	5,044	11,897
Total parking garage	<u>50,795</u>	<u>22,009</u>	<u>28,786</u>
INNOVATION PIPELINE			
Salaries and benefits	-	3,412	(3,412)
Supplies and services	18,042	13,080	4,962
Utilities	-	1,460	(1,460)
Maintenance	4,160	3,028	1,132
Total innovation pipeline	<u>22,202</u>	<u>20,980</u>	<u>1,222</u>
Total general government	<u>7,716,761</u>	<u>7,061,471</u>	<u>655,290</u>

(Continued)

CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH
			FINAL BUDGET
			POSITIVE (NEGATIVE)
PUBLIC SAFETY			
POLICE			
Salaries and benefits	\$ 24,416,646	\$ 24,544,087	\$ (127,441)
Supplies and services	2,741,416	2,546,071	195,345
Utilities	131,960	118,889	13,071
Maintenance	1,423,849	1,459,802	(35,953)
Total police	28,713,871	28,668,849	45,022
FIRE			
Salaries and benefits	17,054,453	17,172,589	(118,136)
Supplies and services	1,177,507	1,143,529	33,978
Utilities	147,625	154,414	(6,789)
Maintenance	642,774	496,083	146,691
Total fire	19,022,359	18,966,615	55,744
MUNICIPAL COURT			
Salaries and benefits	953,643	897,378	56,265
Supplies and services	775,070	776,941	(1,871)
Utilities	10,900	7,848	3,052
Maintenance	51,166	42,247	8,919
Total municipal court	1,790,779	1,724,414	66,365
Total public safety	49,527,009	49,359,878	167,131
PUBLIC SERVICES			
ANIMAL SERVICES			
Salaries and benefits	783,420	694,394	89,026
Supplies and services	243,626	216,901	26,725
Utilities	30,150	38,734	(8,584)
Maintenance	81,570	90,684	(9,114)
Total animal services	1,138,766	1,040,713	98,053
PLANNING AND ZONING SERVICES			
Salaries and benefits	541,453	520,569	20,884
Supplies and services	109,562	101,428	8,134
Utilities	750	77	673
Total planning and zoning services	651,765	622,074	29,691
BUILDING SERVICES			
Salaries and benefits	897,176	795,045	102,131
Supplies and services	261,163	283,310	(22,147)
Utilities	-	-	-
Maintenance	31,305	41,787	(10,482)
Total building services	1,189,644	1,120,142	69,502
Total public services	2,980,175	2,782,929	197,246

(Continued)

CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
			POSITIVE (NEGATIVE)
MISCELLANEOUS			
Oil and lease royalties	\$ 487,269	\$ 228,003	\$ (259,266)
Miscellaneous charges	159,712	127,607	(32,105)
Unclaimed property revenue	15,000	11,933	(3,067)
Returned check fees	600	210	(390)
Funeral escorts	14,000	9,500	(4,500)
Fire cost recovery	-	100,861	100,861
Contractor testing fees	165,000	92,993	(72,007)
Merchandise sales	63,000	10,378	(52,622)
Subdivision plan review	70,500	28,000	(42,500)
Sale of equipment	1,000	1,670	670
Sale of property	-	384,330	384,330
Junked vehicle	-	207	207
 Total miscellaneous	 976,081	 995,692	 19,611
 Total revenues before other financing sources	 75,515,136	 80,426,270	 4,911,134
OTHER FINANCING SOURCES (USES)			
Net transfers (to) from special revenue funds	(1,620,769)	(1,344,608)	276,161
 Total other financing sources	 (1,620,769)	 (1,344,608)	 276,161
 Total revenue	 \$ 73,894,367	 \$ 79,081,662	 \$ 5,187,295

CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CULTURE AND RECREATION (cont'd)			
INDOOR RECREATION			
Salaries and benefits	\$ 429,414	\$ 380,389	\$ 49,025
Supplies and services	80,696	80,084	612
Utilities	100	37	63
Maintenance	<u>57,184</u>	<u>58,888</u>	<u>(1,704)</u>
Total indoor recreation	<u>567,394</u>	<u>519,398</u>	<u>47,996</u>
OUTDOOR RECREATION			
Salaries and benefits	145,524	60,739	84,785
Supplies and services	84,205	84,610	(405)
Maintenance	<u>335</u>	<u>334</u>	<u>1</u>
Total outdoor recreation	<u>230,064</u>	<u>145,683</u>	<u>84,381</u>
MEDIAN MAINTENANCE AND ARBORIST			
Salaries and benefits	237,018	212,697	24,321
Supplies and services	132,026	210,069	(78,043)
Maintenance	<u>60,356</u>	<u>58,818</u>	<u>1,538</u>
Total median maintenance and arborist	<u>429,400</u>	<u>481,584</u>	<u>(52,184)</u>
ROSE GARDEN CENTER			
Salaries and benefits	177,460	179,512	(2,052)
Supplies and services	27,482	25,763	1,719
Utilities	39,000	30,132	8,868
Maintenance	<u>35,342</u>	<u>37,004</u>	<u>(1,662)</u>
Total rose garden center	<u>279,284</u>	<u>272,411</u>	<u>6,873</u>
ROSE GARDEN MAINTENANCE			
Salaries and benefits	356,630	336,553	20,077
Supplies and services	105,070	125,574	(20,504)
Utilities	32,350	33,684	(1,334)
Maintenance	<u>80,537</u>	<u>83,423</u>	<u>(2,886)</u>
Total rose garden maintenance	<u>574,587</u>	<u>579,234</u>	<u>(4,647)</u>
VISITOR FACILITIES			
Salaries and benefits	579,377	502,372	77,005
Supplies and services	176,702	198,068	(21,366)
Utilities	109,075	85,612	23,463
Maintenance	<u>100,944</u>	<u>101,056</u>	<u>(112)</u>
Total visitor facilities	<u>966,098</u>	<u>887,108</u>	<u>78,990</u>
MAIN STREET			
Salaries and benefits	250,201	191,275	58,926
Supplies and services	216,762	137,915	78,847
Utilities	-	2,783	(2,783)
Maintenance	<u>2,727</u>	<u>2,727</u>	<u>-</u>
Total main street	<u>469,690</u>	<u>334,700</u>	<u>134,990</u>

(Continued)

CITY OF TYLER, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CULTURE AND RECREATION (cont'd)			
LIBERTY HALL			
Salaries and benefits	\$ 84,242	\$ 128,262	\$ (44,020)
Supplies and services	204,544	118,870	85,674
Utilities	16,250	11,136	5,114
Maintenance	21,208	15,247	5,961
Total liberty hall	<u>326,244</u>	<u>273,515</u>	<u>52,729</u>
Total culture and recreation	<u>8,149,833</u>	<u>8,017,086</u>	<u>132,747</u>
OTHER FINANCING USES			
Transfer to capital projects	2,329,444	2,329,444	-
Transfer to fleet maintenance	-	201,802	(201,802)
Transfer to permanent	100,000	100,000	-
Transfer to productivity improvement	460,474	460,474	-
Transfer to property and facility	101,305	72,730	28,575
Transfer to transit system	463,046	13,658	449,388
Total other financing uses	<u>3,454,269</u>	<u>3,178,108</u>	<u>276,161</u>
Capital outlay	<u>264,834</u>	<u>222,024</u>	<u>42,810</u>
Total expenditures	<u><u>\$ 77,605,974</u></u>	<u><u>\$ 75,461,395</u></u>	<u><u>\$ 2,144,579</u></u>

CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET	
			POSITIVE (NEGATIVE)	
REVENUES				
Revenues from use of money or property	\$ 337,517	\$ 780,448	\$	442,931
Charges for current services	43,046,715	44,456,111		1,409,396
Miscellaneous income	2,446,895	2,657,788		210,893
 Total revenue - budget and GAAP basis	 <u>\$ 45,831,127</u>	 <u>\$ 47,894,347</u>	 <u>\$</u>	 <u>2,063,220</u>

CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
WATER ADMINISTRATION AND SUNDAY			
Salaries and benefits	\$ 1,226,460	\$ 1,304,488	\$ (78,028)
Supplies and services	3,894,642	3,766,952	127,690
Utilities	13,750	9,919	3,831
Maintenance	48,141	36,217	11,924
Total water administration and sundry	<u>5,182,993</u>	<u>5,117,576</u>	<u>65,417</u>
WATER OFFICE			
Salaries and benefits	1,018,470	965,132	53,338
Supplies and services	1,151,896	1,107,278	44,618
Utilities	500	54	446
Maintenance	47,943	53,402	(5,459)
Total water office	<u>2,218,809</u>	<u>2,125,866</u>	<u>92,943</u>
WATER DISTRIBUTION			
Salaries and benefits	1,666,361	1,772,476	(106,115)
Supplies and services	427,566	378,605	48,961
Utilities	15,424	14,653	771
Maintenance	807,549	863,943	(56,394)
Total water distribution	<u>2,916,900</u>	<u>3,029,677</u>	<u>(112,777)</u>
WATER PLANT			
Salaries and benefits	1,594,400	1,980,468	(386,068)
Supplies and services	2,510,394	2,146,833	363,561
Utilities	1,809,061	1,590,146	218,915
Maintenance	542,036	286,892	255,144
Total water plant	<u>6,455,891</u>	<u>6,004,339</u>	<u>451,552</u>
WASTE COLLECTION			
Salaries and benefits	1,397,009	1,477,801	(80,792)
Supplies and services	157,050	113,161	43,889
Maintenance	794,548	792,174	2,374
Total waste collection	<u>2,348,607</u>	<u>2,383,136</u>	<u>(34,529)</u>
CD/CMOM (REGULATORY)			
Salaries and benefits	-	(499)	499
Supplies and services	<u>3,591,450</u>	<u>3,584,847</u>	<u>6,603</u>
Total cd/cmom (regulatory)	<u>3,591,450</u>	<u>3,584,348</u>	<u>7,102</u>
WASTE TREATMENT PLANT			
Salaries and benefits	1,576,934	1,592,742	(15,808)
Supplies and services	1,226,969	1,221,609	5,360
Utilities	700,450	675,724	24,726
Maintenance	763,952	545,386	218,566
Total waste treatment plant	<u>4,268,305</u>	<u>4,035,461</u>	<u>232,844</u>

(Continued)

CITY OF TYLER, TEXAS
UTILITIES FUND
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
LAKE TYLER			
Salaries and benefits	\$ 429,372	\$ 319,643	\$ 109,729
Supplies and services	345,244	201,081	144,163
Utilities	13,740	9,137	4,603
Maintenance	<u>392,760</u>	<u>162,875</u>	<u>229,885</u>
Total Lake Tyler	<u>1,181,116</u>	<u>692,736</u>	<u>488,380</u>
STORM WATER MANAGEMENT			
Salaries and benefits	787,485	674,677	112,808
Supplies and services	160,494	117,549	42,945
Utilities	8,100	7,590	510
Maintenance	<u>532,666</u>	<u>464,362</u>	<u>68,304</u>
Total storm water management	<u>1,488,745</u>	<u>1,264,178</u>	<u>224,567</u>
GEOGRAPHICAL INFORMATION SYSTEMS			
Salaries and benefits	594,655	645,698	(51,043)
Supplies and services	<u>368,778</u>	<u>275,164</u>	<u>93,614</u>
Total geographical information systems	<u>963,433</u>	<u>920,862</u>	<u>42,571</u>
SLUDGE HAULING			
Salaries and benefits	213,161	254,883	(41,722)
Supplies and services	542,460	536,656	5,804
Utilities	18,000	17,991	9
Maintenance	<u>193,648</u>	<u>192,219</u>	<u>1,429</u>
Total sludge hauling	<u>967,269</u>	<u>1,001,749</u>	<u>(34,480)</u>
PURCHASING			
Salaries and benefits	166,136	175,916	(9,780)
Supplies and services	32,617	10,385	22,232
Utilities	150	25	125
Maintenance	<u>15,473</u>	<u>14,741</u>	<u>732</u>
Total purchasing	<u>214,376</u>	<u>201,067</u>	<u>13,309</u>
Capital outlay	<u>35,916,334</u>	<u>20,560,589</u>	<u>15,355,745</u>
Principal payments on bonds	<u>4,150,000</u>	<u>4,075,000</u>	<u>75,000</u>
Interest expense	<u>2,677,525</u>	<u>2,492,721</u>	<u>184,804</u>
Transfers (in)/out	<u>527,979</u>	<u>527,979</u>	<u>-</u>
Total expenditures - budget basis	<u><u>\$ 75,069,732</u></u>	<u><u>58,017,284</u></u>	<u><u>\$ 17,052,448</u></u>
Financial statement adjustments:			
Adjustment for net pension liability		(144,054)	
Adjustment for OPEB liability		(380,354)	
Capital outlay items not expensed		(20,560,589)	
Principal payments of bonds		(4,075,000)	
Amortization expense		(53,460)	
Depreciation expense		<u>7,715,415</u>	
Total expenditures - GAAP basis	<u><u>\$ 40,519,242</u></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, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Franchise fees	\$ 672,356	\$ 664,757	\$ (7,599)
Revenue from use of money or property	30,364	22,108	(8,256)
Current service charges	13,180,796	14,075,880	895,084
Miscellaneous	162,704	89,096	(73,608)
Sale of assets	-	30,000	30,000
Total revenues	14,046,220	14,881,841	835,621
Transfers in	650,000	1,497,269	847,269
Total revenues - budget and GAAP basis	<u>\$ 14,696,220</u>	<u>\$ 16,379,110</u>	<u>\$ 1,682,890</u>
EXPENSES			
Solid waste administration			
Salaries and benefits	\$ 951,285	\$ 968,771	\$ (17,486)
Supplies and services	950,828	982,688	(31,860)
Utilities	691	455	236
Total solid waste administration	<u>1,902,804</u>	<u>1,951,914</u>	<u>(49,110)</u>
Residential collections			
Salaries and benefits	1,696,671	1,776,500	(79,829)
Supplies and services	1,894,122	2,092,754	(198,632)
Utilities	2,347	2,014	333
Maintenance	2,473,808	2,499,214	(25,406)
Total residential collections	<u>6,066,948</u>	<u>6,370,482</u>	<u>(303,534)</u>
Commercial collections			
Salaries and benefits	1,181,776	1,204,997	(23,221)
Supplies and services	1,958,603	2,067,083	(108,480)
Utilities	4,373	5,231	858
Maintenance	634,009	649,069	(15,060)
Total commercial collections	<u>3,778,761</u>	<u>3,926,380</u>	<u>(147,619)</u>
Litter control			
Salaries and benefits	72,605	47,591	25,014
Supplies and services	119,307	112,009	7,298
Utilities	800	1,109	(309)
Total litter control	<u>192,712</u>	<u>160,709</u>	<u>32,003</u>

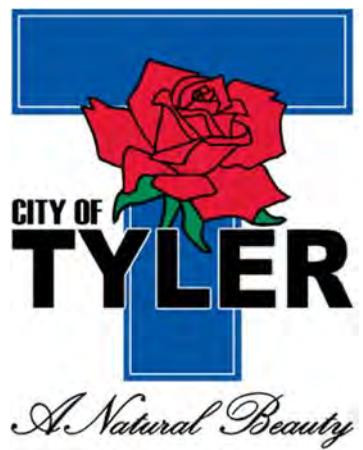
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CITY OF TYLER, TEXAS
SANITATION FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENSES (cont'd)			
Code enforcement			
Salaries and benefits	\$ 601,645	\$ 574,226	\$ 27,419
Supplies and services	103,230	624,622	(521,392)
Utilities	5,347	3,951	1,396
Maintenance	<u>81,421</u>	<u>81,959</u>	<u>(538)</u>
Total code enforcement	791,643	1,284,758	(493,115)
Capital outlay	1,250,532	1,234,043	16,489
Transfers out	<u>884,961</u>	<u>2,056,504</u>	<u>(1,171,543)</u>
Total expenses - budget basis	<u><u>\$ 14,868,361</u></u>	<u><u>16,984,790</u></u>	<u><u>\$ (2,116,429)</u></u>
Financial statement adjustments:			
Adjustment for net pension liability	(59,627)		
Adjust OPEB assets and liabilities	(149,402)		
Capital outlay items not expensed	(1,234,043)		
Depreciation expense	<u>650,784</u>		
Total expenses - GAAP basis	<u><u>\$ 16,192,502</u></u>		

CITY OF TYLER, TEXAS
AIRPORT FUND
DETAILED SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Airport services	\$ 228,464	\$ 177,996	\$ (50,468)
Revenues from use of money and property	1,469,886	938,886	(531,000)
Income from other agencies	6,644,738	5,804,364	(840,374)
Miscellaneous revenues	<u>28,296</u>	<u>39,904</u>	<u>11,608</u>
Total revenues	8,371,384	6,961,150	(1,410,234)
Transfers in	<u>277,333</u>	<u>767,882</u>	<u>490,549</u>
Total revenues - budget and GAAP basis	<u><u>\$ 8,648,717</u></u>	<u><u>\$ 7,729,032</u></u>	<u><u>\$ (919,685)</u></u>
EXPENSES			
Municipal airport operations			
Salaries and benefits	688,384	611,871	76,513
Supplies and services	423,044	451,830	(28,786)
Utilities	193,130	146,149	46,981
Maintenance	<u>222,106</u>	<u>180,317</u>	<u>41,789</u>
Total municipal airport operations	1,526,664	1,390,167	136,497
Interest expense	34,780	31,452	3,328
Principal payments on bonds	75,000	75,000	-
Transfers out	80,349	5,349	75,000
Capital outlay	<u>5,549,063</u>	<u>5,537,034</u>	<u>12,029</u>
Total expenses- budget basis	<u><u>\$ 7,265,856</u></u>	<u><u>7,039,002</u></u>	<u><u>\$ 226,854</u></u>
Financial statement adjustments:			
Adjustment for net pension liability	(7,958)		
Adjustment for OPEB liability	(19,188)		
Principal payments on bonds	(75,000)		
Capital outlay items not expensed	(5,537,034)		
Depreciation expense	<u>2,340,657</u>		
Total expenses - GAAP basis	<u><u>\$ 3,740,479</u></u>		



STATISTICAL SECTION (UNAUDITED)

CITY OF TYLER, TEXAS STATISTICAL SECTION

This part of the City of Tyler's comprehensive annual 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.	137-142
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	143-148
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.	149-153
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.	154-156
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.	157-158

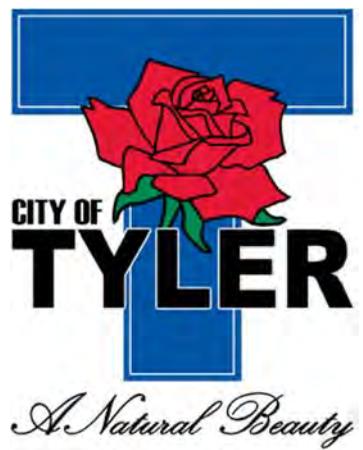


TABLE 1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Invested in capital assets	\$ 239,531,725	\$ 235,722,589	\$ 226,678,557	\$ 243,391,685	\$ 248,481,237	\$ 255,335,707	\$ 254,071,947	\$ 250,403,768	\$ 257,564,279	\$ 265,255,743
Restricted	17,671,823	18,144,679	25,006,305	22,022,830	21,857,483	19,998,703	24,687,498	34,538,182	36,220,286	34,968,630
Unrestricted	15,660,827	23,997,766	24,904,041	21,104,444	(23,090,282)	(29,206,408)	(29,239,172)	(44,703,390)	(42,727,945)	(40,259,967)
Total governmental activities net position	<u>\$ 272,864,375</u>	<u>\$ 277,865,034</u>	<u>\$ 276,588,903</u>	<u>\$ 286,518,959</u>	<u>\$ 247,248,438</u>	<u>\$ 246,128,002</u>	<u>\$ 249,520,273</u>	<u>\$ 240,238,560</u>	<u>\$ 251,056,620</u>	<u>\$ 259,964,406</u>
Business-type activities										
Invested in capital assets	\$ 139,645,933	\$ 146,342,227	\$ 155,451,446	\$ 161,933,656	\$ 171,337,799	\$ 185,888,696	\$ 199,364,645	\$ 207,347,257	\$ 220,412,254	\$ 219,486,636
Restricted	15,567,963	14,296,705	21,543,386	19,104,927	14,620,332	13,984,060	11,622,220	17,540,832	16,738,113	28,681,236
Unrestricted	13,559,374	14,488,578	6,834,476	6,150,703	676,523	803,659	1,418,179	(989,693)	(207,880)	324,881
Total business-type activities net position	<u>\$ 168,773,270</u>	<u>\$ 175,127,510</u>	<u>\$ 183,829,308</u>	<u>\$ 187,189,286</u>	<u>\$ 186,634,654</u>	<u>\$ 200,676,415</u>	<u>\$ 212,405,044</u>	<u>\$ 223,898,396</u>	<u>\$ 236,942,487</u>	<u>\$ 248,492,753</u>
Primary government										
Invested in capital assets	\$ 379,177,658	\$ 382,064,816	\$ 382,130,003	\$ 405,325,341	\$ 419,819,036	\$ 441,224,403	\$ 453,436,592	\$ 457,751,025	\$ 477,976,533	\$ 484,742,379
Restricted	33,239,786	32,441,384	46,549,691	41,127,757	36,477,815	33,982,763	36,309,718	52,079,014	52,958,399	63,649,866
Unrestricted	29,220,201	38,486,344	31,738,517	27,255,147	(22,413,759)	(28,402,749)	(27,820,993)	(45,693,083)	(42,935,825)	(39,935,086)
Total primary government net position	<u>\$ 441,637,645</u>	<u>\$ 452,992,544</u>	<u>\$ 460,418,211</u>	<u>\$ 473,708,245</u>	<u>\$ 433,883,092</u>	<u>\$ 446,804,417</u>	<u>\$ 461,925,317</u>	<u>\$ 464,136,956</u>	<u>\$ 487,999,107</u>	<u>\$ 508,457,159</u>

Source: Government-wide Statement of Net Position

TABLE 2
Page 1 of 2

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 9,389,003	\$ 7,699,118	\$ 8,814,941	\$ 10,788,232	\$ 7,411,863	\$ 10,454,415	\$ 8,541,513	\$ 7,135,438	\$ 6,929,613	\$ 8,546,671
Public safety	41,169,622	42,534,178	43,594,916	43,241,597	42,751,866	50,776,656	50,698,376	49,127,207	54,290,654	52,163,878
Highways and streets	15,033,649	16,221,560	16,197,280	13,828,933	12,190,307	12,564,341	12,901,307	12,904,261	12,863,503	14,331,423
Public services	14,814,548	13,961,677	14,395,725	14,207,356	15,086,795	15,609,073	15,935,764	16,243,252	16,293,667	18,825,525
Cultures and recreation	8,497,285	8,470,638	8,314,970	7,737,071	9,344,668	7,933,036	7,629,494	8,284,920	8,573,123	11,208,328
Interest on long term debt	117,564	106,407	74,423	67,788	69,680	60,341	29,600	31,629	68,488	43,768
Total governmental activities expenses	<u>\$ 89,021,671</u>	<u>88,993,578</u>	<u>91,392,255</u>	<u>89,870,977</u>	<u>86,855,179</u>	<u>97,397,862</u>	<u>95,736,054</u>	<u>93,726,707</u>	<u>99,019,048</u>	<u>105,119,593</u>
Business-type activities:										
Water and sewer	30,449,882	31,109,582	32,097,630	31,080,132	31,574,214	32,754,688	34,766,700	37,299,452	38,465,495	39,991,263
Sanitation	11,324,625	11,327,917	11,202,044	11,474,007	11,586,745	11,997,643	12,102,806	13,182,876	13,836,676	14,135,998
Airport	2,632,814	2,522,166	2,722,446	2,839,883	3,074,982	3,421,977	3,235,501	3,057,006	3,390,497	3,735,130
Total business-type activities expenses	<u>44,407,321</u>	<u>44,959,665</u>	<u>46,022,120</u>	<u>45,394,022</u>	<u>46,235,941</u>	<u>48,174,308</u>	<u>50,105,007</u>	<u>53,539,334</u>	<u>55,692,668</u>	<u>57,862,391</u>
Total primary government expenses	<u>\$ 133,428,992</u>	<u>\$ 133,953,243</u>	<u>\$ 137,414,375</u>	<u>\$ 135,264,999</u>	<u>\$ 133,091,120</u>	<u>\$ 145,572,170</u>	<u>\$ 145,841,061</u>	<u>\$ 147,266,041</u>	<u>\$ 154,711,716</u>	<u>\$ 162,981,984</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,857,150	\$ 2,262,331	\$ 2,242,946	\$ 2,451,394	\$ 2,413,406	\$ 3,144,517	\$ 3,666,701	\$ 3,674,604	\$ 2,919,670	\$ 2,602,642
Public safety	7,081,718	8,427,569	7,943,419	7,910,583	7,709,536	7,278,868	5,820,726	8,113,402	7,411,401	3,401,998
Highways and streets	99,130	95,913	94,981	92,034	175,622	142,380	38,880	-	-	-
Public services	1,735,565	2,083,303	1,962,945	2,449,877	2,125,553	2,317,480	2,070,577	2,015,878	2,328,149	2,832,501
Cultures and recreation	2,007,504	1,149,328	1,027,908	1,206,025	1,201,230	1,141,469	1,300,735	1,566,802	1,578,234	123,850
Operating grants and contributions	11,483,945	10,569,298	11,033,709	11,870,746	11,016,862	11,447,285	13,517,732	12,456,026	11,744,468	19,981,326
Capital grants and contributions	2,033,980	329,091	774,752	393,979	319,933	1,010,989	476,557	454,666	411,605	308,143
Total governmental activities program revenues	<u>26,298,992</u>	<u>24,916,833</u>	<u>25,080,660</u>	<u>26,374,638</u>	<u>24,962,142</u>	<u>26,482,988</u>	<u>26,891,908</u>	<u>28,281,378</u>	<u>26,393,527</u>	<u>29,250,460</u>
Business-type activities:										
Charges for services:										
Water and sewer	35,349,773	32,493,375	34,680,614	33,520,628	34,651,646	36,512,873	38,567,044	44,496,473	43,571,235	47,113,899
Sanitation	10,231,984	11,250,663	11,502,821	11,508,277	11,485,864	11,378,673	11,842,892	14,037,513	14,793,110	14,164,974
Airport	952,105	1,174,841	1,433,089	1,559,769	1,625,731	1,345,440	1,185,962	1,299,196	1,274,805	2,022,540
Capital grants and contributions	1,861,673	5,449,727	5,998,483	2,310,974	6,479,939	11,482,387	9,500,432	10,402,222	8,459,328	4,900,741
Total business-type activities program revenues	<u>48,395,535</u>	<u>50,368,606</u>	<u>53,615,007</u>	<u>48,899,648</u>	<u>54,243,180</u>	<u>60,719,373</u>	<u>61,096,330</u>	<u>70,235,404</u>	<u>68,098,478</u>	<u>68,202,154</u>
Total primary government program revenues	<u>\$ 74,694,527</u>	<u>\$ 75,285,439</u>	<u>\$ 78,695,667</u>	<u>\$ 75,274,286</u>	<u>\$ 79,205,322</u>	<u>\$ 87,202,361</u>	<u>\$ 87,988,238</u>	<u>\$ 98,516,782</u>	<u>\$ 94,492,005</u>	<u>\$ 97,452,614</u>
Net (expense)/revenue										
Governmental activities	\$ (62,722,679)	\$ (64,076,745)	\$ (66,311,595)	\$ (63,496,339)	\$ (61,893,037)	\$ (70,914,874)	\$ (68,844,146)	\$ (65,445,329)	\$ (72,625,521)	\$ (75,869,133)
Business-type activities	3,988,214	5,408,941	7,592,887	3,505,626	8,007,239	12,545,065	10,991,323	16,696,070	12,405,810	10,339,763
Total primary government net expense	<u>\$ (58,734,465)</u>	<u>\$ (58,667,804)</u>	<u>\$ (58,718,708)</u>	<u>\$ (59,990,713)</u>	<u>\$ (53,885,798)</u>	<u>\$ (58,369,809)</u>	<u>\$ (57,852,823)</u>	<u>\$ (48,749,259)</u>	<u>\$ (60,219,711)</u>	<u>\$ (65,529,370)</u>

TABLE 2
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CITY OF TYLER, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	\$ 14,037,311	\$ 14,155,402	\$ 14,333,678	\$ 15,458,985	\$ 15,859,234	\$ 16,464,898	\$ 17,722,103	\$ 19,125,723	\$ 20,736,120	\$ 22,858,131
Franchise taxes	10,010,620	9,882,588	10,186,300	10,434,684	10,476,018	10,592,842	10,847,085	11,187,605	11,019,217	11,124,504
Sales and use taxes	36,902,058	38,362,310	40,582,134	43,577,045	45,043,290	43,321,470	44,434,519	47,178,374	50,168,540	49,273,911
Unrestricted investment earnings and use of money and property	249,064	226,322	191,907	205,478	255,243	181,013	349,543	434,301	1,264,860	1,531,778
Gain (loss) on sale of assets	244,895	550,466	224,224	385,327	(443,252)	294,107	(825,967)	191,946	170,908	(336,086)
Miscellaneous	3,352,240	328,963	148,120	294,476	334,677	-	-	-	-	-
Donations	-	-	26,704	2,745,000	-	-	-	-	-	-
Equity in earnings of joint venture	-	-	-	-	-	-	-	-	-	-
Transfers	674,061	(679,152)	(657,603)	325,400	(250,581)	(1,059,892)	(290,866)	(1,168,328)	83,936	324,681
Total governmental activities	<u>65,470,249</u>	<u>62,826,899</u>	<u>65,035,464</u>	<u>73,426,395</u>	<u>71,274,629</u>	<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>
Business-type activities:										
Unrestricted investment earnings and use of money and property	305,330	266,145	197,626	242,517	177,701	251,601	342,277	469,638	661,536	1,505,184
Gain (loss) on sale of assets	11,461	-	253,682	324,964	92,824	185,203	104,163	342,894	60,681	30,000
Transfers	(674,061)	679,152	657,603	(325,400)	250,581	1,059,892	290,866	1,168,328	(83,936)	(324,681)
Total business-type activities	<u>(357,270)</u>	<u>945,297</u>	<u>1,108,911</u>	<u>242,081</u>	<u>521,106</u>	<u>1,496,696</u>	<u>737,306</u>	<u>1,980,860</u>	<u>638,281</u>	<u>1,210,503</u>
Total primary government	<u>\$ 65,112,979</u>	<u>\$ 63,772,196</u>	<u>\$ 66,144,375</u>	<u>\$ 73,668,476</u>	<u>\$ 71,795,735</u>	<u>\$ 71,291,134</u>	<u>\$ 72,973,723</u>	<u>\$ 78,930,481</u>	<u>\$ 84,081,862</u>	<u>\$ 85,987,422</u>
Change in Net Position										
Governmental activities	\$ 2,747,570	\$ (1,249,846)	\$ (1,276,131)	\$ 9,930,056	\$ 9,381,592	\$ (1,120,436)	\$ 3,392,271	\$ 11,504,292	\$ 10,818,060	\$ 84,776,919
Business-type activities	3,630,944	6,354,238	8,701,798	3,747,707	8,528,345	14,041,761	11,728,629	18,676,930	13,044,091	1,210,503
Total primary government	<u>\$ 6,378,514</u>	<u>\$ 5,104,392</u>	<u>\$ 7,425,667</u>	<u>\$ 13,677,763</u>	<u>\$ 17,909,937</u>	<u>\$ 12,921,325</u>	<u>\$ 15,120,900</u>	<u>\$ 30,181,222</u>	<u>\$ 23,862,151</u>	<u>\$ 85,987,422</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)

Fiscal Year	Property Tax	Franchise Tax	Sales and Use Tax ¹	Total
2011	14,037,311	10,010,620	36,902,058	60,949,989
2012	14,155,402	9,882,588	38,362,310	62,400,300
2013	14,333,678	10,186,300	40,582,134	65,102,112
2014	15,458,985	10,434,684	43,577,045	69,470,714
2015	15,859,234	10,476,018	45,043,290	71,378,542
2016	16,464,898	10,592,842	43,321,470	70,379,210
2017	17,722,103	10,847,085	44,434,519	73,003,707
2018	19,125,723	11,187,605	47,178,374	77,491,702
2019	20,736,120	11,019,217	50,168,540	81,923,877
2020	22,858,131	11,124,504	49,273,911	83,256,546

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved For:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	111,596	49,767	48,565	48,318	41,624	98,179	95,719	136,805	128,379	168,872
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	361,785	365,140	1,208,611	1,549,828	2,092,909	1,742,596	2,093,261	1,389,151	921,304
Unassigned	12,121,180	11,856,089	12,198,776	10,823,011	12,766,508	12,717,634	14,324,791	16,246,434	18,559,488	25,785,219
Total General Fund	\$ 12,232,776	\$ 12,267,641	\$ 12,612,481	\$ 12,079,940	\$ 14,357,960	\$ 14,908,722	\$ 16,163,106	\$ 18,476,500	\$ 20,077,018	\$ 26,875,395
One-Half Cent Sales Tax fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	8,151,725	10,760,784	17,534,474	13,183,589	13,391,689	10,491,754	14,750,799	22,942,254	23,136,162	21,942,766
Total One-Half Cent Sales Tax fund	\$ 8,151,725	\$ 10,760,784	\$ 17,534,474	\$ 13,183,589	\$ 13,391,689	\$ 10,491,754	\$ 14,750,799	\$ 22,942,254	\$ 23,136,162	\$ 21,942,766
All Other Governmental Funds										
Reserved For:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	2,537,012	2,618,800	2,681,379	2,751,496	2,841,929	2,930,388	2,965,480	3,024,870	3,213,067	3,099,119
Restricted	6,989,485	4,769,545	4,795,421	6,092,195	5,645,636	7,576,542	6,976,269	8,577,798	9,875,815	9,931,297
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	2,304,944	1,008,898	1,807,246	784,195	586,738	313,516	497,286	490,429	671,931
Unassigned	(2,626)	-	-	34,151	-	-	-	-	-	142,420
Total All Other Governmental Funds	\$ 9,523,871	\$ 9,693,289	\$ 8,485,698	\$ 10,685,088	\$ 9,271,760	\$ 11,093,668	\$ 10,255,265	\$ 12,099,954	\$ 13,579,311	\$ 13,844,767

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

TABLE 5

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 60,950,034	\$ 62,458,006	\$ 65,100,567	\$ 69,452,558	\$ 71,348,666	\$ 70,367,919	\$ 72,992,685	\$ 77,480,218	\$ 81,904,923	\$ 83,224,890
Licenses and permits	1,134,112	986,939	1,251,436	1,675,295	1,526,595	1,818,538	1,687,299	2,446,051	1,769,360	1,734,830
Fines, forfeitures, and penalties	7,081,718	7,213,751	6,747,247	7,684,828	7,510,714	6,771,908	5,325,902	5,125,706	4,997,271	4,009,595
Revenues from use of money or property	769,565	890,955	790,478	802,335	841,955	750,320	845,170	915,646	1,696,680	1,186,405
Charges for current services	3,360,649	2,669,475	2,630,074	2,849,107	2,792,386	2,807,579	2,780,962	2,985,838	3,123,455	2,954,723
Revenues from other agencies	13,041,163	10,608,019	11,190,288	11,816,379	11,276,795	12,458,274	13,994,289	12,910,692	12,156,073	20,289,469
Donations	312,271	181,932	402,064	352,948	339,795	374,071	586,470	365,044	682,566	168,415
Miscellaneous	1,097,574	1,229,190	714,585	836,490	2,239,017	1,338,192	1,915,362	1,219,342	733,920	1,038,050
Total revenues	<u>87,747,086</u>	<u>86,238,267</u>	<u>88,826,739</u>	<u>95,469,940</u>	<u>97,875,923</u>	<u>96,686,801</u>	<u>100,128,139</u>	<u>103,448,537</u>	<u>107,064,248</u>	<u>114,606,377</u>
Expenditures										
General government	7,070,867	6,887,278	7,249,762	8,323,657	7,758,004	7,185,846	7,585,488	7,751,217	7,726,127	7,899,995
Public safety	37,976,171	39,724,861	41,169,936	42,316,320	44,644,245	45,249,043	45,075,237	45,801,648	48,017,964	49,832,870
Public services	13,507,358	12,652,458	12,850,038	12,926,496	14,324,967	15,072,374	15,234,239	15,548,886	15,729,247	16,819,483
Highways and streets	3,667,305	4,813,390	4,914,648	5,090,951	5,228,922	5,596,575	5,375,760	4,805,677	3,893,759	4,839,899
Culture and recreation	6,692,554	6,902,974	7,021,610	7,105,539	7,707,090	7,461,931	7,005,094	7,652,792	7,912,551	8,475,386
Capital outlay	14,011,314	12,358,611	8,196,820	22,200,604	16,213,454	16,659,253	12,717,841	8,292,421	18,494,375	19,676,702
Debt service										
Principal	-	97,331	316,927	313,756	376,998	54,094	188,157	167,214	270,211	151,284
Interest	1,045	13,363	10,718	13,936	7,133	5,867	9,894	5,777	23,003	17,715
Total expenditures	<u>82,926,614</u>	<u>83,450,266</u>	<u>81,730,459</u>	<u>98,291,259</u>	<u>96,260,813</u>	<u>97,284,983</u>	<u>93,191,710</u>	<u>90,025,632</u>	<u>102,067,237</u>	<u>107,713,334</u>
Excess of revenues over (under) expenditures	4,820,472	2,788,001	7,096,280	(2,821,319)	1,615,110	(598,182)	6,936,429	13,422,905	4,997,011	6,893,043
Other financing sources (uses)										
Capital lease proceeds	-	1,029,095	-	71,610	126,480	405,126	-	817,083	-	-
Transfers in	2,820,585	2,690,528	2,233,311	5,028,638	3,364,434	50,000	638,000	3,388,915	4,231,066	4,243,093
Transfers out	(3,269,959)	(3,694,280)	(3,418,652)	(4,962,965)	(4,033,232)	(1,369,619)	(1,913,993)	(5,231,692)	(5,954,294)	(5,265,699)
Sale of capital assets	1,652	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(447,722)</u>	<u>25,343</u>	<u>(1,185,341)</u>	<u>137,283</u>	<u>(542,318)</u>	<u>(914,493)</u>	<u>(1,275,993)</u>	<u>(1,025,694)</u>	<u>(1,723,228)</u>	<u>(1,022,606)</u>
Net Change in fund balances	<u>\$ 4,372,750</u>	<u>\$ 2,813,344</u>	<u>\$ 5,910,939</u>	<u>\$ (2,684,036)</u>	<u>\$ 1,072,792</u>	<u>\$ (1,512,675)</u>	<u>\$ 5,660,436</u>	<u>\$ 12,397,211</u>	<u>\$ 3,273,783</u>	<u>\$ 5,870,437</u>
Debt service as a percentage of noncapital expenditures	0.0015%	0.1557%	0.4456%	0.4307%	0.4799%	0.0744%	0.2461%	0.2117%	0.3508%	0.1920%

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

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

TABLE 6

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

Fiscal Year	Property Tax	Franchise Tax	Sales and Use Tax ¹	Total
2011	14,037,356	10,010,620	36,902,058	60,950,034
2012	14,213,108	9,882,588	38,362,310	62,458,006
2013	14,332,133	10,186,300	40,582,134	65,100,567
2014	15,440,829	10,434,684	43,577,045	69,452,558
2015	15,829,358	10,476,018	45,043,290	71,348,666
2016	16,453,607	10,592,842	43,321,470	70,367,919
2017	17,711,081	10,847,085	44,434,519	72,992,685
2018	19,114,239	11,187,605	47,178,374	77,480,218
2019	20,717,166	11,019,217	50,168,540	81,904,923
2020	22,826,475	11,124,504	49,273,911	83,224,890

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

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

Note: Current year revenues comes from Exh 5

TABLE 7

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

Fiscal Year Ended September 30	Retail Sales Tax Revenue (Fiscal Year) ¹		
	General Fund Revenue - 1.0%	Capital Projects Special Revenue - 0.5%	Total Revenue ²
2011	22,849,738	11,424,869	34,274,607
2012	23,390,802	11,695,401	35,086,203
2013	24,708,985	12,354,493	37,063,478
2014	26,539,723	13,269,861	39,809,584
2015	26,917,614	13,458,807	40,376,421
2016	26,338,713	13,169,356	39,508,069
2017	26,775,850	13,387,905	40,163,755
2018	28,494,304	14,247,152	42,741,456
2019	30,257,590	15,128,795	45,386,385
2020	30,442,521	15,221,261	45,663,782

¹ Source: Texas Comptroller of Public Accounts

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

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

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

TABLE 8

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

Fiscal Year Ended September 30	Real Property		Personal Property	Mineral Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property					
2011	5,693,876,878	N/A	972,528,791	N/A	N/A	6,666,405,669	0.208865
2012	5,759,889,140	N/A	970,691,666	N/A	N/A	6,730,580,806	0.208865
2013	5,859,969,154	N/A	984,818,840	N/A	N/A	6,844,787,994	0.207708
2014	6,005,291,458	N/A	995,470,019	N/A	N/A	7,000,761,477	0.220000
2015	6,186,217,088	N/A	1,004,310,191	N/A	N/A	7,190,527,279	0.220000
2016	6,529,329,564	N/A	990,187,897	N/A	N/A	7,519,517,461	0.220000
2017	6,803,228,476	N/A	1,003,167,122	N/A	N/A	7,806,395,598	0.230000
2018	7,076,840,787	N/A	1,041,040,039	N/A	N/A	8,117,880,826	0.240000
2019	7,351,032,270	N/A	1,170,198,591	N/A	N/A	8,521,230,861	0.244452
2020	7,842,251,272	N/A	1,221,764,551	N/A	N/A	9,064,015,823	0.259900

Source: Smith County Appraisal District

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

N/A - Not available

TABLE 9

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

Fiscal Year Ended	City of Tyler			Overlapping Rates					Total Direct and Overlapping Rates	
	Operating	Debt Service		Total**	Smith County	Tyler ISD	Tyler Junior College	Chapel Hill ISD	Total ISD	
		Total	Total		Total	Total	Total	Total	Total	
2011	0.208865	-	-	0.208865	0.323900	1.37500	0.182176	1.260000	1.193000	4.54294
2012	0.208865	-	-	0.208865	0.323900	1.37500	0.182176	1.260000	1.193000	4.54294
2013	0.207708	-	-	0.207708	0.323564	1.37500	0.199926	1.245000	1.193000	4.54420
2014	0.220000	-	-	0.220000	0.323564	1.37500	0.199926	1.253000	1.193000	4.56449
2015	0.220000	-	-	0.220000	0.323560	1.37500	0.199926	1.245000	1.193000	4.55649
2016	0.220000	-	-	0.220000	0.330000	1.37500	0.199926	1.240000	1.193000	4.55793
2017	0.230000	-	-	0.230000	0.330000	1.37500	0.199926	1.240000	1.193000	4.56793
2018	0.240000	-	-	0.240000	0.330000	1.40500	0.199926	1.230000	1.413000	4.81793
2019	0.244452	-	-	0.244452	0.337311	1.40500	0.199926	1.230000	1.413000	4.82969
2020	0.259900	-	-	0.259900	0.345000	1.33500	0.199926	1.145900	1.325000	4.61073

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

<u>Taxpayer</u>	2020			2011		
	Taxable Assessed	<u>Rank</u>	Percentage of Total City Taxable	Taxable Assessed	<u>Rank</u>	Percentage of Total City Taxable
	<u>Value</u>		<u>Assessed Value</u> *	<u>Value</u>		<u>Assessed Value</u> ^b
Tyler Regional Hospital LLC	\$ 238,074,380	1	2.63%			
Delek Refining Ltd	154,136,597	2	1.70%	\$ 161,082,376	1	2.39%
Brookshire Grocery	117,996,237	3	1.30%	81,566,084	3	1.21%
Oncor Electric Delivery	85,401,331	4	0.94%	54,299,816	6	0.81%
Wal-Mart Stores / Wal-Mart Real Est	86,619,160	5	0.96%	65,871,062	5	0.98%
Genecov Investments Ltd	76,119,411	6	0.84%	81,218,440	4	1.21%
Cebridge Acquisitions Lp	72,253,999	7	0.80%	48,052,832	7	0.71%
BR CWS Cascades	54,597,702	8	0.60%	-		0.00%
JSF-2 LTD	49,536,369	9	0.55%	-		
Simon Property Group	42,328,250	10	0.47%	43,368,340	9	0.64%
Carrier Corporation	-		0.00%	44,952,878	8	0.67%
AT&T	-		0.00%	25,620,548	10	0.38%
Trane Co / American Standard Inc	-		0.00%	<u>108,486,777</u>	2	1.61%
Total	<u>\$ 977,063,436</u>		10.78%	<u>\$ 714,519,153</u>		10.62%

Source: Smith County Appraisal District

Note:

* Total taxable value including real and personal property for tax year 2019 (fiscal year 2020) is--

\$ 9,064,015,823

^b Total taxable value including real and personal property for tax year 2010 (fiscal year 2011) is --

6,730,580,806

TABLE 11

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

Fiscal Year	Total Tax Levy for	Collected within the Fiscal Year of the Levy		Collections in Subsequent	Total Collections to Date	
	Fiscal Year	Amount	Percentage of Levy	Years	Amount	Percentage of Levy
2011	13,848,376	13,629,528	98.4%	194,050	13,823,577	99.8%
2012	13,989,361	13,799,246	98.6%	141,584	13,940,830	99.7%
2013	14,159,255	13,990,275	98.8%	143,255	14,133,530	99.8%
2014	15,308,284	15,114,733	98.7%	156,814	15,271,547	99.8%
2015	15,668,435	15,498,266	98.9%	131,094	15,629,360	99.8%
2016	16,342,661	16,109,924	98.6%	144,720	16,254,644	99.5%
2017	17,589,933	17,391,772	98.9%	126,567	17,518,339	99.6%
2018	18,942,816	18,728,538	98.9%	88,741	18,817,279	99.3%
2019	20,582,774	20,493,070	99.6%	77,793	20,570,864	99.9%
2020	22,545,337	22,384,533	99.3%	-	22,384,533	99.3%

Source: Smith County Tax Assessor/Collector

TABLE 12

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Other Obligations***	Water and Sewer Revenue Bonds**	Other Obligations***			
2011	-	-	70,270,000	-	70,270,000	2.57%	622
2012	-	-	68,125,000	-	68,125,000	2.56%	655
2013	-	5,372,972	64,864,840	-	70,237,812	2.49%	673
2014	-	5,265,104	62,983,762	-	68,248,866	2.35%	656
2015	-	4,240,385	63,740,000	-	67,980,385	2.27%	670
2016	-	1,621,501	62,685,000	249,044	64,555,545	2.10%	623
2017	-	2,614,333	60,172,765	201,083	62,988,181	1.99%	546
2018	-	2,525,885	65,450,122	152,215	68,128,222	2.09%	649
2019	-	1,753,490	61,706,243	102,423	63,562,156	1.89%	601
2020	-	1,621,501	73,645,000	51,691	75,318,192	2.24%	701

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

* See Table 17 for personal income and population data

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

*** In 2013, we started including Capital Leases in Other Obligations

TABLE 13

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Debt Service Fund Balance	Total		
2011	-	-	-	n/a	-
2012	-	-	-	n/a	-
2013	-	-	-	n/a	-
2014	-	-	-	n/a	-
2015	-	-	-	n/a	-
2016	-	-	-	n/a	-
2017	-	-	-	n/a	-
2018	-	-	-	n/a	-
2019	-	-	-	n/a	-
2020	-	-	-	n/a	-

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, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Smith County	\$ 36,560,000	50.08%	\$ 18,309,248
Tyler Independent School District	446,427,957	71.04%	317,142,421
Tyler Junior College	116,479,118	65.00%	75,711,427
Chapel Hill Independent School District	15,705,000	19.15%	3,007,508
Whitehouse Independent School District	106,695,000	27.37%	29,202,422
Subtotal, overlapping debt			<u>443,373,024</u>
City of Tyler (direct debt)**	1,621,501	100%	<u>1,621,501</u>
Total direct and overlapping debt			<u><u>\$ 444,994,525</u></u>

Source: Debt outstanding data provided by each governmental unit.

Note:

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

** The City of Tyler does not have any general obligation debt. Direct debt includes capital leases for governmental activities.

TABLE 15

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 666,640,567	\$ 673,058,081	\$ 684,478,799	\$ 700,076,148	\$ 719,052,728	\$ 751,851,746	\$ 786,091,970	\$ 811,788,083	\$ 906,401,582	\$ 939,938,978
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 666,640,567</u>	<u>\$ 673,058,081</u>	<u>\$ 684,478,799</u>	<u>\$ 700,076,148</u>	<u>\$ 719,052,728</u>	<u>\$ 751,851,746</u>	<u>\$ 786,091,970</u>	<u>\$ 811,788,083</u>	<u>\$ 906,401,582</u>	<u>\$ 939,938,978</u>
Total net debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2020										
Assessed value										\$ 9,399,389,779
Add back: exempt real property										-
Total assessed value										<u>9,399,389,779</u>
Debt limit (10% of total assessed value)										939,938,978
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										<u>\$ 939,938,978</u>

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

TABLE 16

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

Water and Sewer Revenue Bonds					
Fiscal Year	Less:		Net	Annual	Times
	Total Revenues ^a	Operating Expenses ^b	Available Revenue	Debt Service Requirement	
2011	35,659,701	20,253,413	15,406,288	6,167,128	2.498
2012	32,316,843	21,214,236	11,102,607	6,158,805	1.803
2013	34,657,192	22,038,340	12,618,852	5,439,152	2.320
2014	35,376,457	23,875,525	11,500,932	5,416,208	2.123
2015	36,163,014	24,803,360	11,359,654	5,416,505	2.097
2016	38,535,182	26,166,490	12,368,692	5,542,223	2.232
2017	40,076,947	28,637,471	11,439,476	6,137,685	1.864
2018	44,516,891	30,341,446	14,175,445	5,336,960	2.656
2019	43,746,419	31,211,611	12,534,808	5,795,915	2.163
2020	49,136,439	36,281,443	12,854,996	6,696,181	1.920

Note: ^aIncludes operating and non-operating revenues.

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

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

Source: Comprehensive Annual Financial Report

TABLE 17

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 Formal Schooling ²	School Enrollment ³	Unemployment Rate ²
2011	112,986	2,656,438	23,511	34.1	13.6	18,480	7.7%
2012	104,083	2,736,131	26,288	34.1	13.6	18,336	7.8%
2013	104,426	2,818,215	26,988	32.8	13.6	18,403	6.9%
2014	104,083	2,902,762	27,889	33.5	13.6	18,029	5.8%
2015	101,421	2,774,980	27,361	33.5	13.6	18,198	5.8%
2016	103,700	2,796,996	26,972	33.9	13.6	18,172	4.2%
2017	115,453	2,979,034	25,803	32.9	13.6	18,139	4.3%
2018	104,991	2,790,355	26,577	33.4	13.6	18,130	3.3%
2019	105,729	2,894,268	27,374	33.1	13.6	18,260	3.2%
2020	107,479	3,030,439	28,196	33.7	13.6	17,721	5.9%

Data sources:

¹City of Tyler Planning Department

²Tyler Economic Development Council

³Tyler Independent School District

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

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

Unemployment rate information is an adjusted yearly average.

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

TABLE 18

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

<u>Employer</u>	2020			2011		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment (1)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment (2)</u>
CHRISTUS Trinity Mother Frances *	3,872	1	8.0%	3,884	1	7.9%
UT Health East Texas	3,559	2	7.4%	3,725	2	7.6%
Tyler Independent School District	2,563	3	5.3%	2,464	4	5.0%
Sanderson Farms	1,845	4	3.8%	**		0.0%
Walmart	1,521	5	3.1%	1,711	5	3.5%
Trane Technologies	1,473	6	3.0%	1,575	6	3.2%
UT Health Science Center at Tyler	1,460	7	3.0%	849	8	1.7%
Brookshire Grocery Company	1,455	8	3.0%	2,524	3	5.1%
The University of Texas at Tyler	1,201	9	2.5%	565	14	1.2%
Altice USA	1,150	10	2.4%	1,197	7	2.4%
Tyler Junior College	1,033	11	2.1%	786	9	1.6%
Target Distribution Center	1,000	12	2.1%	700	12	1.4%
John Soules Foods	895	13	1.8%	**		0.0%
Smith County	887	14	1.8%	775	10	1.6%
Total	<u><u>23,914</u></u>		<u><u>49.3%</u></u>	<u><u>20,755</u></u>		<u><u>42.2%</u></u>

Source: Tyler Economic Development Council

* Headquarters located in Tyler.

(1) total city employment of 48,411

(2) total city employment of 49,106

** Not part of top 10 in 2011

TABLE 19

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	55	60	63	60	64	84	77	98	96	97
Public safety	434	436	437	436	440	428	422	425	439	432
Highways and streets	54	53	52	53	51	53	47	53	51	55
Public Services	42	37	33	37	47	28	36	16	16	16
Culture and Recreation	72	66	75	66	68	76	64	68	75	73
Water & sewer	102	101	106	101	111	120	123	114	122	123
Sanitation	38	39	41	39	44	44	48	45	49	45
Airport	9	10	9	10	11	10	10	9	10	9
All Others	31	29	30	29	48	43	39	37	40	47
Total	837	831	846	831	884	886	866	865	898	897

Source: City of Tyler Finance Department

TABLE 20

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Accounting										
Dollar value of accounts payable	\$ 72,211,330	\$ 77,395,157	\$ 76,966,097	\$ 88,038,170	\$ 92,771,122	\$ 93,396,592	\$ 88,948,885	\$ 90,615,261	\$ 95,296,379	\$ 107,598,733
Legal										
Number of ordinances prepared and adopted	110	104	121	112	93	113	107	88	110	129
Number of resolutions prepared and adopted	29	34	31	30	26	45	51	41	69	105
Public Safety										
Police										
Number of sworn officers authorized	191	191	193	194	194	194	188	191	198	200
Fire										
Number of structure fires	135	114	105	107	84	98	103	124	107	121
Highways and Streets										
Streets										
Percentage of city streets graded A condition	72.3%	78.0%	**	**	**	**	**	**	**	**
Traffic										
Number of traffic signals maintained	145	147	153	152	156	148	158	158	150	149
Public Services										
Planning										
Number of historic building designations awarded	6	17	95	102	113	117	124	130	132	134
Culture and Recreation										
Parks										
Amount of park acreage	856.35	757.99	757.99	1216	1216	1216	1216	1207	1207	1207
Number of rose bushes planted	1056	536	2563	600	2785	1337	205	300	362	308
Library *										
Total number of volumes owned	200,257	188,856	175,402	183,154	180,136	179,668	208,838	215,431	228,019	216,411
Water & sewer										
Average volume of wastewater treated daily (gallons)	14.03 million	14.03 million	14.27 million	15.67 million	17.26 million	17.89 million	15.36 million	15.37 million	18.87 million	17.1 million
Average monthly volume of water production (gallons)	844.70 million	768.76 million	746.22 million	719.54 million	748.92 million	733.87 million	691.83 million	807.63 million	716.36 million	717.77 million
Water production capability (gallons per day)	74.7 million	74.7 million								
Average monthly revenue billed	\$ 2,926,751	\$ 2,701,842	\$ 2,844,007	\$ 2,819,163	\$ 2,883,216	\$ 3,098,527	\$ 2,924,870	\$ 3,414,080	\$ 3,299,543.00	\$ 3,613,526.78
Sanitation										
Number of residential customers	28,441	28,743	27,399	27,778	28,745	35,681	35,916	36,209	36,479	36,952
Number of curbside garbage carts in use	28,357	29,067	28,374	30,516	34,959	29,261	29,488	29,928	30,123	30,463
Airport										
Annual gallons of fuel flowage	978,831	1,029,059	1,370,092	1,480,379	1,327,585	1,249,362	1,108,054	1,244,805	1,396,406	995,136
Number of annual enplanements	72,509	73,343	85,069	85,069	66,951	55,693	49,226	48,505	60,038	26,430

Source: City Departments

n/a - Data not available.

* E-books are included.

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

TABLE 21

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

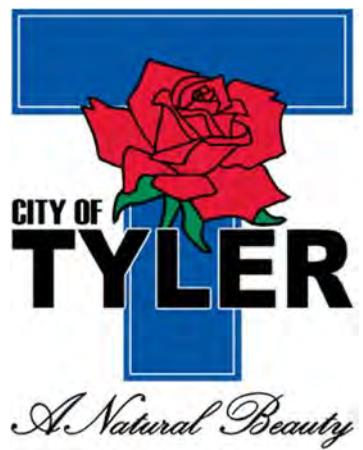
Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police Stations	2	2	2	2	2	3	3	3	2	2
Police Patrol Units	62	61	80	56	68	70	68	78	81	92
Police Motorcycle Units	16	16	17	16	16	15	10	9	7	6
Fire Stations	10	10	10	10	10	10	10	10	10	10
Highways and Streets										
City Maintained Paved Streets- (miles)***	476	570	1120	1120	1120	1120	1169	1169	1169	1169
Annual Street Overlays- (miles)***	45	16	27	28	32	32	39	11	35	44
Public Services										
Transit Buses	20	20	14	13	15	16	17	16	16	16
Culture and Recreation										
Parks (acres)	1,113.40	1,207.40	1,207.40	1,216.40	1,216.40	1,216.40	1,216.80	1,207.40	1,207.40	1,207.40
Playgrounds	22	22	22	23	22	22	22	22	19	19
Swimming Pools	2	2	2	2	2	2	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)	660	693	693	727	734	745	734	734	734.24	734.24
Fire Hydrants	3868	4220	4219	4118	4279	4310	4351	4379	4428	4434
Water Plants	2	2	2	2	2	2	2	2	2	2
Sanitary Sewers (miles)	608	621	631	658	688	718	694	699	709.44	711.21
Sanitation										
Garbage Trucks	41	45	36	29	34	47	45	45	45	45
Airport										
Airport Terminal	2	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.

** 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

ETERNAL VALUES



INFINITE POTENTIAL

Prothro WILHELM

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tyler, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Tyler's basic financial statements, and have issued our report thereon dated March 10, 2021.

Internal Control over Financial Reporting

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

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

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

PROTHRO, WILHELM AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in blue ink that reads "Prothro, Wilhelmi & Company, PLLC". The signature is fluid and cursive, with "Prothro" on the first line, "Wilhelmi" on the second line, and "Company, PLLC" on the third line.

PROTHRO, WILHELCMI AND COMPANY, PLLC

Tyler, Texas

March 10, 2021

ETERNAL VALUES



INFINITE POTENTIAL

Prothro WILHELM

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Tyler's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Tyler's major federal programs for the year ended September 30, 2020. The City of Tyler's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Tyler's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Tyler's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Tyler complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

PROTHRO, WILHELM AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Report on Internal Control over Compliance

Management of the City of Tyler is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Tyler's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Tyler's internal control over compliance.

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

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

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

A handwritten signature in blue ink that reads "Prothro, Wilhelmi & Company, PLLC". The signature is fluid and cursive, with "Prothro" on the first line, "Wilhelmi" on the second line, and "& Company, PLLC" on the third line.

PROTHRO, WILHELCMI AND COMPANY, PLLC

Tyler, Texas

March 10, 2021

CITY OF TYLER, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

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				
Community Development Block Grant Entitlement Grants:	14.218	B04MC480028		\$ 1,651,683
Section 8 Housing Choice Voucher Program	14.871	TX456VO		8,868,520
Family Self Sufficiency Coordinator Grant	14.871	FSS8-TX456-5106		68,450
HOME Investment Partnerships Program	14.239	-		4,499
Total U.S. Department of Housing and Urban Development				10,593,152
U.S. DEPARTMENT OF JUSTICE				
Passed through Smith County: Edward Byrne Memorial Justice Assistance Grant	16.738	2015-DJ-BX-1118		24,410
Passed through East Texas Council of Governments: Edward Byrne Memorial Justice Assistance Grant	16.738	2725402		28,499
Total U.S. Department of Justice				52,909
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through Federal Aviation Administration:				
Airport Improvement Program	20.106	3-48-0215-037-2016		1,691 +
Airport Improvement Program	20.106	3-48-0215-038-2017		279,852 +
Airport Improvement Program	20.106	3-48-0215-040-2018		3,271,622 +
Airport Improvement Program	20.106	3-48-0215-041-2018		723,402 +
Airport Improvement Program	20.106	3-48-0215-042-2019		486,429 +
Airport Improvement Program	20.106	3-48-0215-043-2019		75,036 +
Airport Improvement Program	20.106	3-48-0215-044-2020		903,623 +
Airport Improvement Program	20.106	3-48-0215-045-2020		19,217 +
Total Airport Improvement Program:				5,760,872

+ Denotes Major Program

Continued

CITY OF TYLER, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTORS NUMBER</u>	<u>PASSED THROUGH TO SUBRECIPIENTS</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION (cont'd)</u>				
Passed Through Federal Transit Administration:				
Federal Transit Capital and Operating Assistance Formula	20.507	TX-2020-074-00		1,290,359
Federal Transit Capital and Operating Assistance Formula	20.507	TX-2020-039-00		509,314
Federal Transit Capital and Operating Assistance Formula	20.507	TX-90-Y205		611,144
Total Federal Transit Capital and Operating:				<u>2,410,817</u>
Passed Through Texas Department of Highways and Public Transportation:				
Comprehensive Traffic Enforcement Grant Program	20.600	0910-16-124		<u>43,656</u>
Section 104F Grant MPO	20.505	50-XXXF0016		<u>249,044</u> +
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	51016071019		<u>282,739</u>
Passed Through Texas Division of Emergency Management Disaster Grants - Public Assistance	21.019	DR 4485		<u>5,915,195</u> +
Total U.S. Department of Transportation				<u>14,662,323</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed Through Transportation Security Administration: Law Enforcement Officer Reimbursement Agreement	97.090	HSTS02-13-H-SLR721		<u>21,600</u>
Total U.S. Department of Homeland Security				<u>21,600</u>
TOTAL FEDERAL ASSISTANCE				
				<u>\$ 25,329,984</u>

+ Denotes Major Program

CITY OF TYLER
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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, 2020 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 of 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, 2020. 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	\$ 326,266,983
Inland Marine (EDP/Hardware)	6,308,970
Contractor's Equipment	5,504,049
Motorcycle Equipment	2,677,617
Airport Equipment	249,044
General Liability	2,000,000
Employee Benefits Liability	2,000,000
Law Enforcement Liability	2,000,000
Management Liability	2,000,000
Employment Practices Liability	4,000,000
Automobile Liability	1,000,000
Garagekeepers Legal Liability	1,000,000
Crime	500,000
Airport Liability	5,000,000
Pollution Liability (Underground Storage Tanks)	1,000,000
Pollution Liability (Water Utilities)	1,000,000
Cyber Liability	1,000,000
Umbrella Liability	2,000,000
Tenant Users General Liability	1,000,000

CITY OF TYLER
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	<i>Unmodified</i>
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal and State Awards

Internal Control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Type of auditors’ report issued on compliance for major programs:	<i>Unmodified</i>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

FEDERAL

CFDA Numbers

Name of Federal Program or Cluster

21.019	Disaster Grants – Public Assistance
20.106	Airport Improvement Program
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research

The dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 759,900</u>
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The City of Tyler does not qualify as a low risk auditee.

**CITY OF TYLER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV- Summary Schedule of Prior Audit Findings

None.

CITY OF TYLER, TEXAS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2020

None.