



Sedgwick County Records Management System for the Register of Deeds

RFP #23-0031

July 11, 2023

David Doty - Account Executive
One Tyler Way, Moraine, OH 45439
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Email: David.Doty@tylertech.com



Restrictions on Disclosure

This response from Tyler Technologies, Inc. ("Tyler") contains proprietary and confidential information, including trade secrets, belonging to Tyler or Tyler's partners. Tyler is submitting this response on the express condition that the following portions will not be duplicated, disclosed, or otherwise made available, except for internal evaluation purposes:

- Response to the Functional Requirements, or "Checklist"
- Line-item pricing (total proposed contract amount may be disclosed)
- Screen shots, if any
- Detailed information regarding current customers
- Detailed employee resumes/CVs
- Customized Statement of Work/Implementation Plan

To the extent disclosure of those portions is requested or ordered, Tyler requires written notice of the request or order. If disclosure is subject to Tyler's permission, Tyler will grant that permission in writing, in Tyler's sole discretion. If disclosure is subject to a court or other legal order, Tyler will take whatever action Tyler deems necessary to protect its proprietary and confidential information and will assume all responsibility and liability associated with that action.

Tyler agrees that any portions not listed above and marked accordingly are to be made available for public disclosure, as required under applicable public records laws and procurement processes.

Trademarks Disclaimer

Because of the nature of this response, third-party hardware and software products may be mentioned by name. These names may be trademarked by the companies that manufacture the products. It is not Tyler's intent to claim these names or trademarks as our own.

Same Tyler Products, New Names

Since 1999 Tyler has been building the best array of software solutions for the public sector. If you have spoken with one of our representatives, attended a demonstration, or browsed our website before 2022, you may notice some changes in our products. Many of Tyler's products are getting new, simplified names. These updated names will be functional in nature, making it easier to understand what our products do.

Our products are changing in name only. There will be no change in product functionality, support, or services. You can continue to expect the best with Tyler. We are excited to share this journey into the next evolution of Tyler Technologies.

For details, please visit <https://www.tylertech.com/about-us/who-we-are/product-name-update-faq>



June 30, 2023

Lee Barrier
Sedgwick County Purchasing Department
100 N. Broadway, Suite 610
Wichita, KS 67202

RE: Request for Proposal for Records Management System for the Register Of Deeds, RFP #23-0031

Dear Ms. Barrier:

Tyler Technologies, Inc. (Tyler) is pleased to submit the enclosed proposal for your evaluation and consideration in response to Sedgwick County's RFP #23-003 for Records Management System For The Register of Deeds.

The attached proposal details our complete offering. It includes:

- Tyler's Enterprise Records Management, powered by Eagle, solution
- Implementation of software & services
- Technical and functional staff training
- Ongoing maintenance & support
- Financial Investment

Tyler has carefully reviewed the project goals, stated objectives, and requirements defined within the RFP, and we are excited about the opportunity to work with the County on this project. We are confident that Tyler's Enterprise Records Management solution brings the right mix of resources, experience, and technology to foster an environment for success.

Tyler continually seeks out business partners to share in our success rather than just customers. Our partners, like you, understand the difference between value and cost and want what is best for their communities.

David Doty, your Account Executive, will be Tyler's primary contact for this procurement. He can be reached anytime at 651.253.7186 or via email at David.Doty@tylertech.com for more information.

This proposal is valid for 90 days from the date of submittal. Again, we thank you for the opportunity to submit this proposal and we look forward to working with you and your staff on this special project.

Sincerely,



Gus Tenhundfeld
Inside Sales Manager

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Executive Summary

Tyler's Enterprise Records Management Solution

To fulfill all of the requirements of this RFP, Tyler is proposing our Enterprise Records Management, powered by Eagle, recording solution. This is a comprehensive software that may be deployed as a true SaaS solution or on-premises. The deployment method of the solution is at the sole discretion of the County, and each deployment mechanism is equally adept at fulfilling all requirements of this RFP. The main differences between the options is that with SaaS, there is a fundamental shift in responsibility for infrastructure, security, bandwidth, disaster recovery, data backup, server support, access, and network reliability from the County to the vendor service provider. The operational and infrastructure cost can be borne by the County or shifted to our hosted solution. Many counties have made the move to a cloud-based solution due to the ramifications of COVID and many have sought and used ARPA funding to pay for the move to the cloud. The fundamental change is considered an allowable expense meeting the requirements of the ARPA funding.

Tyler's Enterprise Records Management is more than just a product, it's a concept in document recording. It's not just about the features themselves—it's really about how those features are implemented that determine the overall benefits to your staff and patrons. Integrating the solution with other Land Development solutions makes the offering even more powerful.

Our state-of-the-art solutions turn even the most complicated tasks into streamlined, fast, efficient processes that will fit smoothly into your daily workflow, enabling you to get more done with less time, energy, and resources.

This solution offers superior internal business processing requirements, administration, reporting, accounting (GAAP compliant), workflow, workload balancing, transparency, simple or robust integrations, and dashboard visualization.

This solution will be configured to optimize end user's interaction with the County by making their interaction more efficient through access to County services via the web, mobile devices, or in person, resulting in the County being able to deliver these services in a quicker and more efficient manner. The solution also supports all Latin-based languages for a more inclusive citizen solution offering.

We've specifically developed Records Management feature-rich functionality based on our extensive domain experience, including more than 400 Clerk and Recording office implementations in 24 states. Quite simply, at Tyler, we know how to create, deliver, and support the types of solutions that don't just meet your needs, we exceed them.

The solution can also be configured to provide a significant revenue stream for the County with access to recorded documents through our Public Records Access module. The County in the past has opted to provide images and indexes for "no charge" to both public and private industries. This current County policy is the exception rather than the rule in today's recording space. Should you choose to switch from a "Free" to "Fee" model we can help you navigate this process through our Revenue Optimization Strategy. Revenue generated from online sales (done properly) will provide significant income for the County and cover the overall investment and ongoing maintenance of this solution. The proposed financial solution is configured so that the County will receive 100% of the revenue whether it be from search fees, print fees, or subscription services. We are flexible in our approach and financial structure to

be able to offer hybrid cost sharing revenue models to meet your desired needs. We would respectively ask that any cost comparison in solutions be evaluated on a “like to like” basis.

Tyler’s Connected Communities

Our vision is to give clients the unprecedented ability to connect data, people, and processes across local governments — transforming operations and leading to synergistic efficiencies, more informed decision making, enhanced transparency, and improved service to constituents. We call this vision Connected Communities.

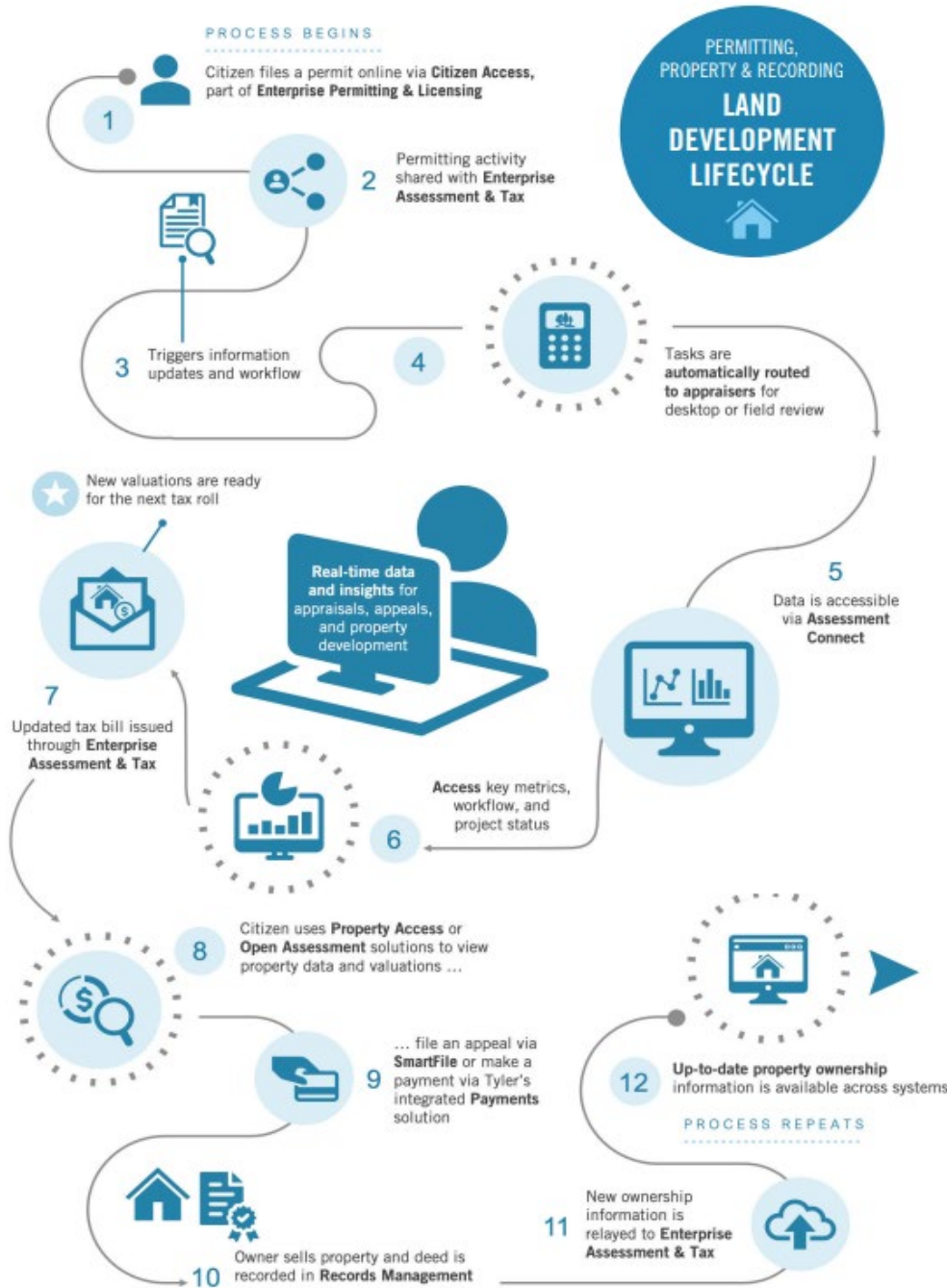
Currently, Tyler provides local governments with leading software and services to simplify complex operations such as property data and image collection, permitting, tax billing and collections, computer-assisted mass appraisal, and records management, just to name a few. We strive every day to deliver on our Connected Communities vision through the development and integration of our complete solution portfolio. Specifically, in the Appraisal & Tax Division, our growth and development has led our operations to incorporate land and records management capabilities into our current solution landscape. These capabilities, coupled with Tyler’s appraisal, tax, and permitting tools, allow clients to take advantage of solutions and services supporting the entire land development lifecycle — from permitting, to deed procurement, to assessment and taxation, and back again. We also have the power to integrate critical third-party data to ensure information is easily accessible and operations run smoothly without the need to jump in and out of different systems.

Our mission is to enable connected communities where local governments function efficiently, effectively, transparently, and responsively on behalf of their constituents — so they may feel engaged and empowered. Tyler is the only company in the industry uniquely positioned to lead and empower our clients to create these types of thriving communities.

Future functionality, when and if provided, will be released on the same timeline as the functionality is made generally available to clients under a maintenance agreement or SaaS agreement with Tyler. If a client requires that such functionality be committed to within the contract, the functionality will be treated as a custom modification, payable by the client.

Land Development Life Cycle

The graphic on the following page illustrates how Tyler’s products and services support the land development lifecycle.



1. A citizen files a permit for a change to their property. This permit is filed online via Citizen Access, part of Enterprise Permitting & Licensing.
2. Enterprise Permitting & Licensing activities that affect property value (such as rezoning, land improvements, or building permitting) are automatically shared with Enterprise Assessment & Tax as events.
3. These events trigger a workflow that allows the Enterprise Assessment & Tax system to automatically process information related to new construction and other projects.
4. Leveraging this event trigger, workflows can be defined so tasks are automatically routed to appraisers for desktop or field review.
5. Valuation data is accessible within Enterprise Assessment & Tax in a dashboard format via Assessment Connect. Assessment Connect (part of Property & Recording Insights) gives staff access to real-time data and insights for appraisals, appeals, and property development efforts.
6. The assessment office can use Assessment Connect to analyze key metrics, manage workflow, report on the status of projects, and achieve its goal of delivering fair, equitable, and defensible valuations.
7. When the precise valuation is determined for the property, an updated tax bill is issued through Enterprise Assessment & Tax or the new valuations can be effective in a future year.
8. The citizen uses Tyler's Property Access and Open Assessment solutions to view stories, maps, and neighboring property valuations to determine if their valuation is fair and accurate or if they wish to file an appeal.
9. The citizen can file an online appeal application via Tyler's SmartFile solution. This will record all necessary application information, accept supporting documentation, and automatically notify your staff that the appeal and associated information has been uploaded to Enterprise Assessment & Tax.
If a supplemental bill was generated, the citizen will also have the ability to directly make a payment via Tyler Payments, the integrated online payments solution.
10. When the citizen decides to sell the updated property, the deed is recorded in Records Management. This action displays relevant property information in Enterprise Assessment & Tax.
11. The new ownership information is automatically relayed to Enterprise Assessment & Tax.
12. If subsequent permits or reviews take place within Enterprise Permitting & Licensing, the up-to-date property owner information is automatically available.

LINKING PROPERTY TO RECORDING AND BEYOND

Across the land development lifecycle, our solutions and services provide a **comprehensive management system**. As you engage with team members, community, agencies, and more, each element of this land and property development process **supports your core organizational effectiveness and fosters a powerful, unified experience**.

For more information visit tylertech.com



Configuration Modules and Functionality for Consideration

In order to accomplish your desired needs, we may recommend solutions from any of the following modules to meet the desired needs. Although other solutions provider may provide similar services the key differentiator is how these functions work to achieve operational efficiency and effectiveness while offering citizens the quick, easy, and convenient services from the County.

Records Management: This is the basis of our solution that's supports cashiering, payments, bar code label, receipt printing, scanning, indexing, accounting, and all indexing and workflow components. These conditional workflows for internal recording needs or with other external departments accompanied by data integration points can enhance the workflow operations of many departments. The Records Management platform will also serve as your source for image and index retrieval and storage. There is no need for an additional 3rd party electronic document management system. The application comes with rich functionality such as optical character recognition, redaction, and robust reporting. Records Management serves as the building block of our solution.

eRecording: Our eRecording module is fully integrated with no need to access eRecording vendors websites. We have the ability to locate, track, and perform a complete audit trail of all transactions whether it be recorded at counter, mail, or through eRecording.

Web based eRecording: A new feature that allows the County to extend eRecording functions to those submitters who are typical hold outs to the standard eRecording solutions. Through secure transaction and minimal submitter costs, County customers can submit electronically.

eCommerce: The County may want to explore a fully integrated cashiering solution using Tyler Payments. Tyler Payments is a fully integrated with our recording platform and provide additional benefits to adjudicating and balancing tasks.

Records Public Access: Records Public Access is our citizen/ business facing portal that extends the customer service aspect of the Register of Deeds office. Citizens and Business can access records 24/7 through easy search tools, or more in-depth search criteria. The user interface is intuitive and can accept credit card payments or be configured to allow for subscription services. There is no set "Search" fee or print charges. The County will have the flexibility to create a solution that meets the needs of "Fee or Free".

Additionally, common interactions within the county can be automated and the business process can start with accessing forms, filling, filing, and paying through this portal. (i.e. Passport Applications, Business Participation for your Veteran and Military Discount Program) The application was written in HTML so it renders and displays on mobile or tablets.

Citizens and business's will be able to access and do business with the County 24/7 through this portal. Access to forms, form submittal, records access for either subscription or one-time users can be handled at any time of the day or weekend. Requesters will be able to buy and receive e certified copies immediately without County intervention if desired. Additionally, the County may choose to allow designated end users to record documents at any time through our Web Recording module. This group of solutions truly provides a mobile land records application for the County, constituents, and business stakeholders.

Integrations with Assessors databases or GIS applications like your Mobile Land Records can be linked to recorded documents in the Records Public Access.

Integrations: The County has asked for different types of integrations with various land records solutions, EDMS, and other applications. Our system can accommodate these requests whether these be passive, active, or bi-directional. We are open to working with the County and any other vendor to explore and scope these needs thoroughly.

Process Efficiencies: Consideration should be given to the overall efficiencies that will be gained for all stakeholders who are involved in the recording process. Starting with eRecording our solution is fully integrated with all major service providers to help automate, manage, track, and process e Recordings. Our system offers automated solutions in each step of the process. Data extraction may be automated by the introduction of multiple OCR solutions that will allow automated capture at the field level or document level. Robust integrations with other data sources to pull or push information will be critical in reaching maximum efficiency. We have vast experience in integrating with the applications being used today.

Process Reporting: Through the use of Tyler Hub, the county will be able to track the process and efficiency of every task associated with the recording process through a dashboard reporting tool.

Citizen Protection: The Records Management solution has a notification system that will allow owners to register their names, multiple names, businesses or property id to receive notification when a document is recorded. The alert notification sends an email with a link to the instrument being recorded.

Unique Functionality: We have created some unique functionality that has addressed recent needs as legislative changes occur. Some of these include functionality for “Safer at Home”, “Daniels Law”, and “Restrictive Covenants.”

Implementation Timeline: Our response includes a “Standard” implementation timeline. We are open to discussing other timelines that meet the needs of the County.

Flexible Training: We have a number of training solutions available for you to choose from. These include “train the trainer”, on premise, or remote. Plans can be configured to meet your exact needs.

Back Office Services: We offer a host of “Back Office” services to be used at your discretion. These include items such as backfile conversion needs, digital archiving services, and remote data entry services. Should you choose to move forward with your backfile conversion needs, they may be imported into Records Management and run through special work flow ques to address post processing capabilities such as automated redaction or optical character recognition data extraction, saving the County significant resources rather than having the process done in the conversion process.

Business Services: All professional services required for this opportunity will be performed by Tyler. This includes our standard Project Management, Implementation, Testing, and Training Teams. Specific services for customization needs and change management may be explored as well.

Demonstrations

We look forward to being able to demonstrate all of the proposed functionality to your evaluation team. Our preference would be to provide the demonstration on site at the convenience of the County.

Company Background

Tyler Technologies is the largest and most established provider of integrated software and technology services focused on the public sector. Tyler's end-to-end solutions empower local, state, and federal government entities to operate more efficiently and connect more transparently with their constituents and with each other. By connecting data and processes across disparate systems, Tyler's solutions are transforming how clients gain actionable insights that solve problems in their communities. Tyler has more than 37,000 successful installations across more than 13,000 sites, with clients in all 50 states, Canada, the Caribbean, Australia, and other international locations.



Visualize



Analyze



Understand



Engage

Our Products

With decades of exclusive public sector experience, Tyler is the market leader providing integrated software and services. Subject matter experts and in-depth products result in a sustainable client partnership that delivers the industry's most comprehensive solution. We provide the industry's broadest line of software products and offer clients a single source for all their information technology needs in several major areas: Property & Recording, ERP, Civic Services, Health & Human Services, Courts & Justice, Public Safety, Data & Insights, and Schools.

We are known for long-standing client relationships, functional and feature-rich products, and the latest technology. In addition to software products, Tyler provides related professional services including installation, data conversion, consulting, training, customization, support, disaster recovery, and application and data hosting.

About Tyler Technologies

- Empowering government and schools to create safer, smarter, and more vibrant communities
- Solutions include: Property & Recording, ERP, Civic Services, Health & Human Services, Courts & Justice, Public Safety, Data & Insights, and Schools
- Headquartered in Plano, Texas, with 68 office locations across the U.S., Manila, and Canada
- Tyler was incorporated in Delaware in November 1989
- Tyler is a publicly traded corporation on the NYSE (TYL)
- Founded in 1966
- Exclusively focused on local government since 1997
- More than 37,000 successful installations across 13,000 sites, with clients in all 50 states, Canada, the Caribbean, Australia, and other international locations
- Client retention rate of 98%
- 7,200+ employees

- Annual revenues of \$1.85 billion (2022)
- Reinvestment of \$123M into Research & Development
- Scalable products with the smallest jurisdiction (Loving County, Texas, with a population of 82) to the largest (Los Angeles County, California, with a population of 10.1M)

Tyler's Property & Recording Division

Tyler's Property & Recording Division, originally Cole Layer Trumble (CLT), was established in 1938 and remains the country's only national mass appraisal company. The Division has grown to provide property assessment and tax solutions; land and vital records management solutions; and mass appraisal services to state, provincial and local governments. The Property & Recording Division has completed more projects in more states than any other vendor in this industry.

Public Sector Focus

In addition to the Property & Recording Division's 85 years of service, other Tyler Technologies' business units have provided software and services to customers for more than fifty years and have long-standing reputations in the local government market for quality products and customer service. Tyler is the largest company in the United States focused solely on providing software solutions to the public sector. While many of our competitors compete in multiple vertical markets, Tyler is singularly focused on the public sector. It is 100 percent of our business.

Tyler recognizes that the public sector is generally stable, risk averse and craves community accessibility, security, and transparency. That is why local government and school entities seek reliable and efficient software and services from Tyler—a vendor who is professional, reputable, dedicated, and achieves results. Tyler has the experience to understand the unique requirements of the public sector, the necessary resources to invest in its products, and the ability to deliver quality services.

Industry Leadership

Tyler strives to provide the best client services in the industry. Our products undergo testing by trained quality assurance and certified usability analysts; therefore, our clients benefit from products that work logically based upon user experience and input. We also focus our implementation and support professionals on specific groups of applications, so they are able to offer more specialized services tailored to the needs of the client.

Our commitment at Tyler is to ensure the highest level of client satisfaction through the efforts of Tyler's most valued resource: our people. We challenge our employees to pursue new initiatives aggressively and become industry leaders in their respective fields. Tyler employs more than 6,700 individuals, many of whom are seasoned professionals with unique and proprietary skills and years of industry experience. In fact, our employee turnover rate is very low – in recent years, about half of the industry average.

Company Recognition

Tyler Technologies has earned the reputation as an industry leader based on our products and commitment to our clients. These factors, along with our financial strength and industry partnerships, have resulted in numerous accolades. "The recognition emphasizes Tyler's consistently strong growth, which is a direct result of our commitment to supporting our more than 21,000 clients and the

development of best-in-class software and services to serve the needs of the public sector" said John S. Marr Jr., Chairman of the Board of Tyler Technologies.

Tyler has been named to the following prestigious lists alongside some of the most innovative and influential companies in the United States.

Innovative and Strong

- Dow Jones Sustainability Index for North America (2021, 2022)
- Barron's 400 Index ranking, a measure of the most promising companies in America (eight times)
- Dallas Business Journal ranked Tyler's Plano office #8 in its "North Texas Fastest-Growing Public Companies" list (2017)
- Forbes' "Most Innovative Growth Companies" list (2015-2017)
- Forbes' "America's Best Small Companies" list (nine times)
- Software Magazine's "Software 500" ranking of the world's largest software and service suppliers (twelve times)
- Audit Integrity's "America's Most Trustworthy Companies" list (2007)

Employer of Choice

- Forbes' "Best Employers for Diversity" (2019, 2020)
- Forbes' "Best Employers for Women" (2018)
- Forbes' "Best Midsize Employers" (2018, 2019)
- Tyler's three Maine offices recognized as "Best Places to Work in Maine" (fifteen times since 2007)
- Dallas Morning News' "Best in DFW: Top Workplaces" recognized Tyler's Plano, Texas office (nine times)
- Dayton Daily News' "Top Workplaces in the Dayton Metro Area" recognized Tyler's Moraine, Ohio office
- Tyler's Lubbock, Texas office named to the "Best of Lubbock" list by the Lubbock Avalanche-Journal (2017-2019)
- Detroit Free Press named Tyler's Troy, Michigan office a top workplace (2017-2021)
- Phoenix Business Journal named Tyler's Tempe, Arizona office on Best Places to Work list (2019)

Our Experience

Tyler Technologies' solutions offer the widest breadth of products in the industry, the latest technology available, and an integrated system that can operate in diverse offices throughout a jurisdiction. More importantly, Tyler's vision and skill in executing that vision is what ultimately leads to a successful implementation and long-term solution for our clients. Our experienced team consists of industry leaders that keep our team moving and making sure we can give you the tools to succeed.

Tyler knows recording. We have been in the recording and clerks space for over 40 years. We currently serve over 425 clients nationwide with a dedicated staff of over a hundred professionals.

Financial Strength

Tyler consistently maintains a solid balance sheet and strong cash flow and low debt, experiencing consistent revenue growth with 41 consecutive quarters of profitability, and a total revenue for 2022 of \$1.85 billion. While experiencing significant growth opportunities from an increase in staff and expanding territories, we anticipate additional product offerings and new technology will accelerate this growth substantially in the future. We believe a low-debt balance sheet, substantial cash reserves, and a committed customer base put Tyler in a great position in our industry to weather any unexpected turbulence in the economy.

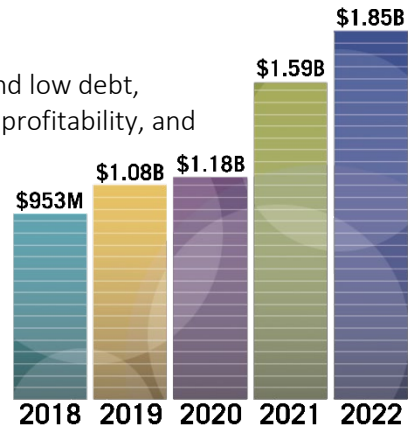


Figure 1: Tyler Revenue

Audited Financial Statements

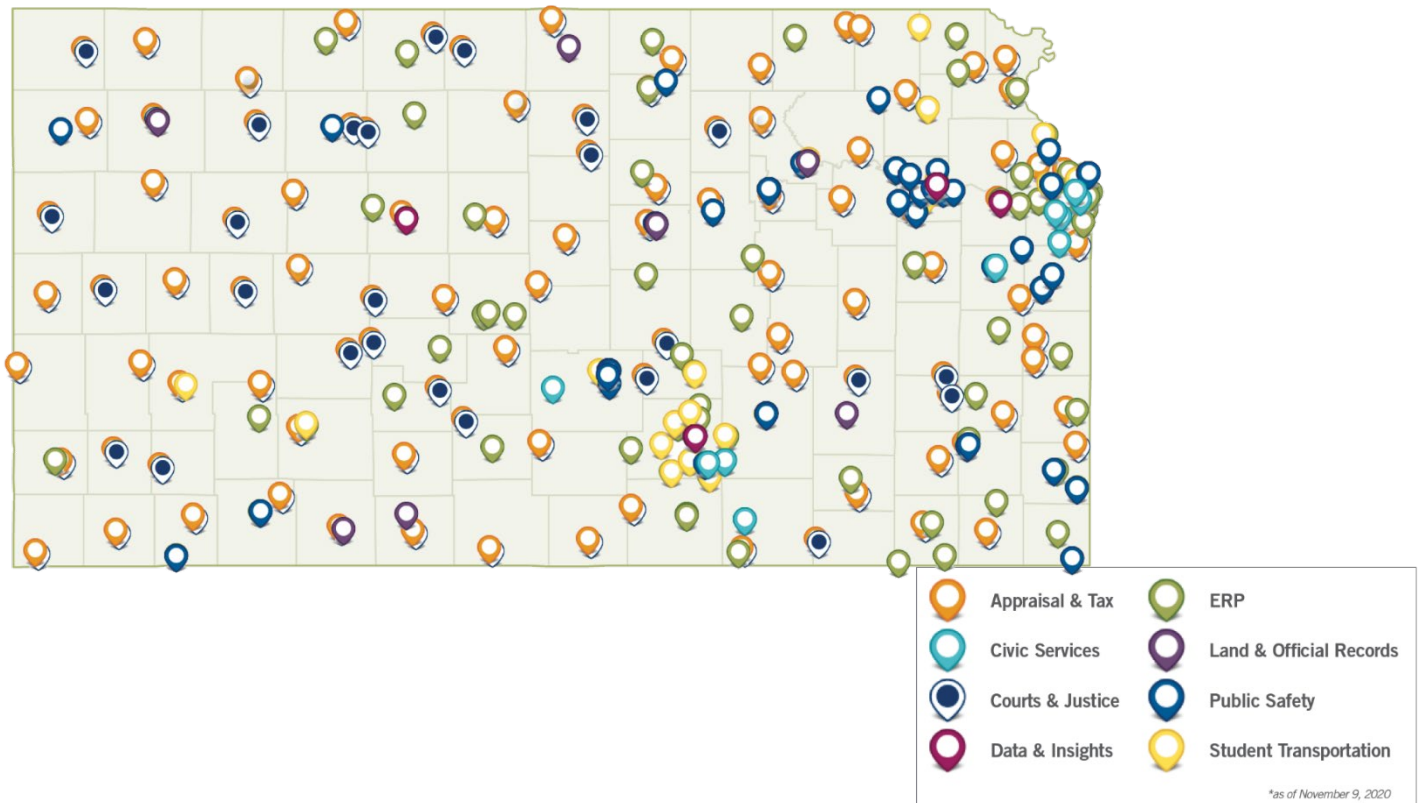
Please reference the most recent Annual Report included in the **Appendix**. Additional revenue information is also available at www.tylertech.com.

Company Experience

Tyler in Kansas

Tyler Technologies has a successful history of delivering high quality products and services to counties and state agencies in the state of Kansas. Over a decade ago, the property valuation division of the Kansas Department of Revenue (KDOR) pioneered the cloud deployment of the Assessment & Tax Pro product (formerly known as Orion) to about 90 counties in the state. The success of this implementation has led to other pioneering projects in the state such as the most recent adoption of Assessment Connect by KDOR which is the first statewide implementation of this modern data analysis tool. Beyond these implementations, individual counties have partnered with Tyler to deliver other products tightly integrated with Assessment & Tax Pro. Johnson and Douglas counties have adopted the Collections and Personal Property solutions to complement the Assessment & Tax Pro appraisal product. These counties leverage this powerful, unified solution to provide their constituents an elevated level of service. The Sedgwick County appraiser has also chosen Tyler products to improve efficiency and provide a higher level of service. The County is currently implementing the Field Mobile, a tablet driven product used for data collection in the field, used by multiple counties across the state. In addition to Field Mobile, the county recently purchased Tyler’s SmartFile application, which provide constituents an online portal to submit appeals electronically. Additionally, Tyler was recently awarded the “Recording Solution” for Reno County. They will be the first county in Kansas to offer web based eRecording and eCertify copies. Reno County is slated for installation later in 2023.

Tyler currently serves 260 clients in counties, cities, and state organizations across Kansas and is uniquely positioned to deliver all of the requirements of this RFP.



CONFIDENTIAL AND PROPRIETARY

References

Tyler is proud of our past projects, and we are pleased to offer the following references. We encourage the County to contact any of our references, including those listed below, or any of our other clients. Furthermore, we encourage the County to contact the clients of other vendors to determine their level of satisfaction. We are confident that our client satisfaction is unmatched in this industry.

Riverside County, California	
Contact Name	Melissa Garcia
Contact Title	Chief Deputy Recorder-County Clerk
Address	4080 Lemon Street, Suite 1, Riverside, CA 92501
Phone	951.486.7297 (office); 951.217.5091 (cell)
Email	Melissa.Garcia@asrclkrec.com
Summary	Tyler has been serving Riverside County since 2013 with its Recording solution and continues today. The County currently records over 933,005 documents annually and is eRecording in excess of 58%. Riverside currently uses gov to gov recording, our Web services, API, eCommerce solution and our eMarry solution from a kiosk environment in our office. Riverside County has created an integration with their Records Management recording solution and Aumentum for specialized workflows
Population	2,470,500

Oklahoma County, Oklahoma	
Contact Name	Kerrie Hudson
Contact Title	Chief Deputy
Address	320 Robert S. Kerr Avenue, Oklahoma City, OK 73102
Phone	405.713.7188
Email	Kerrie.Hudson@oklahomacounty.org
Summary	Oklahoma County was our 2022 TEA Award Winner for innovation for using our Records Management Solution. Please see detailed summary of services.
Population	804,000

Please see the following pages for additional information about how the Oklahoma County Clerk's Office uses the Tyler solution.



★ Oklahoma County Clerk's Office, Oklahoma

County Offers Constituents an Efficient, Modern, and User-Friendly Recording Experience

Challenges

When a new Oklahoma County Clerk was elected in 2016, a goal was set to bring the Clerk's Office into the 21st century. Unfortunately, their antiquated software system was preventing this goal from becoming a reality.

Filers who wanted to record documents electronically had to first enter a Memorandum of Understanding and an ACH payment disclaimer to submit documents and payments. This process was impractical for customers who didn't file frequently, they had to either mail a document or drive to downtown Oklahoma City to record the documents in person. A trip to the office also meant constituents had to pay for parking and go through security.

Staff also experienced several in-office challenges with the previous software. To access specific workflows, they had to open multiple apps to find information. And the indexing of documents required a significant amount of data entry and was time-consuming.

To address these challenges they needed a flexible, user-friendly, and fully integrated software solution that would allow for credit card payments to improve the overall experience for their staff and constituents.

...continued on back



Organization Profile

- Industry: County Government
- Location: Oklahoma City, Oklahoma
- Number of Employees: 42
- Population: 804,275
- Tyler Client Since: 2020
- Tyler solutions used: Records Management and Recording Access

“Our previous software had become outmoded. In addition to lacking user-friendly features which are more commonly available in state-of-the-art software, its limitations prevented us from being able to upgrade to the Windows 10 platform.”

— Kerrie Hudson

Director of Real Estate and UCC
Oklahoma County Clerk's Office

Solution

Oklahoma County was looking for a software solution that included:

- A workflow process for receipting, recording, and indexing
- A dashboard that would allow administrators to monitor a document through the workflow process
- The ability for constituents to record documents electronically and pay via credit card or electronic check
- An OCR option for indexing

The county chose Tyler's Records Management and Recording Access to modernize their office. The flexibility of the solutions allowed them to select the options that worked best for them. And it could accommodate constituents wishing to use the website portal to file documents electronically and pay via credit card or electronic check.

Results

With these new solutions in place, Oklahoma County has transformed the efficiency and productivity of their office. Constituents can now electronically submit documents for recording directly to the county using a web portal accessible anywhere with internet access. The process can be initiated 24/7, and the documents are recorded by staff during regular business hours. Staff can complete the process with less data entry and are able to access all the tools they need within a unified system.

In the first five weeks after they went live, 5,400 of the 14,000 electronic documents recorded were filed by constituents using Recording Access, a share they expect will only grow over time. Over 1,100 of those constituents used an electronic check or credit card and the remainder used ACH payments.

The county has also simplified their scanning and indexing processes with the software's intelligent indexing feature.

In Their Own Words:

"Tyler has bent over backwards to help us get everything that we needed for our use and needs. We've been very happy with Tyler."

– Letty Black, Real Estate/UCC Supervisor
Oklahoma County Clerk's Office

Lettie Black, Real Estate/UCC Supervisor of the Oklahoma County Clerk's Office, explains, "Before we had OCR, our indexers had to index specific items in say our collateral section, which we had lengthy collateral paragraphs, and they had to just pick certain items to type and index. With intelligent indexing now we can lasso the whole paragraph and attach it without worry of mistakes or hesitation."

The most populous county in Oklahoma is now a 21st century model of efficiency, accountability, and transparency.

.....

To learn more about Records Management and Recording Access, contact us at
recording@tylertech.com | 800.554.4434 | tylertech.com



Empowering people who serve the public®



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Anoka County, Minnesota	
Contact Name	Pam LeBlanc
Contact Title	Anoka County Property Records & Taxation
Address	2100 3 rd Avenue, Anoka, MN 55303
Phone	763.324.1119
Email	Pam.LeBlanc@co.anoka.mn.us
Summary	Through a competitive RFP process, Tyler was selected to provide its Records Management Solution and Its Enterprise Tax and Assessment solution. The County currently records over 75,000 documents and is eRecording in excess of 80%. The County leverages a powerful integration and workflows to share information between recording, tax, and assessment solutions.
Population	364,000

Testimonial from Anoka County

"Anoka County uses Tyler Technologies' integrated Enterprise Assessment & Tax and Enterprise Records Management solutions. They allow us to share information across all modules which eliminates the duplication or transfer of data elements across these systems and, in turn, creates efficiencies within our office and an improved customer service experience.

"Our systems, being combined, we can offer what we call one-stop service delivery. This allows us to assist customers, whether it be filing for homestead, paying their property tax, recording a document...

"Tyler's Records Public Access and Records Management solutions improves citizen access and services. The self-service, ease of use and user-friendly design have ensured an improved customer experience.

"Tyler's end-to-end solutions provided us an opportunity to make process improvements in many of our business areas. The assessment office has been able to reduce the amount of time it takes to complete the annual parcel review. This also has eliminated the need to print the field cards.

"And the ability to access and view recorded documents, property tax amounts, and valuation data from a central location has been a huge benefit and time-saver.

"Engaging with cloud solutions allows ease of access to information while working remote, in the office, or in the field."

-- Pam LeBlanc, Chief Officer of Property Records & Taxation, Anoka County, Minnesota

Project Staffing

Tyler actively seeks the best talent to help us develop, implement and support our solutions for our clients. Our staff consists of seasoned professionals with unique and proprietary skills, and years of industry experience, who are focused into dedicated departments. Our product expertise is strengthened by the fact that many of our employees have years of experience working at public sector agencies prior to joining Tyler. These professionals bring a unique perspective to Tyler's mission because they truly understand what our clients need to operate at their best. We recognize that our ability to hire the best candidates ultimately impacts our clients. We hire exceptional people who become part of the project team for the duration of the project.

Tyler recognizes the value of our employees. In support of them, we provide a stable work environment that fosters collaboration and teamwork, values integrity, and enables them to deliver outstanding service to our clients. Our relationship with our staff is one of mutual respect, leading to a high retention rate. In fact, our staff turnover rate is about half of the industry average. With the right balance of experience, technology and innovation to ensure satisfaction, Tyler empowers our clients with the expertise and tools they require to do business.

Tyler Project Team

Upon award of contract, Tyler Technologies assigns a Project Manager and quality project team to ensure your implementation success. In reviewing and understanding your goals and requirements, we provide an implementation team best suited to deliver services to achieve your needs. We believe this is an important step in the implementation process and appreciate your patience as we make arrangements for resources to be allocated to your project. Tyler staff perform services in a professional, workman-like manner, consistent with industry standards.

The included resumes are representative of the staff who will be assigned to this project.

CONFIDENTIAL AND PROPRIETARY***Don B., Sr. Director Product and Development***

Hire Date Employee since 2018

Summary Don oversees the priorities and direction of the Land and Vital Records product-line. He currently works with the development team and business analysts to guide the future of the products and meet the changing needs of the market. Don originally joined Tyler's Enterprise ERP (Enterprise Resource Planning) Division and transitioned to Property and Recording in late 2022. In his 25+ years partnering with Public Sector Agencies, he has helped lead teams and resources in implementation, support, product, sales, and development build long term, highly referenceable products, and relationships.

Previous Experience Business Analyst
Product Manager
Enterprise Sales
Solution Consultant
Project Management

Education University of Central Florida
University of Phoenix

Michele L., Sr. Manager Professional Services

Hire Date Employee since 2020

Summary Michele has over 20 years of experience working directly with professional services teams and clients to implement software solutions with over 18 of those years assisting public sector clients. For over 10 years Michele has managed implementation teams and currently oversees the Records Management and Assessment & Tax Plus Project Managers, Implementation Consultants, Technical Service Analysts, and Data Conversion Engineers who are all responsible for implementing new and existing client projects.

Work Experience Senior Implementation Manager
Senior Project Manager
Development Project Manager
Account Manager
Implementation Consultant

Education California State University, Chico – Business Administration

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Robert C., Manager – Conversion and Technical Services Records Management Products

Hire Date Employee since 2021

Summary Robert has over 20 years working with county and government agencies supporting the public sector and is currently responsible for technical teams reporting into Professional Services. He is responsible for the Data Conversion and Technical Services teams and is responsible for supervising staff and delegating tasks to ensure the completion of projects.

Work Experience Manager Data Conversions
 Manager of Technical Services
 Manager of Deployment Services
 Team Lead, Deployment Services and Support
 Developer
 System Administrator
 Quality Assurance – DevOPS

Education University of Phoenix

Larry M., Senior Project Manager

Hire Date Employee since 2022

Summary Larry manages recording projects from contract signing through transition to support, working with implementation consultants, technical services, development, and others as necessary to ensure projects remain on budget, in scope, and on time.

Previous Experience Senior Project Manager
 Director of Operations
 Deputy Recorder Wayne County Michigan
 Deputy Clerk/Recorder Oakland County MI

Education St Mary’s College – Accounting/Business

Reference Projects Managed 100+ projects, including Pima AZ, Los Alamos NM, Durham NC

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Ted K., Project Manager, PMP

Hire Date Employee since 2022

Summary Ted has over 30 years of experience working on Information Technology projects for private businesses, non-profit, and government organizations. Ted previously held the certification of Microsoft Certified Systems Engineer (MCSE) and holds the certification of Project Management Professional (PMP). He currently manages recording projects and works daily with clients and Tyler’s internal teams to manage tasks required to complete projects on time, on budget, and with the intended scope/quality.

Work Experience Project Manager
 IT Project Manager, SC Judicial Branch
 Project Management Consultant, BCBS of SC
 Enterprise Project Manager, SC DEW
 IT Director
 IT Manager
 IT Consultant
 System Engineer

Education University of South Carolina, B.S. in Business Administration

Maria B., Project Manager

Hire Date Employee since 2022

Summary Maria has 13 years of project management experience, owning all stages of the project lifecycle from inception through monitoring and closing to delivering projects on time and on budget. Maria has over 25 years of experience working software technology in technical services and professional services. Maria holds the certification of Project Management Professional (PMP) and Lean Six Sigma. Maria currently manages recording projects and works daily with clients and Tyler’s internal teams to manage tasks required to complete projects on time, on budget, and with the intended scope/quality.

Work Experience Senior Project Manager, Public Sector
 Test Manager
 Director, Technical Services & Hosting
 Director, International Services
 Operations Manager
 Product Support Manager
 Business and Continuity Manager

Education University of Bologna, B.S. in Business Administration

Reference Projects Managed 100+ projects, including State of Nevada, State of Texas, State of Alaska, Catron County, NM

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Ian S., Senior Manager Software Support Property & Recording

Hire Date Employee since March 2022

Summary Ian oversees Software Support for the Enterprise Records Management and Assessor & Treasurer Plus Teams in Property & Recording Division. Ian has over 19 years' experience in Software Support for the Public Sector. During his tenure with Tyler, Ian has revamped Support methodologies leading to a 25% reduction in overall Support Backlog and improved ticket response times and resolution times.

Previous Experience Manager of Technical Support for FileBound for Government & Education Division at Upland Software
 Director of Support Operations at Advanced Processing & Imaging, Inc where Ian oversaw Support, QA, and IT

Education Bachelor of Business Administration – University of Arizona

Darryl M., Manager Records Management Software Support

Hire Date Employee since 2021

Summary Darryl Manages the customer services efforts for the Records Management product line. Darryl has more than 30 years in customer service, software support and consulting.

Project Experience During Darryl’s tenure at Tyler, he was also Software Support Analyst.

Work Experience 2021-2022- Software Support Analyst
 2017-2020- Consultant/Business Systems Analyst
 2014-2016- Technical Consultant/Business Systems Analyst
 2000-2014- Senior Technical Consultant
 1999-2000- Support Manager (Financials)
 1997-1998- Software Support Supervisor (Financials and HR/Payroll)

Education Associate Degree Computing (Central Queensland University)
 Associate Degree Business - Accounting (Central Queensland University)

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Jordan B., Team Lead – Software Support

Hire Date Employee since 2013

Summary Jordan oversees the Software Support team. He provides leadership and direction to Support Representatives. He is also a primary contact for larger clients using the Records Management product. During his time with Tyler, Jordan has worked with several different products including Support for the Enterprise Justice product and Implementation for the Enterprise Community Development product.

Previous Experience Associate Software Support Specialist
Software Support Specialist
Implementation Consultant
Team Lead – Software Support

Education Bachelor of General Studies (Communication) – Texas Christian University

Joseph Wehrli, Enterprise Architecture Manager, Property and Recording

Date of Hire Employee since 2014

Summary Partners with Strategic Clients and Business Partners on Innovation Initiatives within Tyler’s Property and Recording Division. Responsible for functional and technical aspects in commercial products and enterprise architecture including predictive modeling, valuation technology, and GIS-intensive modules within Tyler. Drives strategic road map and business development of Tyler's flagship property recording, valuation, taxation, and revenue management SaaS offerings: Enterprise Assessment & Tax (iasWorld), Enterprise Records Management (Eagle)

Education Boston University: BA in Computer Science
Georgia Institute of Technology: MS in Computer Science

Work Experience Vision Government Solutions, Inc: Chief Technology Officer
ACS, A Xerox Company: Director - Tax Systems and Services
Sedgwick County KS Government – Consultant - Justice & Tax Programs
Accenture: Consultant/Manager – Knowledge Technologies (AI)

Technical Skills Business Process Integration, Enterprise Architecture, Cloud Technologies, Database Systems, Artificial Intelligence, Statistics, GIS, Software Engineering, Advanced Planning and Scheduling, and Optimization

Project Experience Recording/CAMA/Tax/Revenue Systems - Automated Valuation Methods & Financial/Tax Analytics: New York City NY, Boston MA, Washington DC, Cook County IL, Hennepin County MN, Bloomington MN, Knox County TN, Chatham County GA, Lake County IL, State of Michoacán MEX, City of Calgary, British Columbia Assessment Authority CAN
Supply Chain/Data Science - Planning, Optimization, AI & Machine Learning
Engines: Equilon Pipeline, Exxon Chemical, Koch Industries, Brooklyn Union Gas, Ohio Bureau of Worker’s Compensation, Conoco Oil

Solution Overview

Tyler's Enterprise Records Management, powered by Eagle, solution is more than just a product, it's a concept in document recording. It's not just about the features themselves—it's really about how those features are implemented that determine the overall benefits to your staff and patrons.

We've specifically developed feature-rich functionality based on our extensive domain experience, including more than 400 Clerk and Recording office implementations in 24 states. Quite simply, at Tyler, we know how to create, deliver, and support the types of solutions that don't just meet your needs, we exceed them.

Our state-of-the-art solutions turn even the most complicated tasks into streamlined, fast, efficient processes that will fit smoothly into your daily workflow, enabling you to get more done with less time, energy, and resources.

Software Highlights

Cashiering

Documents can be cashiered in batches or individually. Fees are automatically calculated based upon document type and number of pages, or other transaction type.

Payments

Payment can be applied, or the receipt can be parked for later processing. Payment types are user-defined and typically include cash, check, credit/draw-down, EFT/ACH, and credit card. Daily ACH processing can be automated, where billing statements are created, then funds pulled from the users account and deposited directly into the County's account.

Document Bar Code Labels and Receipt Printing

Receipts and bar code labels are printed automatically unless otherwise specified. Electronic validation can be used in conjunction with first page only bar code labeling or with cover pages.

Scanning & Bar Code Recognition

While scanning a large number of images, a barcode can be read during the scanning process to compare number of pages scanned to the number of pages receipted. Scan-first / Up-Front scanning processes are also supported and can be implemented on specific workstations (i.e., Front Counter).

eRecording

eRecording module easily integrates with any PRIA complaint eSubmitter. Tyler supports the state eRecording portals, as well as providing direct G2G (Government to Government) capabilities. Automated receipting for specific documents can also be implemented (i.e., Tax Collector liens, etc.).

OCR

Extract valuable, valid information, such as company names, people's names, related numbers, return addresses, and legal descriptions from recorded documents.

Indexing

Documents can be manually indexed or indexed with assistance from OCR Automated Indexing. Any information that is inputted during cashing can be linked to an index field, and automatically becomes part of the indexed data.

Redactions

Redactions can be applied manually or with assistance from OCR Automated Redaction.

Searching

Search capabilities allow your staff and the public to find information quickly within the database. Tyler's search capabilities are unparalleled and allow for users to view and retain multiple search results during their search session. Releases and other related documents are linked to the original documents in the search results.

Workflow & Workspace Management

A flexible workflow means that the proposed solution can be configured to fit your needs. You have the ability to automate, simplify, and direct the flow of documents through the County, which results in more efficient operations, better customer service, and consistent information in the hands of the people who need it. If you are unsure of your current needs, or desire a better workflow plan, our experienced implementation staff can guide you with best business practices based on our past experiences with Counties like yours.

Workspace Management

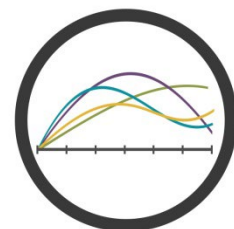
User Workspace configuration is client-defined. Users can be restricted to pre-defined templates for their workspaces, creating a controlled work environment. Multiple screens can be open, allowing users to easily switch from one task to another. Individual screens are displayed as tabs in the Workspace; however, they can also be undocked and used as stand-alone screens, perfect for dual monitors and power users.

Widgets

Work Stations are customized by including user-defined widgets in the space. Widgets can include system information, user notes, contact information, news feed, County information or many other types of data within the application.

Key Performance Indicators (KPI)

One of the strengths of role-based work stations is the ability to add configurable KPIs relevant to the user's work processes. Managers can quickly configure widgets to show key workflow metrics and user productivity statistics, which allows them to quickly reassign or readjust staff workflow priorities.



Drill-Down Functionality

All data used from the application to create Widgets include full capability to drill down into the data and jump to active processing screens directly from a workspace. Data is automatically updated each time the Widget is used. All Widgets in the application are fully interactive and allow users to customize queries, add/change column orders, groupings and more.

Scalability

Tyler's software solution can be sized and scaled according to the needs and demands of each client. Our knowledgeable team has been providing software for Counties like yours since 1978, and our Clerk and experts have completed hundreds of installations on Counties of all sizes. The architecture allows the software to expand exponentially to fit the needs of our customers and continue to grow along with them.

Tyler features dynamic built-in tools that provides our clients with the ability to define, capture, and manage site-specific processes, workflows, configurable forms, business rules, etc. Additionally, our experience has helped us to form best practices that we pass on to our clients. Our team is happy to help find the best configuration to fit your needs.

Audit Trail

The system automatically applies audit trails to each record that passes through the system. Audit trails maintain a record of system activity both by system and application processes and by user activity of systems and applications. Audit trails can assist in detecting security violations, performance problems, and errors during the workflow process. Audit trails can be used to review what occurred after an event, for periodic reviews, and for real-time analysis. Image Auditing allows for the restoration of images that have been deleted or over-scanned inadvertently.

Audit queries can be created from a centralized audit console within the software based upon specific criteria such as module, user, object, action performed and date range. Users can drill-down on detailed transaction views to supporting details. Audit logging features provide an audit footprint for each processing step, which includes user identification, date, and time.

Search Functionality

The ability to search and find information is paramount to clients – and to your clients, the public and other County offices. The solution provides an extremely powerful search engine with features that are available to your staff and the public. Security can be applied to specific search fields that limit information retrieval by certain users.

Document Search Screen

The search results can be displayed in several pre-defined formats and can include as many names as desired or a limited number to allow for more documents to show in the search results. The maximum number of search results returned can be managed by the system administrator. Typically, the search result set is limited to between 5,000 and 10,000 records for manageability. Users receive a message asking them to further define the search query when the search result set exceed the maximum number.

Exact Name or Boolean Searches

Exact name and “Boolean” searching are available. Boolean searches are Google-type searches – you can use quotes for exact names, + when searching for two grantor names on the same document, and “NOT” when searching for one name but excluding those records where it occurs on the same record with the “NOT” name i.e., Swiss NOT Twiss. This can drastically reduce the number of results, which gets you to the data you need faster.

Sort

The query result set can be sorted. The fields on which the data can be sorted are set by the System Administrator and typically include Instrument / File Number; Book/Page Number; Grantor Name; Grantee Name; Recorded Date; Subdivision, Lot, Book / Section, Township and Range; and Related Number.

Filters

Filters can be set to filter and customize a search to specific document types. When filters are used, a Filter On indicator will display on the Document Search Screen. Filters can be easily reset and reselected.

Search Results Screen

The information that displays on the Search Results Screen is defined by each client. A typical Search Result Screen will include Instrument / File Number, Date/Time of Recording, Document Type, Grantor and Grantee names, Related Number and Legal Description. Index entries can be selected using standard Windows conventions and the index and image information for the documents selected can be viewed.

Related Documents

Searchers can easily check to see if a document is related to another document as the related information is displayed on the search screen. For example, a Tax Lien is related to the Release of Tax Lien, which is filed at a later date, and vice versa. By clicking on the Related Number, both the original document and related document information and images can be accessed. Professional searchers find this feature especially useful.

Saved Searches

A query can be saved by a system user with proper security. Saved queries can be accessed and run from a Bookmarked Search View. For example, a saved search may include 10 different document types and a certain date ranges. Bookmarking and saving the search criteria makes it easy to run the search any time. Bookmarked Searches are often created for Oil and Gas researchers as well as other searchers with specific needs.

Reporting & Printing Forms

The system’s integrated Report Writer was used to create the library of reports that comes with the system. Unlike a third-party report writer solution that can potentially expose your data and images to security issues, our Report Writer is tightly integrated, providing the highest level of security for your data and images – and peace of mind for you. Additionally, the integrated report writer allows users to create their own user defined reports. Also included is an integrated Forms Printing Module which allows users

to print letters and data to County forms, either manually or through automated workflow processes. The Forms module also allows the printed forms to be saved as a secondary attachment to the associated record.

Integrated Report Writer

The Report Writer is included with all of Tyler's applications at no additional cost. Also included, is an extensive library of standard reports.

By including an integrated Report Writer with the proposed applications, you do not have to purchase, support, learn or manage third-party report writers, or deal with the additional security management that is required for third-party report writers.

The library of standard reports Includes Grantor, Grantee, Reception Book, Summary, Document Transactions, etc. Each report can be run on-demand or can be scheduled to run during off-peak hours. And, because these standard reports were created using the Report Writer, the Report Writer can be used to copy and modify any standard report to create a new report. This is a real time saver when only slight modifications to an existing report are needed for a new report.

In addition to modifying existing reports, you can use the Report Writer to create new reports. Report formatting features (font, font size, width of field, etc.) are all defined by the user as each new report is created.

The integrated Report Writer provides several print formats which are accessible from the search menus via a Quick Print option. These formats are: reception book format, grantor index format and grantee index format.

Recording Reports

These are some of the standard recording reports that are included with the system:

- Missing Names Report lists any key fields missing from the index, e.g., reception date, reception time, number of pages, document code, return address, grantor, grantee, and recording fee.
- Reception Book is the index of recorded documents for a user-specified date range. It can be run for all recorded document types, or a subset of document types (i.e., marriage licenses, liens, etc.). The data elements included on this report are: instrument / document number, book, page, recording fee, excise number, document type, return address, recording date and time, document date and legal description. The report is sorted by Instrument / Document Number.
- Document Summary summarizes the number of recordings, scans and fees collected, for a user-specified date range. Beginning and ending instrument numbers by date are listed with totals. This would be useful to calculate the number of recordings and fees collected within a user-specified period of time.
- Missing Scans Report displays the instrument number of recordings where the number of pages recorded is different from the number of pages scanned.
- Grantor Index is sorted in grantor order, and can be printed for all recordings, or for a user-specified book type. Printed on this report are: grantor, grantee, instrument number, book, page, reception date, reception time, lot, block, tract, section, township, range, and document type.

- Grantee Index is sorted in grantee order, and can be printed for all recordings, or for a user-specified book type. Printed on this report are: grantee, grantor, instrument number, book, page, reception date, reception time, lot, block, tract, section, township, range, and document type.

There are also standard reports that list the contents of all the user-defined tables, such as the document code table, subdivision table, etc.

Printing Reports from the Search Screen

There are several standard print formats to select from to print Search Results: reception book format, grantor index format and grantee index format. Reports can be printed on-demand or can be scheduled to print at a specific time.

User Defined Reports

Users can create their own ad hoc reports using the system's Report Designer functionality. One of the unique features of the system is the ability to create an "alias" of an existing report, then to change some of the new "aliased" report criteria.

Automated Attachment of Correspondence

Correspondence for non-returned marriage licenses, assumed name/business name renewals, and other correspondence can be generated through the Report Manager and emailed or printed for mailing to customers. Automated Attachment allows the correspondence to be automatically attached to the record that generated the specific correspondence. The attachment can be a public or staff-only secondary document. Automated Attachments are created in the Report Manager, and therefore can be scheduled to run and complete the generation of the correspondence or emails with little to no staff involvement.

Forms Module

Tyler supports the creation of a multitude of County forms. Forms may include comment Document Rejection Letters, Refund Letters, No Record Found Letters, etc. County specific Marriage License applications and certificates, Assumed Name/Fictitious Business Name reminder letters, etc., can be quickly and easily implemented.

Standard OCR

Most standard, legible information can be retrieved from a scanned document. The system uses a series of data recognition and processing techniques, as well as information identification rules to extract relevant data. Site specific data and indexing rules are customized for each specific client.

Automated Indexing (AI) includes tools for manual OCR – using the mouse for roping text, allowing the AI tool to extract the relevant data. During manual indexing, the OCR mode can be activated and will remain active during the indexing session.

Automated Redaction functionality identifies and applies redaction to formatted Social Security Numbers, Bank Numbers, Federal Identification Numbers, and other confidential data that can be identified by the OCR engine.

OCR AI increases the productivity of your indexing staff by pre-filling index fields with the data extracted and processed during OCR. This process is completely transparent to the staff. Once the documents are processed, they appear in the Indexing/Data Entry workflow queue. The image and index information is presented side-by-side for the indexer to review. Changes and additions can be made as needed. At the point when your staff is reviewing the document, much of the indexing has already been done automatically.

The Name Learning Algorithm

The OCR engine uses a number of learning algorithms to refine its name libraries. The system's ability to extract correct information is entirely dependent upon the name libraries and indexing rules it runs against. The logic behind Tyler's OCR consists of extraction, naming, parsing and data transformational rules (such as automatically transforming "Bostonian CU" into "Bostonian Credit Union" to match local indexing rules). The system tracks the data that is automatically indexed, as well as the changes that are made by the staff. Using this information, the system can suggest changes that improve the integrity of the name libraries. Tyler staff will review these suggestions and implement changes by adding and removing names that increase the accuracy of Automated Indexing.

Auditing

OCR makes use of the auditing utilities to track data that is automatically indexed, to track changes made to that data, and to track new data that is indexed manually. The information in the audit logs helps us to fine-tune the system and to identify areas for future development. As a result, our OCR applications are constantly improving.

Indexing

The system allows the creation of indexing and verification workflow that best meets the needs and requirements of your office. Re-key and sight verification are supported - you decide what works best for your office and your documents.

Some index fields are system-generated during the cashiering process. These include: Type of Document; Instrument / File Number; Number of Pages; and Recording Fee. Other information, such as Recording Request By and/or Return Address can be input at the time of cashiering or later, during indexing. If the data has been entered at the cashiering process, it does not ever need to be entered again.

Data Entry

There are two methods for entering information into the index: keyboarding and via the Automated Indexing functionality. Tyler supports indexing via keyboarding and keyboarding shortcuts. Tabbing order can be controlled by the location of the index fields. User defined short-cut keystrokes can quickly move the user from one index field to another.

Codes

Name codes can include commonly used grantor and grantee names, e.g., WMS = WASHINGTON MUTAL SAVINGS. Enter a code and then Tab - the name will automatically be inserted into that index field. Return address codes include commonly used return addresses, e.g., WSB = WASHINGTON STATE BANK, 10101 WEST DENVER BLVD, 3RD FLOOR, SPOKANE, WA 90909.

Table Lookups

Table lookups can be applied to any field. Typical table lookup fields are subdivision name; commonly used names (grantor, grantee fields); state, country; document rejection reasons; void reasons; return addresses; as well as many more.

Required fields

Any field can be designated as a required field whether on the indexing, verification, or cashiering screens.

Conditional fields

Conditional fields are supported. Additional field(s) can be displayed, and these fields can also be required when a certain condition is met.

User-Defined Macros

System users can create their own indexing and verification field macros. The number of system-defined indexing and verification macros is limited only by the number of keys on the keyboard.

Data Auditing

Errors, omissions, and corrections can be tracked, whether using sight or re-key verification. The system includes an Audit Document applet that allows an authorized user to view the index history in a visual fashion. The previous index information is displayed on the left side of the screen; and changes, additions or deletions are displayed on the right side of the screen. This allows the supervisor to quickly determine what errors an indexer is making. This is especially useful when working with new employees. Changes, additions, and deletions are all shown in a distinct color, so the differences are easily seen.

Image Auditing

Image changes can be tracked, whether the change is the deletion of a page or the entire image; or the rescanning of the image. In addition to tracking the image change, an option exists to allow the retention of the previous image. This allows for the recovery of the previous image when an inadvertent change has occurred.

Imaging & Tools

The scanning and imaging functionality is provided by an integrated imaging engine that was designed and created by Tyler, specifically for the Enterprise Records Management solutions product line. And, because it is a Tyler solution, it is supported by the same group that supports all of your applications and modules.

Document scanning can be implemented at any desired point in your workflow. The system doesn't dictate procedure – you do! You can define whatever workflows you need to support the efforts of your office and the way you conduct your business. In order to minimize document handling, take advantage of OCR, and promote indexing from the document image, we recommend that scanning occur prior to data entry.

Scan-First and Up-Front scanning are both supported, as well as batch scanning. Scan-First and Up-Front scanning allow Counties to scan and return over-the-counter documents, thereby reducing your postage costs, increasing staff efficiency, and enhancing customer satisfaction.

Scan-First

Scan-First can also be implemented for over-the-counter transactions. The primary difference is that the document(s) is scanned first, then the Cashier selects the pages of each document, and the receipt is created based on the number of documents selected. Similar to an eRecorded document, an electronic recording label is applied to the scanned image and a copy of the recorded image is sent to the customer. The physical document can be handed back to the customer. If the County desires, a physical recording label can be applied to the physical document that is handed back.

Up-Front Scanning

Up-Front Scanning is typically implemented for over-the-counter transactions and can be configured by the workstation. The scanning screen automatically appears after the document(s) is receipted; the Cashier is prompted to apply a recording label and to scan the document(s). After the document(s) is scanned, the scanning screen verifies that all pages receipted have been scanned; if a discrepancy occurs in the number of pages scanned, the Cashier is notified and can fix the issue. Additionally, the Cashier can quickly review all the pages of the document prior to handing it back to the customer.

Batch Scanning

Batch scanning processes are typically implemented for large batches of documents, such as title company drop-offs, mail, or other large volumes of paper documents. Batch scanning allows the scanner to scan the documents quickly and efficiently, while highlighting any discrepancies in the number of pages scanned, as well as providing automated image quality control tools.

Bar Code Labels & Validation Labels

The system can be configured to produce and process first page bar code labels, cover pages or multiple page bar code labels. Electronic labels can be applied to in place of bar code labels, or in combination with first page bar code labels. Both labels and electronic labels are user defined and can include the client's name, instrument / file number, recording date and time, fees, document type, etc.

Image Quality Control

The system includes a utility for image quality control which allows staff to review each page of the document image. QC can happen while scanning, or as a planned workflow step that occurs later in the process. Each page of the document appears on the screen, along with a visual indication of a successful scan or an error, such as two pages recognized – only one page receipted. Errors must be corrected, or the error message be overridden, before the document can be processed and released to the next step in the workflow.

Electronic Annotations

Electronic annotations can be applied to images at any step of the process. Annotations are an overlay and do not alter the original image. For example, if a redaction annotation is applied to a Social Security Number or a bank account number, the redaction annotation does not affect the original image. A user

with proper security can view the redacted information and print an un-redacted copy of the image. A public user (or other person without proper security) cannot view the redacted information and cannot print an un-redacted copy.

Manual Redaction

Authorized staff can manually redact confidential information using the annotation tool for redaction. Manual redactions can be applied on new or existing images. This capability is available in the basic OCR toolset included in the system.

Automated Redaction

The automated identification and redaction of sensitive information is achieved through the capabilities of the advanced OCR module for Automated Redaction. Based upon pre-defined and configured business rules, the system can automatically identify and apply redaction to formatted Social Security Numbers and other confidential data that can be identified by the OCR engine.

Cashiering

Documents can be cashiered in batches or individually. Fees are automatically calculated based upon document type and number of pages, or other transaction type. Fees such as transfer tax, documentary fee, oversize page, number of names, etc., are easily configured. Other required information can be input, as well, including parcel numbers, excise tax numbers for transfer deeds, recording requested by name, etc. Receipting is quick and easy through the pre-configured drop-down lists of products and pre-configured fee schedules that are associated with each product.

Receipting

The Receipting module supports documents, applications, copies, and other miscellaneous products. If a fee can be calculated, it can be created in the solution's financial fee system. Documents and other products can be added, deleted, the sequence changed, etc., until the cashier processes the payment, or parks the receipt to be processed later. The order in which the documents are recorded can be changed. All information entered in at the time of receipting is available later throughout the application. Additionally, receipting supports copying products. For example, with a group of 50 city tax liens, the first lien can be receipted, and the city's name is entered as the grantee; then the cashier can quickly select "copy" and input "49" additional liens. All 50 liens appear on the receipt, and all will have the city's name as the grantee.

Payments

After documents have been cashiered, a payment can be applied, or the receipt can be parked for deferred processing. Tender types are user-defined, and typically include cash, check, EFT, on-account, and credit card. Multiple tender types can be applied to a single receipt. Combined tender types can also be defined (e.g., cash and check). Additionally, the system can handle overages and shortages, and maximum amounts for those can be set, as well. Supervisors can override the payment amount, when necessary, as in a no-charge document. A reason for the override can be a required entry. Once the receipt balance has been paid in full, the documents are officially recorded. Each document is automatically assigned a sequential Instrument Number, book/page number (if used), and recording date and time.

Receipt Corrections

Auditors will appreciate how the system complies with Generally Accepted Accounting Practices (GAAP) when Receipt Corrections and Voids happen. Using a receipt correction wizard, authorized staff can add or delete pages, correct other fees, etc., simply by calling up the original receipt and making the adjustment; then applying an appropriate payment or journal transaction. Receipts can also be voided and reissued. In this instance, the voided receipt and new receipt are linked for auditing purposes.

A receipt can be corrected more than once, if needed. Standard financial reports allow management to track the number of voids, the user creating the void, as well as the reason for the void. The system can require supervisory approval for the change and also require that a reason for the change or void.

Balancing Tills

Tills can be assigned to specific staff or shared. At till closing, a Balance Till process is run. This process requires the cashier to enter the totals for each tender type used. These totals will be compared to the system calculated totals and any discrepancies will appear as an Over/Short amount. Discrepancies are handled according to the County's current processes.

Bank Deposit Reports

After all tills have been balanced, a Bank Deposit Summary report is run. This report summarizes all of the funds being deposited with the County's bank or at the Treasurer's Office (cash, checks, money orders, etc.).

Account Summary Report

Also, at end of day, an Account Summary report is produced. This report includes all of the sales / transactions for the day, including those not listed on the Bank Deposit report, such as charges, EFTs, and journal transactions.

Over / Short Account

If the County allows it, an overage / shortage account can be created. The system administrator selects the amount that the user is allowed to be over or short per transaction. Funds are automatically added to (overage) or withdrawn (shortage) from this account. Reports will show the date of the overage/shortage, the amount, the tender type, and the user.

Receipt Reports

A variety of receipting and balancing reports are available. Here are some examples:

- Account Totals
- Other Payments
- Workstation Balance
- Bank Deposit
- Bank Deposit Summary
- Check Register
- Credit Card Transactions
- Journal Summary

- Product Sales
- Receipt Report

Reports can be run on-demand, or schedule to run at a specified time.

Printing or emailing Receipts

Receipts can be printed automatically, or on demand, and in detail or summary form. Receipts can be printed to any Windows compatible laser printer or to a receipt printer that has been certified by Tyler to work with the system. Receipts can also be emailed instead of or in addition to printing the receipt. Frequent users can have their receipts automatically emailed to them, so that they always have a record of each transaction.

Customer Statements

Charge and pre-pay accounts are supported. Customer statements can be automated and mailed or emailed on a daily, weekly, or monthly basis. Cashiers see the account balance in real-time whenever they apply a charge/pre-pay account payment. The system is designed so that a transaction cannot be completed if the account lacks sufficient funds (pre-pay) or has exceeded its credit limit (charge).

Automated ACH Processing Wizard

An automated ACH Processing Wizard complements the charge accounts. Clients can implement the Automated ACH Process with any account where payment is received electronically (electronic fund transfer or EFT). The ACH Process Wizard allows staff to quickly create all the ACH account statement reports in electronic form, review them, and email the statements. When desired, an ACH file is created and can be sent to the County's financial institution. The County financial institution will process the ACH file and will automatically pull funds from the ACH accounts and deposit those in the County's accounts.

Mailback

After verification, documents are sent to the Mail Back workflow queue. To reduce postage, documents with the same return address are grouped together. Documents can be marked as returned, leaving a permanent record of when the document was mailed back. Over-the-counter documents that are returned immediately after receipting via Up-Front or Scan-First processes automatically receive the same return date as the recording date.

Sharing

Data and Image Imports

An image import utility is available for importing historical images. Workflow can be assigned to the images during the import process, allowing staff to manage the historical records.

In addition to the image import utility, a Vital Records Upload utility is also available. The Vital Records Upload utility allows for birth and death records generated by the state to be quickly uploaded. The utility supports uploading data and images in electronic or paper format. Staff can quickly configure the utility to map the state textual file to the appropriate field for the birth or death record. Staff can review the upload and make changes to the data or images as needed prior to finalizing and processing the upload.

County specific numbers can be generated automatically as part of the upload process, or staff can input the numbers manually.

Data and Image Extracts

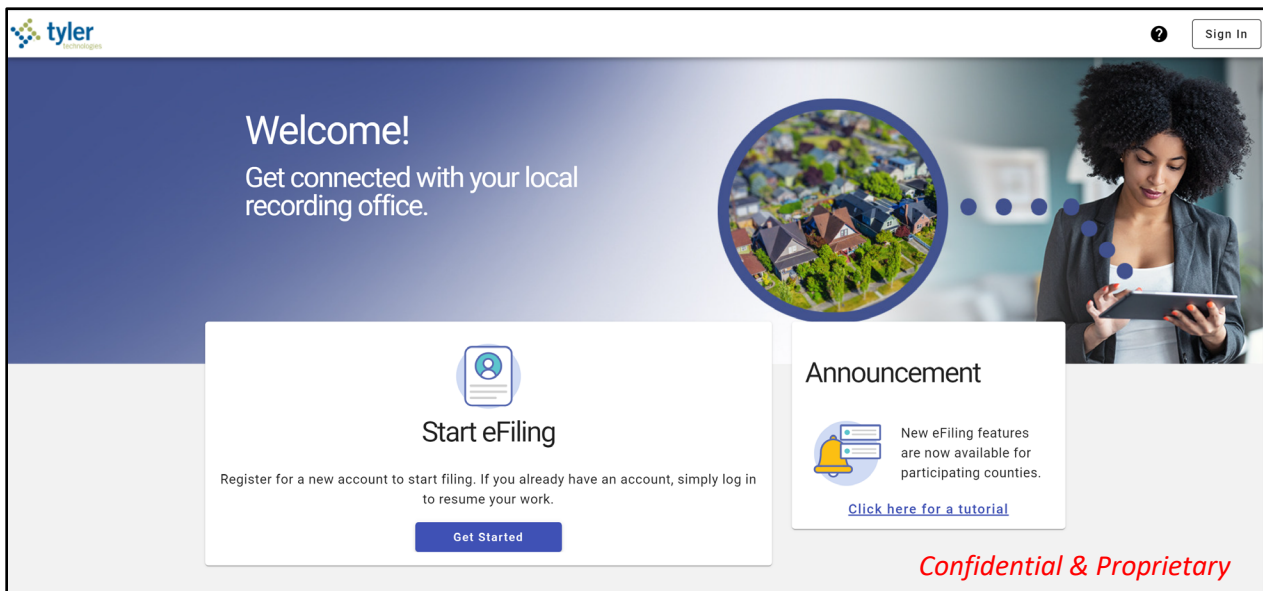
A data and image extract utility allows staff to quickly share records with other agencies, title companies or the public. Data can be extracted in .csv or text files. Images can be extracted as PDF or .TIF files. Extracts can be scheduled to run without staff intervention. Extracts can be written to disk, portable hard drives or directly to an FTP server. The extract utility is integrated in with the Cashiering functionality, which allows for the automatic generation of a receipt based on the number of records extracted or the number of images extracted, for those localities that charge for furnishing the data and images.

Document Web Services

Document Web Services provides a maintainable interface that allows third-party systems to query the Record database in a safe and secure manner. The Document Web Services uses standard Web Services conventions (SOAP) and is a well-documented interface. The Web Services allow for Assessor, GIS systems and others to query in real-time for records or images.

Recording Access

To complement the County's eRecording process as it stands today with third party e-submission companies, Tyler is offering our Recording Access web portal. Recording Access allows your constituents to submit documents electronically directly to the County using a web portal accessible anywhere with internet access. Your staff then can review and either accept or reject the recording following the same principles as the recording of paper documents. The purpose of this portal is to assist the County in increasing your eRecording volume and identifying low volume submitters who don't record enough to warrant eRecording through other third-party e-submission companies. This portal is perfect for the low volume submitter and can help the County become more modernized.



tyler technologies

Sign In

Welcome!
Get connected with your local recording office.

Start eFiling
Register for a new account to start filing. If you already have an account, simply log in to resume your work.
[Get Started](#)

Announcement
New eFiling features are now available for participating counties.
[Click here for a tutorial](#)

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Records Public Access

Tyler's Records Public Access is an online platform that provides the public with access to your County's land and official records. Members of the public can search, download, and retrieve official and unofficial copies of documents ranging from property deeds to birth certificates to marriage licenses. Records Public Access helps counties improve public access while reducing the burden on their staff.

Whether on desktop, laptop, tablet or smartphone, the responsive design of Records Public Access ensures that every transaction and search runs optimally from any device. More than a website, Records Public Access is a powerful platform that provides intuitive navigation similar to popular consumer websites. From submitting forms electronically to monitoring existing accounts, Enterprise Records Management gives users the ability to take control of their own documentation needs whether they are seeking official or unofficial records.

The search function of Records Public Access is highly advanced and includes an intuitive auto-suggestion feature to help users find what they need more quickly. Users can select multiple options directly from search, including "contains all" and "contains only" parameters so customers can locate documents quickly and easily. They can filter on Grantor/Grantee, dates, and document types, for example. For frequent users, the account history remembers documents purchased previously and provides hyperlinks to those documents for faster access, similar to how popular consumer websites remember order histories and preferences.

The screenshot displays the Tyler County Eagle Recorder Self Service portal. The header includes the Tyler County logo and navigation icons for Log in, Language, Home, and cart. The main content area is divided into several sections:

- Welcome!**: Provides contact information for the Tyler County Clerk/Recorder Office (1627 Cole Blvd #300, Lakewood, CO 80401, (720) 497-8158) and a link to a MAP. It also includes a brief introduction to the Self Service portal and a 'What's New!' section with a link to see updates.
- Official Records Search and Copies**: Offers a search function for land records and a request for copies and certified documents.
- Assumed Name/DBA Applications**: Allows users to search, apply to file, or abandon assumed business names.
- Recording Access**: Provides a submission point for documents for electronic recording.
- Fraud Guard**: A security feature to protect identity and prevent fraudulent document recordings.
- Historical Index Search**: Enables viewing of older records from 1885 to 1946.

The footer of the portal includes the text "Confidential & Proprietary" and a copyright notice: "© Copyright 2014-2022 Tyler Technologies | Version 2022.1.0".

Fraud Notify

You can proactively monitor land records and other documents to alert your citizens of possible fraud with Fraud Notify. Property and mortgage fraud is reportedly the fastest growing white-collar crime in the United States.

This Web-based tool actively monitors and notifies participating citizens by email when any land document is recorded in a specific individual's or business name. Email notifications include a link to the index and a link to the scanned document image on the <<ClientShort>>'s web site. Public non-real estate records like marriage applications and assumed name/business name filings may also be monitored.

Experience the following benefits:

- Early warning system alerts your citizens automatically
- 'Set and Forget' Maintenance while Fraud Notify runs in your system background
- Document imaging enables viewing the original document in question
- Multiple Documents Supported including land records, marriage applications, and other County public records

Subscribe to Fraud Guard Alerts

Welcome to Self Service Fraud Guard!

We have moved to an updated version of Fraud Guard. In order to view/edit your existing alerts, please "Sign Up" with your previous email to retrieve your alerts.

Fraud Guard is a simple way to help you prevent from being the victim of property fraud. Register your name and when a document is recorded with your name on it you will be notified via email. This gives you early warning of property fraud being committed in your name.

To change your alerts or unsubscribe enter your email address that you have already signed up with.

Once you have signed up a confirmation email will be sent to your email address.

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Sign Up
Login

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Users will have the option to register alerts by individual name, business name, or optional parcel number, if indexed.

Our solution works on multiple parameters where some solutions only rely on one. Our email notification also provides a link to the instrument directing the citizen to be able to view the document. This

notification is a much stronger solution than a simple pre-recorded description that an event has occurred on your registered property.

Fraud Guard

Note: Alerts are not saved until you click "Save"

Individual Name Tips:
Enter your full last name and the first three letters of your first name.
For hyphenated last names, enter each last name as a separate name search.
To see the frequency of notifications you will receive, enter your name (last first) into the search field for both names on the search page.

Business Name Tips:
Enter the first part of your business name.
Do not enter punctuation.
To see the frequency of notifications you will receive, enter your business name into the search field for both names on the search page.

To Unsubscribe remove all added alerts and click "Save"

Add Fraud Guard Alerts

Individual

- Individual
- Business
- Assessor Parcel Number

+ Refine my Alert

Alert Added

My Alerts

Individuals

SMITH STEVE

Business

TYLER TECHNOLOGIES

Assessor Parcel Number

123456789

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A. Project Requirements

Successful proposals should offer solutions for items listed below.

Mandatory Project Requirements

- *Customizable permissions and security for internal and external users*
 - *Internal: 138*

The application has the ability to support an unlimited number of end users with very end user permissions and rights. The Q & A provided by the County has indicated that 30 end users will need more robust capabilities or full users rights. Based upon our tiered security, the actual number of licensed end users may vary. We have flexibility in how our end user licenses are deployed and allocated. The proper configuration may reduce the overall financial structure of this project.

- *External (View Only Access): 1,016*

Security permissions are applied to ensure search results and viewing capabilities are appropriate for various user roles including Clerks, Supervisors, Managers, and the Public etc. The Enterprise Records Management product line was developed with an extremely robust security and authentication system. Security can be enforced at the field level, document level (index or image), and by function. Security is applied to groups (roles) and to individual users. Permissions allow or limit what each group (role) can do. Resource security can be applied at the field level to documents, index/data fields, images and functions.

- *Intuitive user interface with integrated messaging, autocomplete fields, spell check, and word wrap capabilities to provide for a positive user experience*

The solution comes equipped with integrated messaging, autocompleted fields, short cuts, spell check, and word wrap capabilities.

- *The user interface must scale well to remain usable and readable at varying screen resolutions, DPIs, and scaling settings.*

Acknowledged and supported by Tyler's solution.

- *Integrated workflow for data entry, verification, indexing, correction, and finalization of records including time stamp, preview screen, and immediate access to records upon completion of record entry*

Enterprise Records Management has a flexible workflow solution for document management, status tracking and auditing, which means the system can be configured to fit your needs. You have the ability to automate, simplify, and direct the flow of documents through the County, which results in more efficient operations, better customer service, and consistent information in the hands of the people who need it.

- *Ability to assign specific types of documents to users*

Acknowledged and supported by Tyler's solution.

- *Ability to restrict who can verify documents and prevent same user from verifying documents they have indexed*

Acknowledged and supported by Tyler's solution. The solution has the ability to restrict who can verify documents and will prevent the same user from verifying documents they have indexed.

- *Indexing process should maintain sequential order and prevent multiple employees from pulling the same document from the queue*

Acknowledged and supported by Tyler's solution. The solution ensures the maintenance of sequential order and prevents employees from pulling and working on the same document.

- *Simultaneous record viewing by multiple users within the same receipt*

Acknowledged and supported by Tyler's solution.

- *Ability to perform basic image manipulation such as adjusting brightness, rotating, add/delete pages, etc.*

Acknowledged and supported by Tyler's solution; the system comes with built-in imaging tools.

- *Prefer built in OCR capabilities*

Users can take advantage of out built in OCR capabilities within the system that include clickable and ropable OCR tools to index any information straight off the documents image. We have additional OCR capabilities for more complex data extraction needs.

- *Customizable workflows allowing documents to be handled in the same manner regardless if received in person, by mail, or online via eRecord capabilities*

Workflow is customizable and the system allows documents to be handled in the same manner regardless if received in person, by mail, or online via eRecord capabilities.

- *Internal eRecording portal for inter-governmental entities*

Enterprise Records Management has the ability to eRecord with other government agencies. Agencies can be setup as eRecording submitters or as G2G agencies. The solution's G2G (Government to Government) feature automates the recording process between government agencies. This process is identical to eRecording in almost every phase. Packages are received by a government agency and can be reviewed, accepted, and recorded in automated fashion. Because this process mirrors almost every function of the eRecording processes, G2G recording is managed through the integrated eRecording Management Screen. Optional Automated Receipting with G2G functionality automates the entire recording process with limited or no staff involvement. Packages can be received, receipted, recorded, and returned to the submitter in seconds.

- *Ability to work with outside vendors such as Simplifile, Mobilis Technologies and CSC eRecording to upload digital images for recording*

Tyler's eRecording feature makes electronic recording or rejecting documents an efficient, simple process for users. An eRecording queue will be configured to make e-recording submissions visible and accessible to all intake users. Enterprise Records Management works with vendors to deliver packages with documents and related documents in the correct format. Images are paired with the package information and any index data the County elects to allow the submitter to populate. Users assign new packages to their Task List to approve or reject the batch. Users with the appropriate permissions can reassign these

tasks. Visible fields for reviewing electronic documents include all pages, filing fees for each document, number of documents in a package, and document type. An electronic stamp is automatically applied on e-recordings from the Records Management system. Users have flexibility and control over the electronic recording ranging from adjusting the stamp location and size to how the fee calculates before the receipt is submitted.

To complement the County's eRecording process as it stands today with third party e-submission companies, Tyler is offering our Recording Access web portal. Recording Access allows your constituents to submit documents electronically directly to your County using a web portal accessible anywhere with internet access. Your staff then can review and either accept or reject the recording following the same principles as the recording of paper documents. The purpose of this portal is to assist the County in increasing their E-Recording volume and identifying low volume submitters that don't record enough to warrant E-Recording through other third-party e-submission companies. This portal is perfect for the low volume submitter and can help the County become more electronic.

- *Ability to print labels that include a barcode and Register's signature in order to scan physical documents into the RMS*

Enterprise Records Management creates a barcode for all new recordings and can be placed on a label. The barcode label is configurable and can include the register's signature and also can populate information from the document, including the system generated document number.

- *Cashiering that includes the ability to take cash, check, credit card, escrow account, journal entry and ACH transactions; correct errors; manage customer accounts; and allow payers to print receipts online or receive receipts through email*

Tyler's solution comes equipped with the ability to take cash, check, credit card, escrow account, journal entry and ACH transactions. It provides a Generally Accepted Accounting Principles (GAAP) Compliant Accounting Module that allows for tracking and exporting financial transactions via delimited flat files. The application also allows for correcting errors, managing customer accounts, and allows payors to receive receipts through email.

- *Vendor must be able to work with the County's payment processing provider, Municipal Services Bureau, MSB, for web-based payments, terminal payments, and batch payments.*

Tyler has multiple options for your consideration. The solution can be configured to work with MSB as well as other solutions, such as our own Tyler Payments.

- *Robust reporting -Flexible input/output and ad hoc reporting*

Enterprise Records Management offers over 100 standard reports. The County has the ability to create their own user-defined reports through the integrated Report Writer; additionally, Tyler support staff can assist the county with most report requests. On occasion, the client may require a custom report to be created, but this is limited, due to the number of standard, comprehensive reports provided. In those cases, Tyler will review the requirements and provide a cost to build the report.

Reports have flexible input/output capabilities and come equipped with the capability to be scheduled to run at the county's desired time or ran manually at any time.

To complement Tyler's internal reporting tool, Tyler Hub is a powerful platform that improves the efficiency of users across Tyler applications. By connecting powerful and diverse data sources, Tyler Hub enables you to monitor key processes, quickly execute routine tasks, and eliminate time-consuming data searches. Tyler Hub is built on a series of preconfigured cards designed to visualize standard sets of data for various job functions and tasks. Cards are used to build pages that offer insight into staff productivity, outstanding tasks, office statistics, and more. Users have the option to adjust the data as needed and specify how it is presented — or simply use the cards as they are. A Tyler Hub page can be assembled to focus on a specific process, such as recording or marriage, or can be configured to reach across Tyler solutions to combine cards from finance and the recording office. A page can combine data analytics, reporting, and task functions, and users can add or modify pages to their platform stack as their job functions evolve. Real-time data analytics and active links give Tyler Hub users an advantage. Instead of taking the time to open multiple programs to find data, Tyler Hub centralizes the data you need and makes it instantly accessible — quickly click on line items to access transactional details, locate a site on a map, or approve or reject a transaction. By having everything visible and accessible, users have more time to analyze their data rather than searching for it.

Features include the following.

- Out-of-the-box standard content packs with the options to personalize as needed
- Real-time data with active links to process tools
- HTML5 browser compatibility
- Widespread Excel® integration
- Easily configurable content
- Combined content connections
- Embedded reporting
- Built-in migration for dashboard users
 - *Timekeeping report that details how long employees spend working in each record*

We have the ability to track operational efficiency through our Tyler Hub solution.

- *Batch process capabilities*
 - *Ability to block document numbers for future title company batches*

Enterprise Records Management currently does not support this, we look forward to further discussion about this requirement and the business need. Tyler's best practice is to not block numbers to keep the integrity to race to record. A further understand of the specific business need is required to understand any potential under lining issues or the specific reason this process is required.

- *Intuitive and user-friendly public access capabilities*

Tyler's Records Public Access web portal is an online platform that provides the public with access to your county's records. Members of the public and business users can search, download, and retrieve official and unofficial copies. Records Public Access helps counties improve the public's ability to access records while reducing the burden on their staff.

Whether on desktop, laptop, tablet or smartphone, responsive design ensures that every transaction and search runs optimally from any device. More than a website, Records Public Access is a powerful platform that provides intuitive navigation similar to popular consumer websites. Tyler gives users the ability to

take control of their own documentation needs. The system can be configured for “Free” or “Fee” based applications.

The search function of Records Public Access is highly advanced and includes an intuitive auto-suggestion feature to help users find what they need more quickly. Users can select multiple options directly from search, including “contains all” and “contains only” parameters so customers can locate documents quickly and easily. They can filter on Grantor/Grantee, dates, and document types, for example. For frequent users, the account history remembers documents purchased previously and provides hyperlinks to those documents for faster access, similar to how popular consumer websites remember order histories and preferences.

- *Prefer the ability to provide digital certified copies of documents via email or instantly through online purchase*

Records Public Access comes with the ability to provide digital certified copies of documents via email through online purchasing.

- *Watermark designating uncertified copies*

Records Public Access comes with robust security and provides the ability to add a watermark designating uncertified copies

- *Auditing capabilities*
 - *Tracking of skills per individual to tabulate how quickly an employee is performing work in order to provide feedback to staff*

The system does track metrics of user productivity and tasks completed in a time period for feedback.

- *Tracking of customer interactions and purchases*

All purchases made by customer are tracked and kept record of for reporting.

- *Addendum-based corrections/audit trail*

The system audits all changes to instruments and configuration. Configuration changes are saved to a logging system. All instrument activity is logged and kept in perpetuity. Logging is based on the County’s settings.

- *Property fraud alert capabilities*

The County can proactively monitor land records and other documents and alert county citizens of possible fraud with the Fraud Notify functionality. This web-based tool actively monitors and notifies participating citizens by email when any land document is recorded in a specific individual’s name, business name, or parcel number (if indexed). Email notifications include a link to the index and a link to the scanned document image on the County’s Records Public Access Web site.

Benefits include the following.

- Early warning system alerts your citizens automatically
- “Set and Forget” Maintenance while Fraud Notify runs in your system background
- Seamless integration with Records Management provides real-time updates

- Document imaging enables viewing the original document in question, allowing citizens to see the document immediately without having to call the county office for help
 - *Text capabilities and/or call from a live person preferred*

Enterprise Records Management currently does not support this, we look forward to further discussion about this requirement and the business need. Tyler currently supports real time email alerts to notify customers.

- *Increased efficiency specifically with relation to reports and data entry*
 - *Prefer a method of creating an alert or report for Sales Validation Questionnaires (SVQ) for the Appraiser's Office and Clerk's Office*

With the Recording and Assessment office already a part of the Tyler Ecosystem, the County can streamline property transfers by connecting the two offices together and breaking down those silos. The Assessment office staff can process property transfers more efficiently and accurately since less manual research and data entry is required to process each transfer. Additionally, by processing the transfers faster, the most up-to-date property ownership data is always available. Index information and images from documents recorded in Enterprise Records Management that affect property ownership, such as a warranty deed or quitclaim deed, are seamlessly shared with Assessment & Tax Pro as incoming transfers. The Assessment office staff can access the property transfer data and documents from an Assessment & Tax Pro workflow queue and quickly process them using the up-to date information (including the parcel number, new owner name, sale date, and more) provided by Enterprise Records Management.

- *Desktop and remote capabilities*
 - *Ability to use system on tablets used for offsite events*
 - *Prefer mobile access capabilities with mobile friendly data entry for users and staff*
 - *Windows, Apple device/iOS and Android support*

The base solution can be run from any desktop or laptop with internet access. For remote capabilities, hotspots and a laptop will allow users to use the full system. Tablets and mobile devices cannot run the system, however, they can run the Public Access portal.

- *Ability to void a transaction after the document has been verified with notations on reason*

Acknowledged and supported by Tyler's solution.

- *Ability to see original image as well as reasons for void*

Acknowledged and supported by Tyler's solution. All previous instances of recording can be seen in the audit trail.

- *Excellent data integrity with no loss of data as well the ability to migrate records form current database and records to be digitized that are older than 1969*

Acknowledged and supported by Tyler's solution.

- *24/7 online availability*

Acknowledged and supported by Tyler's solution.

- *Search capabilities that allow for partial or complete search criteria*

Acknowledged and supported by Tyler's solution.

- *Automated indexing with PIN*

Acknowledged and supported by Tyler's solution.

- *Reliable and responsive technical support*

Acknowledged and supported by Tyler's solution. Please see the Post Implementation Support section of this proposal.

- *Fax and email capability from within the system*

Tyler's solution comes equipped with email capabilities directly from the application

- *Ability to enter data without an internet connection for upload into system once connectivity is available*

Acknowledged and supported by Tyler's solution.

- *Training support from vendor*

Acknowledged and supported by Tyler's solution. Please see the Training section of this proposal.

- *Support local database export for transfer to film*

Acknowledged and supported by Tyler's solution.

- *Real-time workflows and updates from the RMS to partner offices and from partner offices to the RMS*

Acknowledged and supported by Tyler's solution.

- *Ability to interface with the following systems:*
 - *Aumentum*
 - *SAP – Business ByDesign*
 - *OnBase*
 - *ESRI*

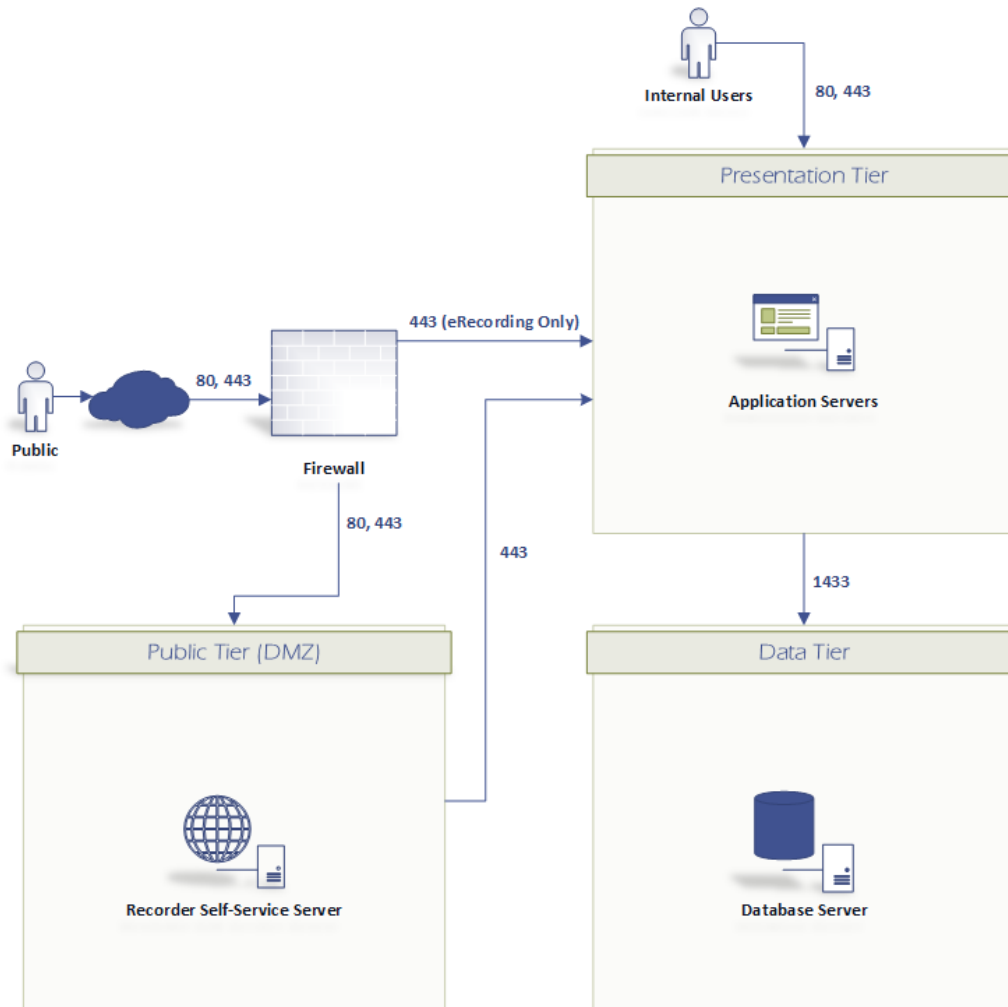
We currently have integrations with all of the above applications, but the level of integration is dependent upon the business need and whether the integration needs to be an active, passive, or two-way integration. The Q & A provided by the County has indicated that the ESRI integration is not required but we do have the ability to integrate to that application through image enabling the GIS application and allowing end users to view a list of recorded documents and drive activity to review back to the Records Public Access portal. Some of the required integrations may be accomplished from simple out of the box functionality and some may need additional professional services. Further due diligence and discovery is required.

B. System Architecture and Design

i. System Diagram

Enterprise Records Management employs a number of application services, each providing a distinct service to the system. Each embodies a large part of the business logic of the system. Each of these server components may use services from the other components, in a distributed manner. For example, every subsystem uses the services of the persistence and security subsystems; the search subsystem uses the services of the job scheduling and document store subsystems; the workflow automation subsystem uses job scheduling and messaging services, etc. In this manner, the whole collection of services can offer complex functionality, while each particular subsystem can be kept simple and modular for efficiency and maintainability. Furthermore, the architecture allows for each of these services to be exposed as Web Services or accessed directly through an open Java API.

Peripherals and system requirements may be found at <https://check.tylertech.com>. The username is any email address, and the password is "Tyler".



ii. Proposed Hardware Configuration

Software as a Service (SaaS)

We are offering the option to host the Tyler solution through Software as a Service (SaaS). There are no server acquisition, upgrade, or maintenance issues. No specialized skills are required such as UNIX, or NT Server administration. It establishes a flat fee, for which it is easy to budget and plan.

Features

- **System Administration:** Tyler performs daily administrative tasks. We address the installation, upgrade, support and file maintenance of the Tyler software and database servers, operating system, database and application files.
- **Security Administration:** Tyler provides secure data transmission paths from each client workstation to the servers. We administer user IDs, passwords, and application access rights for the VPN (Virtual Private Network) and the Tyler solution, with the client's final approval.
- **Hardware Performance Maintenance:** Tyler supplies and maintains all necessary hardware required to provide workstation access to the solution application at standard industry performance levels. All repairs, upgrades, and replacements to server hardware are the responsibility of Tyler.
- **Disaster Recovery & Fault Tolerance:** Tyler backs up all systems & data files and stores them in a secure off-site location. We have fully redundant telecommunications access, electrical power, and required hardware to provide access to the Tyler solution in the event of a disaster or component failure.

Benefits

- **Easy Budgeting:** The lease is a set fee, flattening the peaks and valleys associated with the acquisition of software and services. Leasing dramatically lowers initial costs. It provides a consistent quarterly or annual fee that can be easily budgeted for the duration of the agreement.
- **No Secondary Operational Fees:** No additional fees, such as maintenance and support are required.
- **IT Management Reports:** Tyler's monthly management reports containing detailed information regarding access, usage, performance and availability for all hosted applications.

Workstation Requirements

Component	Requirement
Hardware	Microsoft Windows Certified PC
Processor	Pentium Core 2 Duo
Memory	2 GB
Disk Space	5 GB available disk space
Operating System	Windows 7 Professional or Windows 8 Professional, 8.11
Network	Gigabit Ethernet
Network Environment	Latest Windows Updates

1 Windows 95/98/ME, XP Home, and Vista Home editions and workgroup or peer-to-peer networks are not supported.

Peripheral Compatibility

Peripherals and system requirements may be found at <https://check.tylertech.com>. The username is any email address, and the password is “Tyler”.

Configuration Options

Tyler’s solution offers the ability to configure many screens, fields, workflow operations, forms, and supporting business rules. This allows the solution to scale from the smallest jurisdictions to the largest ones throughout the country. Some of this can be configured as part of the off-the-shelf product, and other parts may require unique configuration or in lesser cases development intervention.

iii. Performance and Reliability

Server upgrades and/or expansions will have no impact to system since these will occur outside of the County’s business hours.

iv. System Failover and Restoration

SaaS Hosted

Tyler maintains two primary data centers for our hosted clients. One is owned by Tyler and is located in Yarmouth, Maine. The other is a co-location facility located in Dallas, Texas, in the former Federal Reserve Building. The co-location provides bandwidth, power, physical security and facilities. Every piece of the infrastructure is redundant and available 24x7x365. Tyler owns and manages all of the servers and network infrastructure that is located at the Dallas facility. The Yarmouth datacenter is owned by Tyler and also architected the facility with no single point of failure. One location will be designated as the production datacenter for the County. Each night the backups would be sent electronically to the other location to be used in the event of a catastrophic disaster.

Tyler’s standard RPO/RTO is 24 hours. RPO represents the maximum duration of time between the most recent recoverable copy of your hosted Data and subsequent data center failure. RTO represents the maximum duration of time following data center failure within which your access to the Tyler Software must be restored.

On Premises Disaster Recovery Services

When it comes to your securing your critical information assets and serving the public, you simply can't afford downtime. Tyler provides a Disaster Recovery service that will allow you to be up and running your critical processes within hours of a disaster. We provide the servers, the operations staff and your stored data from our state-of-the-art data centers located in Falmouth, Maine and Dallas, Texas.

The high cost of replication has inhibited widespread data protection and left risk of slow or failed recovery from a disaster. Most IT departments have been forced to rely on tape-based disaster recovery. Tyler Disaster Recovery Services enables a rapid return to normal business operations. This is because the data and images are recovered from high-speed disk rather than being dictated by the pace of the slow tape-based recovery. Getting data and images restored quickly enables all other aspects of recovery to be complete sooner. Recovery refers to the restoration of Tyler application data.

Our dedicated disaster recovery team helps you identify critical business processes. They help you define and document recovery procedures to create an overall response plan that meets your organization's unique needs. When a disaster strikes, your organization—and our response team— has the right policies and procedures in place to quickly restore your data.

With your data's security our priority, your IT personnel are free to focus on other strategic initiatives and employees can focus on what's really important— meeting the needs of citizens. Using an efficient and secure "sync" process, your encrypted archive log files are transferred to our servers within minutes, without the time-consuming manual involvement of your employees.

With our state-of-the-art Data Center, Tyler can transparently retrieve a copy of your data every night, thereby ensuring your critical users can always process work via internet or by traveling to one of two Tyler locations. The Disaster Recovery team helps you identify critical business processes and users, define and document recovery procedures, printing solutions, etc. Tyler provides disaster recovery services for your Tyler applications, including off-site backup, recovery server, alternate processing location & remote access.

A database export is transferred every night to a server in Maine using a network efficient "sync" process that enables the transfer to be completed in minutes, even for extremely large databases.

In the event of a disaster, your live database is loaded into a Tyler application environment on the Recovery Server and your critical users are setup to access that server. You can access your Tyler Disaster Recovery Environment using an SSL (Secure Sockets Layer) VPN client from any remote location with an Internet connection or come to one of our offices and use our facilities.

Backup Process

Tyler uses a utility to perform a differential transfer of the database and critical files, meaning that only the differences between one night's snapshot and the previous night's snapshot actually go over the wire. There is not a minimum bandwidth requirement. Even for sites with large databases the transfers are very small. The process typically yields a 10-1 compression ratio, meaning most differential transfers only consist of a few megabytes.

This is not to be confused with a traditional differential backup, in which a 'full' backup is required followed by many "differential" backups to re-establish the data; the net result of our transfer utility is that every night a full backup is obtained. Only the differences between the current night's full backup and the previous night's full back up are transferred over the wire.

Disaster Declaration

A disaster is an unplanned event that shuts down your system, threatening your financial standing or public image. It does not include hardware or network failures that are covered by standard service agreements, or repairs that can be made within 24 hours. Provided we have your data, we guarantee you'll be back in business within 12 business hours.

A disaster may be declared between the hours of 8AM and 6PM, EST Monday-Friday.

Post-Disaster Services

Tyler delivers an export of your database. Our Tyler Systems Management Department provides on-site installation services free of charge to customers with a current Tyler System Management contract. Otherwise, this is a billable service.

v. Network Compatibility

Tyler's hosted solution is designed to operate on networks and operating systems that meet certain requirements. Systems that do not meet the required specifications may not provide reliable or adequate performance, and Tyler cannot guarantee acceptable results. This should include a reliable Internet connection provided by your ISP.

vi. System Software Applications and Utilities

The current proposed configuration does not require any third-party software to support.

vii. System Backup

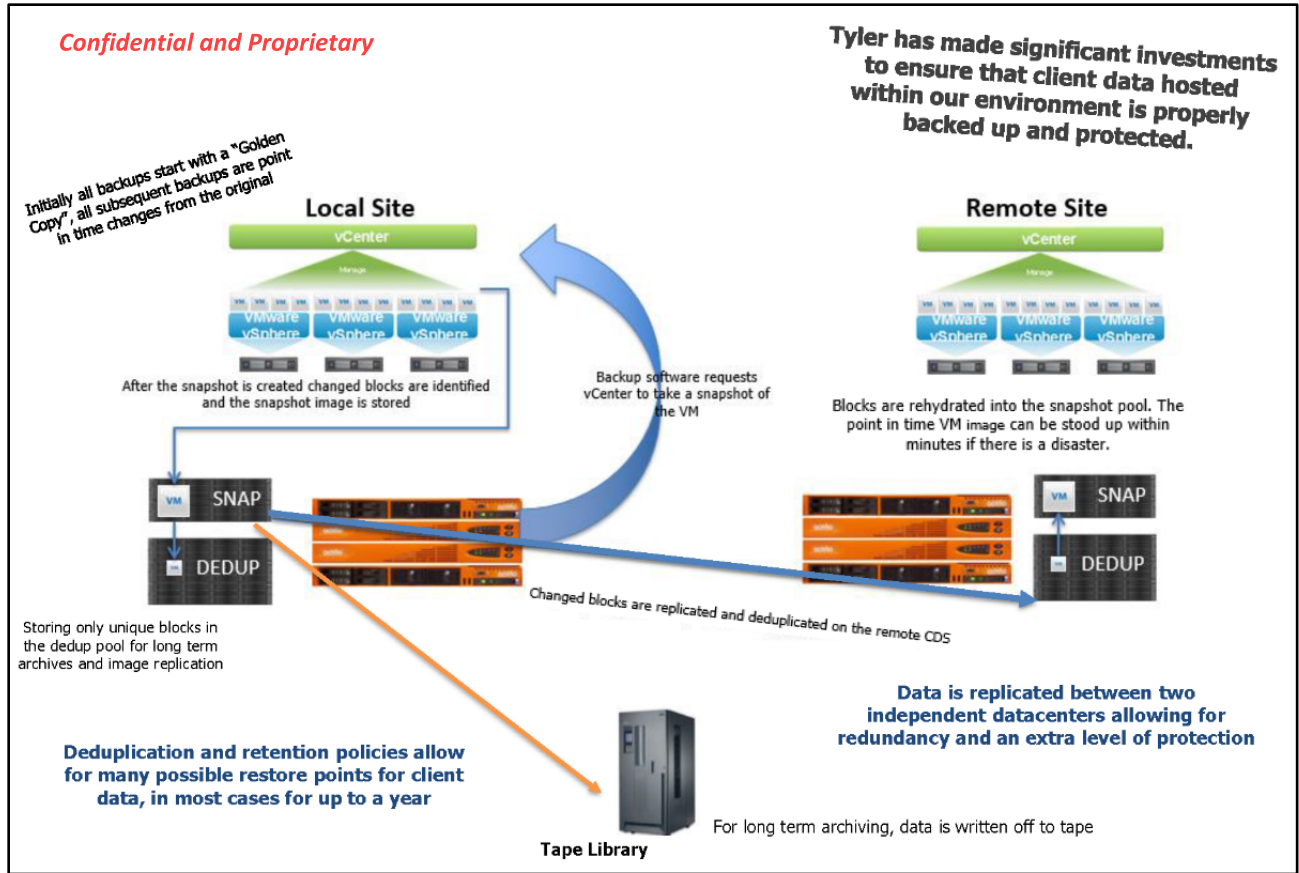
SaaS Hosted

As stated above, Tyler maintains two primary data centers for hosted clients. One location will be designated as the production datacenter for the County. Each night the backups would be sent electronically to the other location to be used in the event of a catastrophic disaster.

Tyler has a dedicated Disaster Recovery team staffed with an IT Manager and five (5) Disaster Recovery Engineers. This team is responsible for managing and testing the backups and offsite storage as well as managing clients' tests. They also lead Tyler's annual disaster recovery test.

Tyler's standard RPO/RTO is 24 hours. RPO represents the maximum duration of time between the most recent recoverable copy of your hosted Data and subsequent data center failure. RTO represents the maximum duration of time following data center failure within which your access to the Tyler Software must be restored.

The following graphic depicts our backup strategy for SaaS installations.



On-Premises

In an on-premises implementation, backing up the data and servers would be the responsibility of the County.

viii. Data Conversion Plan

The data conversion process can be the most time-critical element of your project plan. Tyler develops crucial steps in our implementation process to support a successful data conversions plan. Our data experts conduct hundreds of data conversions every year mapping legacy data through custom written programs.

The purpose of this task is to transition the County’s data from your source (“legacy”) system(s) to the Tyler system(s). The data will need to be mapped from the legacy system into the new Tyler system format. A well-executed data conversion is key to a successful cutover to the new system(s).



With guidance from Tyler, the County will review specific data elements within the system and identify and/or report discrepancies. Iteratively, Tyler will collaborate with the County to address conversion discrepancies. This process will allow for clean, reconciled data to transfer from the source system(s) to the Tyler system(s).

Data Conversion Standards & Responsibilities

While Tyler’s data experts have extensive experience with data mining, conversion, and migration, it is your responsibility to provide Tyler with readable conversion data and to review the converted data for accuracy and completeness. Tyler recommends that you conduct due diligence to ensure that your team delivers clean data, to make data validation efforts seamless resulting in a high-quality migration.

Records Management Conversion Specification

The Records Management conversion includes converting data from a single database dump file into the Tyler solution database. Data should be provided to Tyler as defined below. When providing data and images to Tyler also provide a data dictionary or mapping, including a key to associating images with a specific record in the database. Tyler will convert the data as closely as possible to how it appears in your current system, but Tyler will not normalize data.

When providing data and images to Tyler, include counts of each document type and a count of images. The client will provide two sets or pulls of data and images to Tyler to be converted from their current system into Tyler’s solution. The first set is for a bulk conversion, which is all records in your current system, through the date the extract of data from your legacy system is pulled. The second data set is called a gap and contains the records from the last date you provided the bulk set to the last day of business processing/recording before Go Live, without any duplication or gaps records. In some cases, Tyler may require a complete pull of your entire system instead of a gap, if this approach is deemed more efficient it will be coordinated during the Initiate and Plan stage of the project. Each set of data and images is required to be provided in the same format each time the client provides data and images to Tyler.

ix. Deployment/Implementation

Tyler's implementation process demonstrates our long-term commitment to our clients, with a methodology tailored specifically to the public sector. Your organization benefits from the fact that we perform our own implementations and know our software better than anyone. As a Tyler client, you receive guidance throughout implementation from experienced Tyler professionals who have implemented Tyler products in more than 37,000 public sector implementation projects. Tyler's methodology is based on three vital foundations:

- Industry experience
- A globally recognized project management approach
- In-house expertise

Tyler uses its depth of implementation experience, working in tandem with our clients to put our methodology into practice. While each Project is unique, all will follow Tyler's six-stage methodology. Each of the six stages is comprised of multiple work packages, and each work package includes a narrative description, objectives, tasks, inputs, outputs/deliverables, assumptions, and a responsibility matrix.

Tailored specifically for Tyler's public sector clients, the project methodology contains Stage Acceptance Control Points throughout each Phase to ensure adherence to scope, budget, timeline controls, effective communications, and quality standards. Clearly defined, the project methodology repeats consistently across Phases, and is scaled to meet the County's complexity and organizational needs.



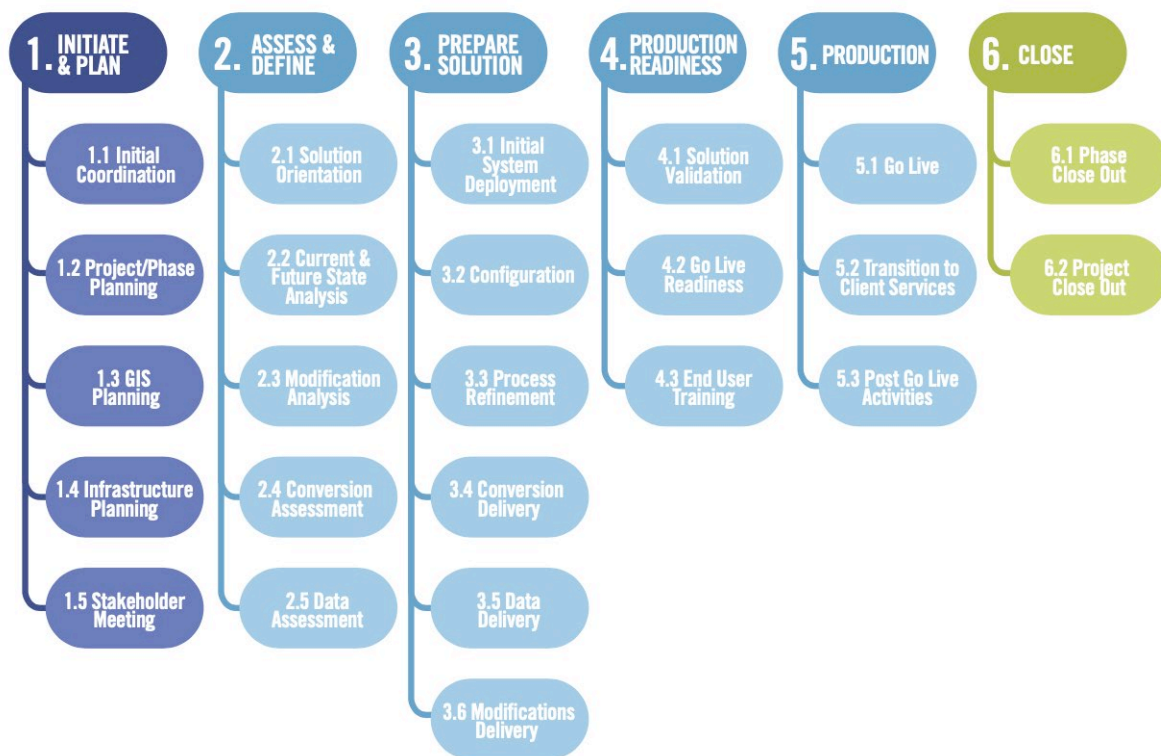
The methodology adapts to both single-phase and multiple-phase projects. To achieve Project success, it is imperative that both the County and Tyler commit to including the necessary leadership and governance. During each stage of the Project, it is expected that the County and Tyler Project teams work collaboratively to complete tasks. An underlying principle of Tyler's Implementation process is to employ an iterative model where the County's business processes are assessed, configured, validated, and refined cyclically in line with the project budget. This approach is used in multiple stages and work packages as illustrated in the graphic below.

The delivery approach is systematic, which reduces variability and mitigates risks to ensure Project success. As illustrated, some stages, along with work packages and tasks, are intended to be overlapping by nature to efficiently and effectively complete the Project.

Work Breakdown Structure

The Work Breakdown Structure (WBS) is a hierarchical representation of a Project or Phase broken down into smaller, more manageable components. The top-level components are called “Stages” and the second level components are called “Work Packages”. The work packages, shown below each stage, contain the high-level work to be done. The detailed Project Schedule, developed during Project/Phase Planning and finalized during subsequent stages, lists the tasks to be completed within each work package. Each stage ends with a “Control Point”, confirming the work performed during that stage of the Project has been accepted by the County.

Work Breakdown Structure (WBS)



Implementation Plan Stages

Stage 1: Initiate & Plan

During the Initiation stage, the Tyler team leads discussions with you to accomplish the following:

- System infrastructure planning
- Outline goals and timelines
- Finalize processes for the implementation of products in scope
- Define project expectations
- Deliver project plan, project schedule and management plans

- Identify stakeholders to monitor project and conduct stage acceptances

Tyler is proposing a COTS system. A Gap Analysis will be conducted; any requirements beyond the stated Scope and our standard system will need to be discussed and agreed upon by Tyler and the County.

Stage 2: Assess & Define

The Assess and Define stage includes:

- Identifying and examining unique business needs
- Translate needs to system design
- Plan data conversions and third-party exchanges
- Identify forms and reports needed

Goal: the formal acceptance of project deliverables and outcomes

Stage 3: Prepare Solution

After the system is built, your internal team will work with the Tyler team to establish and validate the system configuration and complete due diligence for systems readiness during the Build & Validate stage. Your project staff will:

- Validate system design, third party exchanges and reports and forms
- Convert data
- Ensure key individuals are trained on system operations for daily processing
- Validate converted data

Goal: A system configured to align with goals, objectives and business processes that has been verified by key users.

Stage 4: Production Readiness

The Production Readiness stage is designed to facilitate maximum knowledge transfer. Tyler will work with your team to:

- Develop a cutover plan
- Schedule final trainings
- Complete interface testing and validation
- Finalize the conversion cutover timing
- Complete User Acceptance Testing (UAT)
- Roll Out End User Training schedule

Goal: End Users have been training and formal training is completed to move forward to go live.

Stage 5: Production

The vital stage of Production is comprised of go-live and post go-live activities. Final data conversion is completed as necessary.

Goal: all users are operating with daily functions in the production environment.

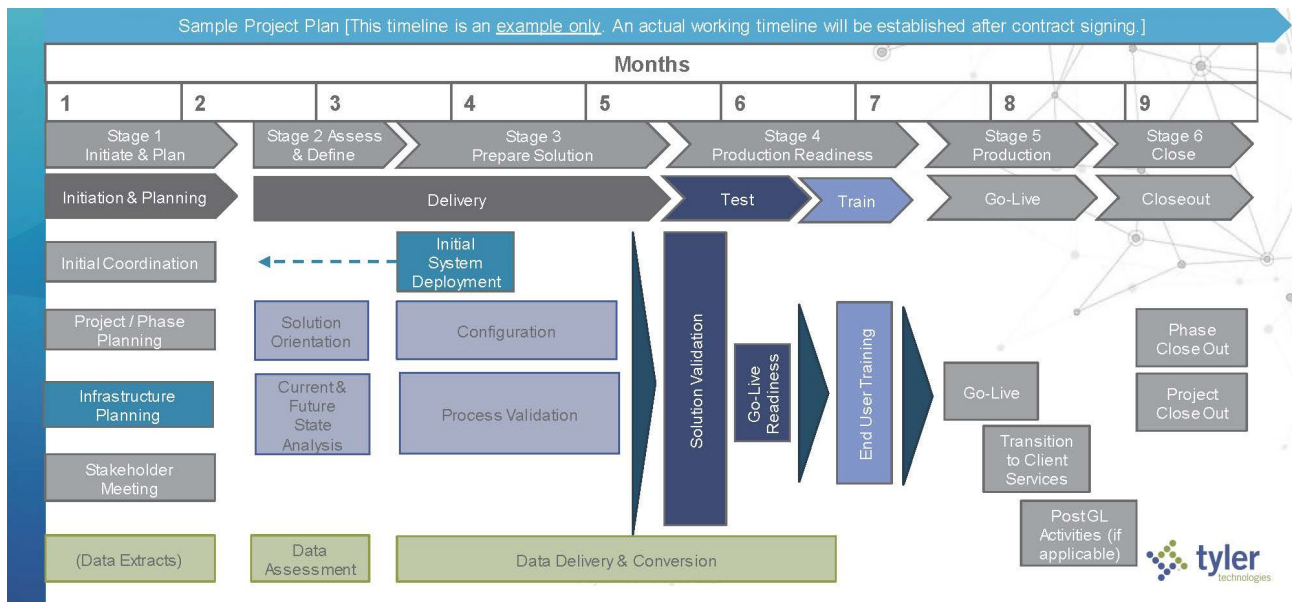
Stage 6: Close

The final stage of implementation is to bring a formal closure to the project or individual phases. This may involve:

- Lessons learned
- Review of accomplishments
- Final acceptance of the project work completed

Sample Project Timeline

The following is a sample project timeline. The timeline for the County will be determined during the Assess & Define stage. Your specific needs will be addressed in further discussions.



Sample SOW

A sample Statement of Work is included on the following pages.

Sedgwick County

SOW from Tyler Technologies, Inc.

6/2/2023

Presented to:
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Wichita, KS 67202

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Part 1: Executive Summary

1. Project Overview

1.1 Introduction

Tyler Technologies (“Tyler”) is the largest and most established provider of integrated software and technology services focused solely on the public sector. Tyler’s end-to-end solutions empower public sector entities including local, state, provincial and federal government, to operate more efficiently and connect more transparently with their constituents and with each other. By connecting data and processes across disparate systems, Tyler’s solutions transform how clients gain actionable insights that solve problems in their communities.

1.2 Project Goals

This Statement of Work (“SOW”) documents the methodology, implementation stages, activities, and roles and responsibilities, and project scope listed in the Investment Summary of the Agreement between Tyler and the Sedgwick County (collectively the “Project”).

The overall goals of the project are to:

- Successfully implement the contracted scope on time and on budget
- Increase operational efficiencies and empower users to be more productive
- Improve accessibility and responsiveness to external and internal customer needs
- Overcome current challenges and meet future goals
- Providing a single, comprehensive, and integrated solution to manage business functions
- Streamline business processes through automation, integration, and workflows
- Provide a user-friendly user interface to promote system use and productivity
- Eliminate redundant data entry

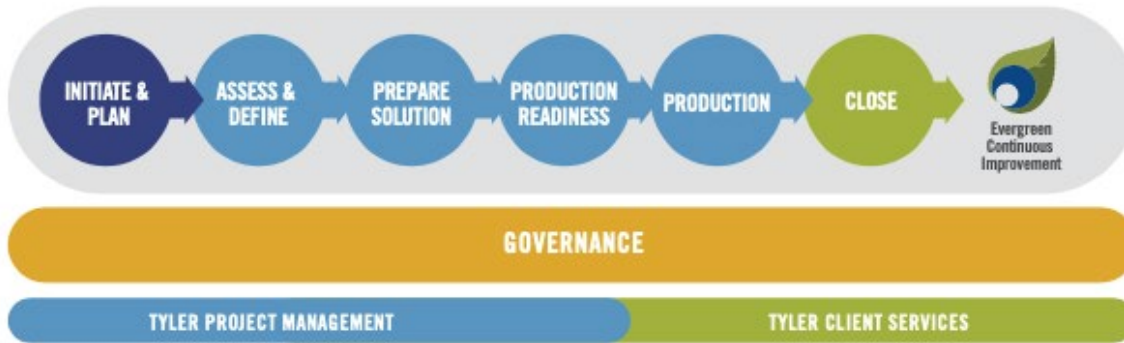
1.3 Methodology

This is accomplished by the Sedgwick County and Tyler working as a partnership and Tyler utilizing its depth of implementation experience. While each Project is unique, all will follow Tyler’s six-stage methodology. Each of the six stages is comprised of multiple work packages, and each work package includes a narrative description, objectives, tasks, inputs, outputs/deliverables, assumptions, and a responsibility matrix.

Tailored specifically for Tyler’s public sector clients, the project methodology contains Stage Acceptance Control Points throughout each Phase to ensure adherence to scope, budget, timeline controls, effective communications, and quality standards. Clearly defined, the project methodology repeats consistently across Phases, and is scaled to meet the Sedgwick County’s complexity and organizational needs.



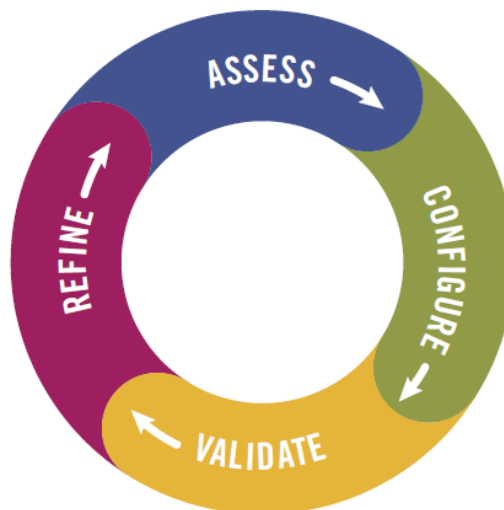
Tyler's Six Stage Project Methodology



The methodology adapts to both single-phase and multiple-phase projects.

To achieve Project success, it is imperative that both the Sedgwick County and Tyler commit to including the necessary leadership and governance. During each stage of the Project, it is expected that the Sedgwick County and Tyler Project teams work collaboratively to complete tasks. An underlying principle of Tyler's Implementation process is to employ an iterative model where the Sedgwick County's business processes are assessed, configured, validated, and refined cyclically in line with the project budget. This approach is used in multiple stages and work packages as illustrated in the graphic below.

Iterative Project Model



The delivery approach is systematic, which reduces variability and mitigates risks to ensure Project success. As illustrated, some stages, along with work packages and tasks, are intended to be overlapping by nature to complete the Project efficiently and effectively.



Part 2: Project Foundation

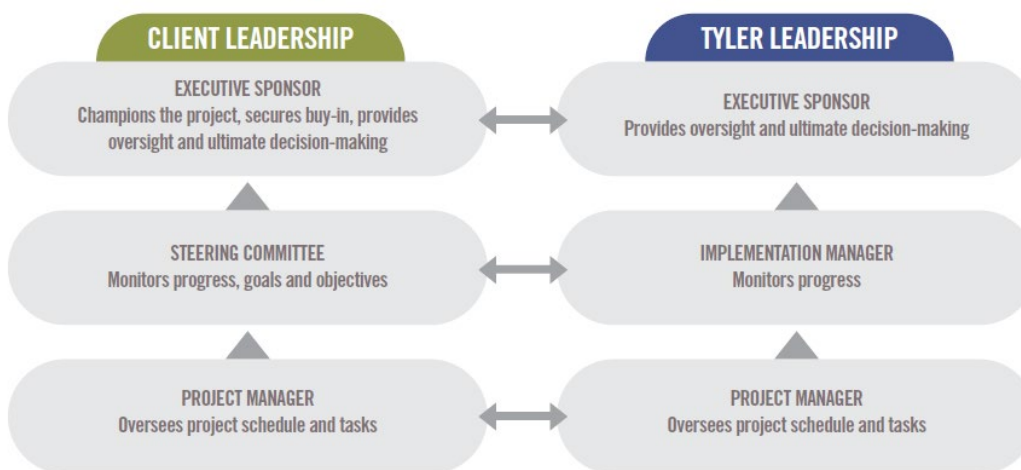
2. Project Governance

Project governance is the management framework within which Project decisions are made. The role of Project governance is to provide a decision-making approach that is logical, robust, and repeatable. This allows organizations to have a structured approach for conducting its daily business in addition to project related activities.

This section outlines the resources required to meet the business needs, objectives, and priorities for the Project, communicate the goals to other Project participants, and provide support and guidance to accomplish these goals. Project governance defines the structure for escalation of issues and risks, Change Control review and authority, and Organizational Change Management activities. Throughout the Statement of Work Tyler has provided RACI Matrices for activities to be completed throughout the implementation which will further outline responsibilities of different roles in each stage. Further refinement of the governance structure, related processes, and specific roles and responsibilities occurs during the Initiate & Plan Stage.

The chart below illustrates an overall team perspective where Tyler and the Sedgwick County collaborate to resolve Project challenges according to defined escalation paths. If project managers do not possess authority to determine a solution, resolve an issue, or mitigate a risk, Tyler implementation management and the Sedgwick County Steering Committee become the escalation points to triage responses prior to escalation to the Sedgwick County and Tyler executive sponsors. As part of the escalation process, each Project governance tier presents recommendations and supporting information to facilitate knowledge transfer and issue resolution. The Sedgwick County and Tyler executive sponsors serve as the final escalation point.

Project Governance Relationships



3. Project Scope Control

3.1 Managing Scope and Project Change

Project Management governance principles contend that there are three connected constraints on a Project: budget, timeline, and scope. These constraints, known as the “triple constraints” or project management triangle, define budget in terms of financial cost, labor costs, and other resource costs. Scope is defined as the work performed to deliver a product, service or result with the specified features and functions, while time is simply defined as the schedule. The Triple Constraint theory states that if you change one side of the triangle, the other two sides must be correspondingly adjusted. For example, if the scope of the Project is increased, cost and time to complete will also need to increase. The Project and executive teams will need to remain cognizant of these constraints when making impactful decisions to the Project. A simple illustration of this triangle is included here, showing the connection of each item and their relational impact to the overall Scope.



A pillar of any successful project is the ability to properly manage scope while allowing the appropriate level of flexibility to incorporate approved changes. Scope and changes within the project will be managed using the change control process outlined in the following section.

3.2 Change Control

It may become necessary to change the scope of this Project due to unforeseeable circumstances (e.g., new constraints or opportunities are discovered). This Project is being undertaken with the understanding that Project scope, schedule, and/or cost may need to change to produce optimal results for stakeholders. Changes to contractual requirements will follow the change control process specified in the final contract, and as described below.

3.3 Change Request Management

Should the need for a change to Project scope, schedule, and/or cost be identified during the Project, the change will be brought to the attention of the Steering Committee and an assessment of the change will occur. While such changes may result in additional costs and delays relative to the schedule, some changes may result in less cost to the Sedgwick County; for example, the Sedgwick County may decide it no longer

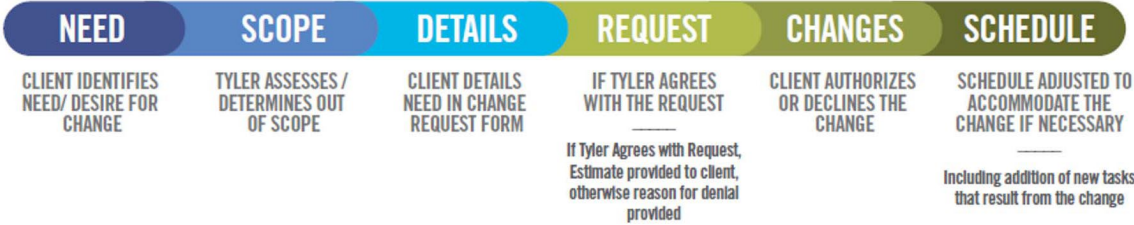


needs a deliverable originally defined in the Project. The Change Request will include the following information:

- The nature of the change.
- A good faith estimate of the additional cost or associated savings to the Sedgwick County, if any.
- The timetable for implementing the change.
- The effect on and/or risk to the schedule, resource needs or resource responsibilities.

The Sedgwick County will use its good faith efforts to either approve or disapprove any Change Request within ten (10) Business Days (or other period as mutually agreeable between Tyler and the Sedgwick County). Any changes to the Project scope, budget, or timeline must be documented and approved in writing using a Change Request form. These changes constitute a formal amendment to the Statement of Work and will supersede any conflicting term in the Statement of Work.

Change Request Process



4. Acceptance Process

The implementation of a Project involves many decisions to be made throughout its lifecycle. Decisions will vary from higher level strategy decisions to smaller, detailed Project level decisions. It is critical to the success of the Project that each Sedgwick County office or department designates specific individuals for making decisions on behalf of their offices or departments.

Both Tyler and the Sedgwick County will identify representative project managers. These individuals will represent the interests of all stakeholders and serve as the primary contacts between the two organizations.

The coordination of gaining Sedgwick County feedback and approval on Project deliverables will be critical to the success of the Project. The Sedgwick County project manager will strive to gain deliverable and decision approvals from all authorized Sedgwick County representatives. Given that the designated decision-maker for each department may not always be available, there must be a designated proxy for each decision point in the Project. Assignment of each proxy will be the responsibility of the leadership from each Sedgwick County department. The proxies will be named individuals that have the authorization to make decisions on behalf of their department.

The following process will be used for accepting Deliverables and Control Points:

- The Sedgwick County shall have five (5) business days from the date of delivery, or as otherwise mutually agreed upon by the parties in writing, to accept each Deliverable or Control Point. If the Sedgwick County does not provide acceptance or acknowledgement within five (5) business days, or the otherwise agreed upon timeframe, not to be unreasonably withheld, Tyler deems the Deliverable or Control Point as accepted.
- If the Sedgwick County does not agree the Deliverable or Control Point meets requirements, the Sedgwick County shall notify Tyler project manager(s), in writing, with reasoning within five (5) business days, or the otherwise agreed-upon timeframe, not to be unreasonably withheld, of receipt of the Deliverable.
- Tyler shall address any deficiencies and redeliver the Deliverable or Control Point. The Sedgwick County shall then have two (2) business days from receipt of the redelivered Deliverable or Control Point to accept or again submit written notification of reasons for rejecting the milestone. If the Sedgwick County does not provide acceptance within two (2) business days, or the otherwise agreed upon timeframe, not to be unreasonably withheld, Tyler deems the Deliverable or Control Point as accepted.

5. Roles and Responsibilities

The following defines the roles and responsibilities of each Project resource for the Sedgwick County and Tyler. Roles and responsibilities may not follow the organizational chart or position descriptions at the Sedgwick County, but are roles defined within the Project. It is common for individual resources on both the Tyler and Sedgwick County project teams to fill multiple roles. Similarly, it is common for some roles to be filled by multiple people.

5.1 Tyler Roles & Responsibilities

Tyler assigns a project manager prior to the start of each Phase of the Project (some Projects may only be one Phase in duration). Additional Tyler resources are assigned as the schedule develops and as needs arise.



5.1.1 Tyler Executive Manager

Tyler executive management has indirect involvement with the Project and is part of the Tyler escalation process. This team member offers additional support to the Project team and collaborates with other Tyler department managers as needed to escalate and facilitate implementation Project tasks and decisions.

- Provides clear direction for Tyler staff on executing on the Project Deliverables to align with satisfying the Sedgwick County's overall organizational strategy.
- Authorizes required Project resources.
- Resolves all decisions and/or issues not resolved at the implementation management level as part of the escalation process.
- Acts as the counterpart to the Sedgwick County's executive sponsor.

5.1.2 Tyler Implementation Manager

- Tyler implementation management has indirect involvement with the Project and is part of the Tyler escalation process. The Tyler project managers consult implementation management on issues and outstanding decisions critical to the Project. Implementation management works toward a solution with the Tyler Project Manager or with Sedgwick County management as appropriate. Tyler executive management is the escalation point for any issues not resolved at this level.
- Assigns Tyler Project personnel.
- Provides support for the Project team.
- Provides management support for the Project to ensure it is staffed appropriately and staff have necessary resources.
- Monitors Project progress including progress towards agreed upon goals and objectives.

5.1.3 Tyler Project Manager

- The Tyler project manager(s) provides oversight of the Project, coordination of Tyler resources between departments, management of the Project budget and schedule, effective risk, and issue management, and is the primary point of contact for all Project related items. As requested by the Sedgwick County, the Tyler Project Manager provides regular updates to the Sedgwick County Steering Committee and other Tyler governance members. Tyler Project Manager's role includes responsibilities in the following areas:

5.1.3.1 Contract Management

- Validates contract compliance throughout the Project.
- Ensures Deliverables meet contract requirements.
- Acts as primary point of contact for all contract and invoicing questions.
- Prepares and presents contract milestone sign-offs for acceptance by the Sedgwick County project manager(s).
- Coordinates Change Requests, if needed, to ensure proper Scope and budgetary compliance.

5.1.3.2 Planning

- Delivers project planning documents.
- Defines Project tasks and resource requirements.
- Develops initial Project schedule and Project Management Plan.



- Collaborates with the Sedgwick County project manager(s) to plan and schedule Project timelines to achieve on-time implementation.

5.1.3.3 Implementation Management

- Tightly manages Scope and budget of Project to ensure Scope changes and budget planned versus actual are transparent and handled effectively and efficiently.
- Establishes and manages a schedule and Tyler resources that properly support the Project Schedule and are also in balance with Scope/budget.
- Establishes risk/issue tracking/reporting process between the Sedgwick County and Tyler and takes all necessary steps to proactively mitigate these items or communicate with transparency to the Sedgwick County any items that may impact the outcomes of the Project.
- Collaborates with the Sedgwick County 's project manager(s) to establish key business drivers and success indicators that will help to govern Project activities and key decisions to ensure a quality outcome of the project.
- Collaborates with the Sedgwick County 's project manager(s) to set a routine communication plan that will aide all Project team members, of both the Sedgwick County and Tyler, in understanding the goals, objectives, status, and health of the Project.

5.1.3.4 Resource Management

- Acts as liaison between Project team and Tyler manager(s).
- Identifies and coordinates all Tyler resources across all applications, Phases, and activities including development, forms, installation, reports, implementation, and billing.
- Provides direction and support to Project team.
- Manages the appropriate assignment and timely completion of tasks as defined in the Project Schedule, task list, and Go-Live Checklist.
- Assesses team performance and adjusts as necessary.
- Consulted on in Scope 3rd party providers to align activities with ongoing Project tasks.

5.1.4 Tyler Implementation Consultant

- Completes tasks as assigned by the Tyler project manager(s).
- Documents activities for services performed by Tyler.
- Guides the Sedgwick County through software validation process following configuration.
- Assists during Go-Live process and provides support until the Sedgwick County transitions to Client Services.
- Facilitates training sessions and discussions with the Sedgwick County and Tyler staff to ensure adequate discussion of the appropriate agenda topics during the allotted time.
- May provide conversion review and error resolution assistance.

5.1.5 Tyler Sales

- Supports Sales to Implementation knowledge transfer during Initiate & Plan.
- Provides historical information, as needed, throughout implementation.
- Participates in pricing activities if additional licensing and/or services are needed.

5.1.6 Tyler Technical Services

- Maintains Tyler infrastructure requirements and design document(s).
- Involved in system infrastructure planning/review(s).



- Provides first installation of licensed software with initial database on servers.
- Supports and assists the project team with technical/environmental issues/needs.
- Deploys Tyler products.
- Provides technical training.
- Conducts GIS Planning.
- Reviews GIS data and provides feedback to the Sedgwick County.
- Loads Sedgwick County provided GIS data into the system.

5.1.7 Tyler Basic Network Support

- Manages incoming Sedgwick County issues via phone, email, online customer incident portal, and from Client Services.
- Provides system support including remote support of Sedgwick County systems, operating systems, network and local printing, and SQL assistance for the systems and platform directly attributable to the Tyler Applications.
- Tracks issues to timely and effective resolution.
- Determines root cause and provides solutions or direction/escalation to Tyler Development.
- Consults on pre-sales regarding system requirements.

1.1.1.1 Tyler Disaster Recovery Support

- Conducts and monitors nightly backups of the Sedgwick County databases at hosting facility and transfers nightly backups to Tyler's data center.
- Provides services to host application in the event of a disaster.

5.1.8 Tyler Systems Management Services

- Manages incoming Sedgwick County issues via phone, email, online customer incident portal, and from Client Services.
- Provides system support including remote support for Sedgwick County systems, operating systems, peripheral hardware, and SQL assistance for the systems and platform directly attributable to the Tyler applications.
- Tracks issues for timely and effective resolution.
- Determines root cause and provides solutions or direction/escalation to Tyler Development.
- Consults on pre-sales regarding system requirements.
- Troubleshoots server and workstation issues.
- Migrates Tyler applications and databases to new hardware.
- Maintains systems and provide database and server administration.
- Provides proactive monitoring of Tyler application and/or database server(s).
- Performs server transfers, database analysis, file system cleanup, and backup verification.
- Assists with database refreshes, LDAP synchronization, and loading releases.

5.1.9 Tyler API Services

- Provides training in the use of the API Toolkit.
- Provides consulting services in the use of the API Toolkit to the Sedgwick County, as the Sedgwick County builds interfaces.



5.2 Sedgwick County Roles & Responsibilities

Sedgwick County resources will be assigned prior to the start of each Phase of the Project. One person may be assigned to multiple Project roles.

5.2.1 Sedgwick County Executive Sponsor

The Sedgwick County executive sponsor provides support to the Project by providing strategic direction and communicating key issues about the Project and its overall importance to the organization. When called upon, the executive sponsor also acts as the final authority on all escalated Project issues. The executive sponsor engages in the Project, as needed, to provide necessary support, oversight, guidance, and escalation, but does not participate in day-to-day Project activities. The executive sponsor empowers the Sedgwick County steering committee, project manager(s), and functional leads to make critical business decisions for the Sedgwick County.

- Champions the project at the executive level to secure buy-in.
- Authorizes required project resources.
- Actively participates in organizational change communications.

5.2.2 Sedgwick County Steering Committee

The Sedgwick County steering committee understands and supports the cultural change necessary for the Project and fosters an appreciation for the Project's value throughout the organization. The steering committee oversees the Sedgwick County project manager and Project through participation in regular internal meetings. The Sedgwick County steering committee remains updated on all Project progress, Project decisions, and achievement of Project milestones. The Sedgwick County steering committee also serves as primary level of issue resolution for the Project.

- Works to resolve all decisions and/or issues not resolved at the project manager level as part of the escalation process.
- Attends all scheduled steering committee meetings.
- Provides support for the project team.
- Assists with communicating key project messages throughout the organization.
- Prioritizes the project within the organization.
- Ensures the project staffed appropriately and that staff have necessary resources.
- Monitors project progress including progress towards agreed upon goals and objectives.
- Has the authority to approve or deny changes impacting the following areas:
 - Cost
 - Scope
 - Schedule
 - Project Goals
 - Sedgwick County Policies
 - Needs of other client projects

5.2.3 Sedgwick County Project Manager

The Sedgwick County shall assign project manager(s) prior to the start of this project with overall responsibility and authority to make decisions related to Project Scope, scheduling, and task assignment. The Sedgwick County Project Manager should communicate decisions and commitments to the Tyler project manager(s) in a timely and efficient manner. When the Sedgwick County project manager(s) do not have the



knowledge or authority to make decisions, he or she engages the necessary resources to participate in discussions and make decisions in a timely fashion to avoid Project delays. The Sedgwick County project manager(s) are responsible for reporting to the Sedgwick County steering committee and determining appropriate escalation points.

5.2.3.1 Contract Management

- Validates contract compliance throughout the project.
- Ensures that invoicing and Deliverables meet contract requirements.
- Acts as primary point of contact for all contract and invoicing questions. Collaborates on and approves Change Requests, if needed, to ensure proper scope and budgetary compliance.

5.2.3.2 Planning

- Reviews and accepts project planning documents.
- Defines project tasks and resource requirements for the Sedgwick County project team.
- Collaborates in the development and approval of the project schedule.
- Collaborates with Tyler project manager(s) to plan and schedule project timelines to achieve on-time implementation.

5.2.3.3 Implementation Management

- Tightly manages project budget and scope.
- Collaborates with Tyler project manager(s) to establish a process and approval matrix to ensure that scope changes and budget (planned versus actual) are transparent and handled effectively and efficiently.
- Collaborates with Tyler project manager to establish and manage a schedule and resource plan that properly supports the project schedule as a whole and is also in balance with scope and budget.
- Collaborates with Tyler project manager(s) to establish risk and issue tracking and reporting process between the Sedgwick County and Tyler and takes all necessary steps to proactively mitigate these items or communicate with transparency to Tyler any items that may impact the outcomes of the project.
- Collaborates with Tyler project manager(s) to establish key business drivers and success indicators that will help to govern project activities and key decisions to ensure a quality outcome of the project.
- Routinely communicates with both the Sedgwick County staff and Tyler, aiding in the understanding of goals, objectives, current status, and health of the project by all team members.
- Manages the requirements gathering process and ensure timely and quality business requirements are being provided to Tyler.

5.2.3.4 Resource Management

- Acts as liaison between project team and stakeholders.
- Identifies and coordinates all Sedgwick County resources across all modules, phases, and activities including data conversions, forms design, hardware and software installation, reports building, and satisfying invoices.
- Provides direction and support to project team.
- Builds partnerships among the various stakeholders, negotiating authority to move the project forward.
- Manages the appropriate assignment and timely completion of tasks as defined.
- Assesses team performance and takes corrective action, if needed.



- Provides guidance to Sedgwick County technical teams to ensure appropriate response and collaboration with Tyler Technical Support Teams to ensure timely response and appropriate resolution.
- Owns the relationship with in-Scope 3rd party providers and aligns activities with ongoing project tasks.
- Ensures that users have appropriate access to Tyler project toolsets as required.
- Conducts training on proper use of toolsets.
- Validates completion of required assignments using toolsets.

5.2.4 Sedgwick County Functional Leads

- Makes business process change decisions under time sensitive conditions.
- Communicates existing business processes and procedures to Tyler consultants.
- Assists in identifying business process changes that may require escalation.
- Contributes business process expertise for Current & Future State Analysis.
- Identifies and includes additional subject matter experts to participate in Current & Future State Analysis.
- Validates that necessary skills have been retained by end users.
- Provides End Users with dedicated time to complete required homework tasks.
- Acts as an ambassador/champion of change for the new process and provide business process change support.
- Identifies and communicates any additional training needs or scheduling conflicts to the Sedgwick County project manager.
- Actively participates in all aspects of the implementation, including, but not limited to, the following key activities:
 - Task completion
 - Stakeholder Meeting
 - Project Management Plan development
 - Schedule development
 - Maintenance and monitoring of risk register
 - Escalation of issues
 - Communication with Tyler project team
 - Coordination of Sedgwick County resources
 - Attendance at scheduled sessions
 - Change management activities
 - Modification specification, demonstrations, testing and approval assistance
 - Data analysis assistance
 - Decentralized end user training
 - Process testing
 - Solution Validation

5.2.5 Sedgwick County Power Users

- Participate in project activities as required by the project team and project manager(s).
- Provide subject matter expertise on the Sedgwick County business processes and requirements.
- Act as subject matter experts and attend Current & Future State Analysis sessions as needed.
- Attend all scheduled training sessions.
- Participate in all required post-training processes as needed throughout project.
- Test all application configuration to ensure it satisfies business process requirements.
- Become application experts.



- Participate in Solution Validation.
- Adopt and support changed procedures.
- Complete all deliverables by the due dates defined in the project schedule.
- Demonstrate competency with Tyler products processing prior to Go-live.
- Provide knowledge transfer to the Sedgwick County staff during and after implementation.
- Participate in conversion review and validation.

5.2.6 Sedgwick County End Users

- Attend all scheduled training sessions.
- Become proficient in application functions related to job duties.
- Adopt and utilize changed procedures.
- Complete all deliverables by the due dates defined in the project schedule.
- Utilize software to perform job functions at and beyond Go-live.

5.2.7 Sedgwick County Technical Lead

- Coordinates updates and releases with Tyler as needed.
- Coordinates the copying of source databases to training/testing databases as needed for training days.
- Coordinates and adds new users, printers and other peripherals as needed.
- Validates that all users understand log-on process and have necessary permission for all training sessions.
- Coordinates interface development for Sedgwick County third party interfaces.
- Develops or assists in creating reports as needed.
- Ensures on-site system meets specifications provided by Tyler.
- Assists with software installation as needed.
- Extracts and transmits conversion data and control reports from the Sedgwick County's legacy system per the conversion schedule set forth in the project schedule.

5.2.7.1 Sedgwick County GIS

- Participates in GIS planning activities.
- Responsible for management and maintenance of Sedgwick County GIS infrastructure and data.
- Ensures GIS data/service endpoints are in alignment with Tyler software requirements.
- Provides Tyler implementation team with GIS data/service access information.

5.2.7.2 Sedgwick County Upgrade Coordination

- Becomes familiar with the software upgrade process and required steps.
- Becomes familiar with Tyler's releases and updates.
- Utilizes Tyler resources to stay abreast of the latest Tyler releases and updates, as well as the latest helpful tools to manage the Sedgwick County's software upgrade process.
- Assists with the software upgrade process during implementation.
- Manages software upgrade activities post-implementation.
- Manages software upgrade plan activities.
- Coordinates software upgrade plan activities with Sedgwick County and Tyler resources.
- Communicates changes affecting users and department stakeholders.
- Obtains department stakeholder acceptance to upgrade production environment.



5.2.8 Sedgwick County Change Management Lead

- Validates that users receive timely and thorough communication regarding process changes.
- Provides coaching to supervisors to prepare them to support users through the project changes.
- Identifies the impact areas resulting from project activities and develops a plan to address them proactively.
- Identifies areas of resistance and develops a plan to reinforce the change.
- Monitors post-production performance and new process adherence.



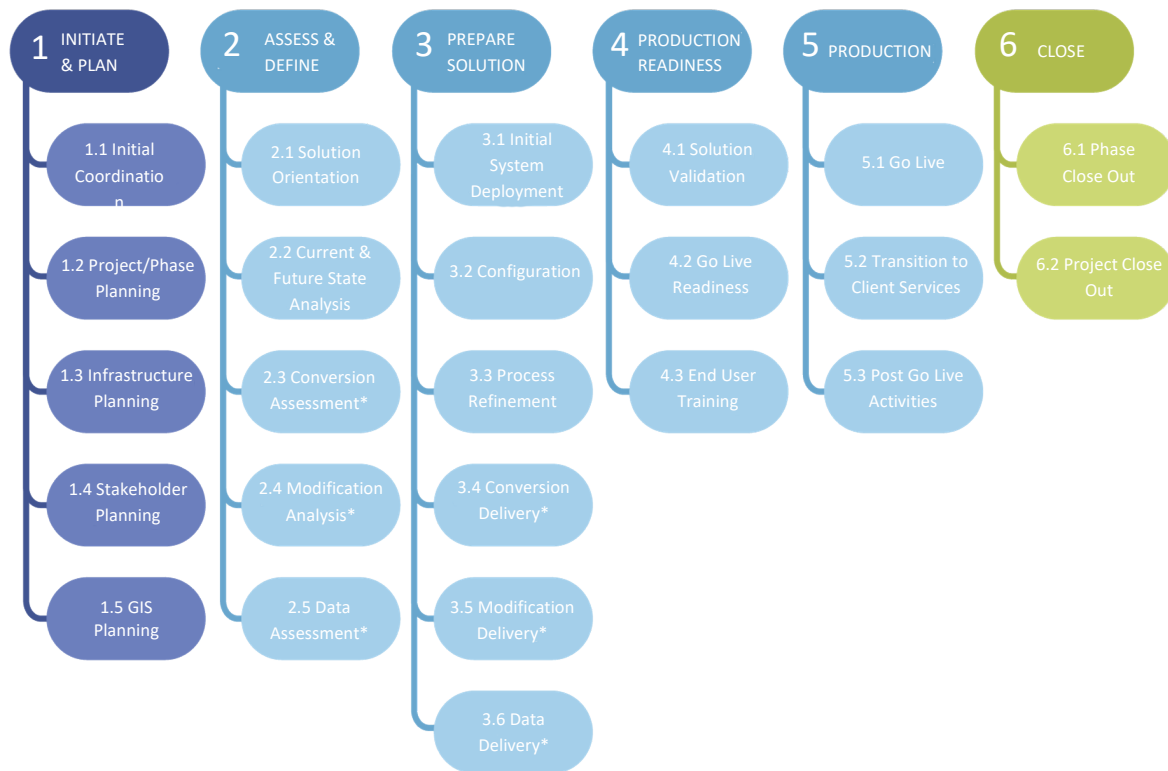
Part 3: Project Plan

6. Project Stages

Work Breakdown Structure

The Work Breakdown Structure (WBS) is a hierarchical representation of a Project or Phase broken down into smaller, more manageable components. The top-level components are called “Stages” and the second level components are called “Work Packages”. The work packages, shown below each stage, contain the high-level work to be done. The detailed Project Schedule, developed during Project/Phase Planning and finalized during subsequent stages, lists the tasks to be completed within each work package. Each stage ends with a “Control Point”, confirming the work performed during that stage of the Project has been accepted by the Sedgwick County.

Work Breakdown Structure (WBS)



**Items noted with an asterisk in the graphic above relate to specific products and services. If those products and services are not included in the scope of the contract, these specific work packages will be noted as “Intentionally Left Blank” in Section 6 of the Statement of Work.*



6.1 Initiate and Plan

The Initiate and Plan stage involves Project initiation, infrastructure, and planning. This stage creates a foundation for the Project by identifying and establishing sequence and timing for each Phase as well as verifying scope for the Project. This stage will be conducted at the onset of the Project, with a few unique items being repeated for the additional Phases as needed.

6.1.1 Initial Coordination

Prior to Project commencement, Tyler management assigns project manager(s). Additional Project resources will be assigned later in the Project as a Project schedule is developed. Tyler provides the Sedgwick County with initial Project documents used to gather names of key personnel, their functional role as it pertains to the Project, as well as any blackout dates to consider for future planning. The Sedgwick County gathers the information requested by the provided deadline ensuring preliminary planning and scheduling can be conducted moving the Project forward in a timely fashion. Internally, the Tyler Project Manager(s) coordinate with sales to ensure transfer of vital information from the sales process prior to scheduling a Project Planning Meeting with the Sedgwick County's team. During this step, Tyler will work with the Sedgwick County to establish the date(s) for the Project and Phase Planning session.

Objectives:

- Formally launch the project.
- Establish project governance.
- Define and communicate governance for Tyler.
- Identify Sedgwick County project team.

STAGE 1	Initial Coordination																
	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Tyler project team is assigned	A	R	C	I	I	I	I		I		I						
Sedgwick County project team is assigned									A	I	R	I	I	I			
Provide initial project documents to the Sedgwick County		A	R	C			C		I		I						
Gather preliminary information requested			I						A		R	C		C		C	C
Sales to implementation knowledge transfer		A	R	I	I	I	I				I						



RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Schedule and conduct planning session(s)		A	R						I		C	C	I				
Develop Project Management Plan		A	R						I		C	C	I				
Develop initial project schedule		A	R	I	I	I	I		I	I	C	C	I	I	C		I

Inputs	Contract documents
	Statement of Work
	Guide to Starting Your Project

Outputs / Deliverables	Acceptance Criteria [only] for Deliverables
Project Management Plan	Delivery of document
Project Operational Plan	Delivery of document
Initial Project Schedule	Sedgwick County provides acceptance of schedule based on resource availability, project budget, and goals.

Work package assumptions:

- Sedgwick County has reviewed and completed the Guide to Starting Your Project document.

6.1.3 Infrastructure Planning

Procuring required hardware and setting it up properly is a critical part of a successful implementation. This task is important for both on-premise and Tyler-hosted/SaaS deployment models; however, the responsibility to execute the tasks discussed here will differ depending on the model required for specific applications and suites (please see your Investment Summary for details). Tyler will be responsible for building the environments for a hosted/SaaS deployment, unless otherwise identified in the Agreement. In an On-premise deployment, the Sedgwick County will be responsible for the setup of the infrastructure. Tyler will install Licensed Software on application server(s) or train the Sedgwick County to install License Software. In both models, the Sedgwick County is responsible for the installation and setup of all peripheral devices.

Objectives:

- Ensure the Sedgwick County’s infrastructure meets Tyler’s application requirements.
- Ensure the Sedgwick County’s infrastructure is scheduled to be in place and available for use on time.



STAGE 1	Infrastructure Planning																
	Tyler								Sedgwick County								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts	Department Heads	End Users	Technical Leads
Provide Infrastructure Requirements and Design Document		A	R		C		C				I						I
Initial Infrastructure Meeting		A	R		C		C				C						C
Schedule SaaS Environment Availability (where applicable)		A	R				C				I						
Schedule Hardware to be Available for Installation (where applicable)			I				I		A		R						C
Schedule Installation of All Licensed Software		A	R				C				I						I
Infrastructure Audit		A	R				C				I						C

Work package assumptions:

- The Sedgwick County will maintain environment (or virtual environment) for On-Premise deployments.

Inputs	Initial Infrastructure Requirements
--------	-------------------------------------

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Completed Infrastructure Requirements	Delivery of Requirements
	Infrastructure Audit	System Passes Audit Criteria

6.1.4 Stakeholder Meeting

Communication of the Project planning outcomes to the Sedgwick County Project team, executives and other key stakeholders is vital to Project success. The Stakeholder meeting is a strategic activity to inform, engage, gain commitment, and instill confidence in the Sedgwick County team. During the meeting, the goals and objectives of the Project will be reviewed along with detail on Project scope, implementation methodology, roles and responsibilities, Project timeline and schedule, and keys to Project success.

Objectives:

- Formally present and communicate the project activities and timeline.



- Communicate project expectations.

STAGE 1	Stakeholder Meeting																
	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Create Stakeholder Meeting Presentation	I	A	R	I	I				I	I	C		I				
Review Stakeholder Meeting Presentation		I	C						A		R		C				
Perform Stakeholder Meeting Presentation	I	A	R	I	I				I	I	C	I	I	I	I	I	I

Inputs	Agreement
	SOW
	Project Management Plan

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Stakeholder Meeting Presentation	

Work package assumptions:

- None

6.1.5 GIS Preparation

GIS data is a core part of many Tyler applications. Other Sedgwick County offices/products may also use this data and have different GIS requirements. A key focus of this preparation will be the process for developing the GIS data for use with Tyler applications. This can be an iterative process, so it is important to begin preparation early.

Objectives:

- Identify all Sedgwick County GIS data sources and formats.
- Tyler to understand the Sedgwick County’s GIS needs and practices.
- Ensure the Sedgwick County’s GIS data meets Tyler product requirements.

STAGE 1	GIS Preparation	
	Tyler	Sedgwick County



<p>RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed</p>	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Initial GIS Planning Meeting		A	R				C				C						C
Determine all GIS Data Sources			I				I		A		R						C
Provide Source GIS Data			I				I		A		R						C
Review GIS Data and Provide Feedback		A	R				C				I						C

Inputs	GIS Requirements Document
--------	---------------------------

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Production Ready Map Data	Meets Tyler GIS Requirements.

Work package assumptions:

- GIS data provided to Tyler is accurate and complete.
- GIS data provided to Tyler is current.
- Sedgwick County is responsible for maintaining the GIS data.

6.1.6 Control Point 1: Initiate & Plan Stage Acceptance

Acceptance criteria for this stage includes completion of all criteria listed below.

Note: Advancement to the Assess & Define stage is not dependent upon Tyler’s receipt of this stage acceptance.

Initiate & Plan Stage Deliverables:

- Project Management Plan
- Initial Project Schedule

Initiate & Plan stage acceptance criteria:

- All stage deliverables accepted based on acceptance criteria previously defined
- Project governance defined
- Project portal made available to the Sedgwick County
- Stakeholder meeting complete
- GIS Data Production Ready
- Completed Infrastructure Requirements and Design Document
- System Passes Infrastructure Audit (as applicable)



6.2 Assess & Define

The Assess & Define stage will provide an opportunity to gather information related to current Sedgwick County business processes. This information will be used to identify and define business processes utilized with Tyler software. The Sedgwick County collaborates with Tyler providing complete and accurate information to Tyler staff and assisting in analysis, understanding current workflows and business processes.

6.2.1 Solution Orientation

The Solution Orientation provides the Project stakeholders a high-level understanding of the solution functionality prior to beginning the current and future state analysis. The primary goal is to establish a foundation for upcoming conversations regarding the design and configuration of the solution.

Tyler utilizes a variety of tools for the Solution Orientation, focusing on Sedgwick County team knowledge transfer such as: eLearning, documentation, or walkthroughs. The Sedgwick County team will gain a better understanding of the major processes and focus on data flow, the connection between configuration options and outcome, integration, and terminology that may be unique to Tyler’s solution.

Objectives:

- Provide a basic understanding of system functionality.
- Prepare the Sedgwick County for current and future state analysis.

STAGE 2	Solution Orientation																
	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Provide pre-requisites			A	R							I	I		I	I		I
Complete pre-requisites											A	R		C			C
Conduct orientation			A	R							I	I		I	I		I

Inputs	Solution orientation materials
	Training Plan

6.2.2 Current & Future State Analysis

The Current & Future State Analysis provides the Project stakeholders and Tyler an understanding of process changes that will be achieved with the new system.

The Sedgwick County and Tyler will evaluate current state processes, options within the new software, pros and cons of each based on current or desired state and make decisions about the future state configuration and processing. This may occur before or within the same timeframe as the configuration work package. The



options within the new software will be limited to the scope of this implementation and will make use of standard Tyler functionality.

The Sedgwick County will adopt the existing Tyler solution wherever possible to avoid project schedule and quality risk from over customization of Tyler products. It is the Sedgwick County’s responsibility to verify that in-scope requirements are being met throughout the implementation if functional requirements are defined as part of the contract. The following guidelines will be followed when evaluating if a modification to the product is required:

- A reasonable business process change is available.
- Functionality exists which satisfies the requirement.
- Configuration of the application satisfies the requirement.
- An in-scope modification satisfies the requirement.

Requirements that are not met will follow the agreed upon change control process and can have impacts on the project schedule, scope, budget, and resource availability.

STAGE 2	Current & Future State Analysis																
	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Current State process review			A	R	I	I	I				C	C	C	C			C
Discuss future-state options			A	R	C	C	C				C	C	C	C			C
Make future-state decisions (non-COTS)			C	C	C	C	C				A	R	I	C			C
Document anticipated configuration options required to support future state			A	R	C	C	C				I	I	I	I			I

Inputs	Sedgwick County current state documentation
	Solution Orientation completion

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Documentation that describes future-state decisions and configuration options to support future-state decisions.	Delivery of document

Work package assumptions:



- Sedgwick County attendees possess sufficient knowledge and authority to make future state decisions.
- The Sedgwick County is responsible for any documentation of current state business processes.
- The Sedgwick County can effectively communicate current state processes.

6.2.3 Conversion Assessment

Data Conversions are a major effort in any software implementation. Tyler’s conversion tools facilitate the predictable, repeatable conversion process that is necessary to support a successful transition to the Tyler system. The first step in this process is to perform an assessment of the existing (“legacy”) system(s), to better understand the source data, risks, and options available. Once the data has been analyzed, the plan for data conversion is completed and communicated to the appropriate stakeholders.

Objectives:

- Communicate a common understanding of the project goals with respect to data.
- Ensure complete and accurate source data is available for review/transfer.
- Map the data from the source to the Tyler system.
- Document the data conversion/loading approach.

STAGE 2	Data Conversion Assessment																
	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Extract Data from Source Systems			I		C						A						R
Review and Scrub Source Data			I	I	I						A	R		C			I
Build/Update Data Conversion Plan			R	C	C						C	I	I	I			I

Inputs	Sedgwick County Source data
	Sedgwick County Source data Documentation (if available)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Data Conversion Plan built/updated	Sedgwick County Acceptance of Data Conversion Plan, if Applicable

Work package assumptions:



- Tyler will be provided with data from the Legacy system(s) in a mutually agreed upon format.
- Tyler will work with the Sedgwick County representatives to identify business rules before writing the conversion.
- Sedgwick County subject matter experts and resources most familiar with the current data will be involved in the data conversion planning effort.

6.2.4 Intentionally left blank.

6.2.5 Intentionally left blank.

6.2.6 Control Point 2: Assess & Define Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below.

Note: Advancement to the Prepare Solution Stage is dependent upon Tyler’s receipt of the Stage Acceptance.

Assess & Define Stage Deliverables:

- Documentation of future state decisions and configuration options to support future state decisions.
- Modification specification document.
- Assess & Define Stage Acceptance Criteria:
- All stage deliverables accepted based on criteria previously defined.
- Solution Orientation is delivered.
- Conversion data extracts are received by Tyler.
- Data conversion plan built.

6.3 Prepare Solution

During the Prepare Solution stage, information gathered during the Initiate & Plan and Assess & Define stages will be used to install and configure the Tyler software solution. Software configuration will be validated by the Sedgwick County against future state decisions defined in previous stages and processes refined as needed to ensure business requirements are met.

6.3.1 Initial System Deployment

The timely availability of the Tyler Solution is important to a successful Project implementation. The success and timeliness of subsequent work packages are contingent upon the initial system deployment of Tyler Licensed Software on an approved network and infrastructure. Delays in executing this work package can affect the project schedule.

Objectives:

- The Sedgwick County’s hardware is available and set up appropriately to meet Tyler’s requirements.
- All licensed software is installed and operational.
- The Sedgwick County can access the software.

STAGE 3	Initial System Deployment (On-Premise/Hosted)	
	Tyler	Sedgwick County



<p> RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed </p>	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Review Purchased Hardware			A				R				I						C
Prepare hosted environment (where applicable)			A				R				I						C
Setup/Prepare Hardware for Deployment for Included Environments			I				C				A						R
Install Licensed Software with Initial Database on Server(s) for Included Environments			A				R				I						C
Install Licensed Software on Sedgwick County Devices (if applicable)			I				C				A						R
Tyler System Administration Training (if applicable)			A				R				I						C

Inputs	Hardware is Procured and Made Available to Tyler
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Outputs / Deliverables	Acceptance Criteria [only] for Deliverables
Licensed Software is Installed on the Server(s)	Software is accessible
Licensed Software is Installed on Sedgwick County devices (if applicable)	Software is accessible
Installation Checklist/System Document	System meets prescribed checklist
Infrastructure Design Document (If Applicable)	

Work package assumptions:

- The most current available version of the Tyler Licensed Software will be installed.
- The Sedgwick County will provide network access for Tyler modules, printers, and Internet access to all applicable Sedgwick County and Tyler Project staff.



On-Premise (where applicable):

- The Sedgwick County has procured sufficient hardware by the agreed upon timeline.
- The procured hardware and software meets Tyler requirements to ensure sufficient speed and operability of Tyler Licensed Software. Tyler will not support the use of Licensed Software if the Sedgwick County does not meet minimum standards of Tyler’s published specifications.
- The Sedgwick County has in place and keeps up to date all hardware, software, and technical infrastructure necessary to support the solution.

6.3.2 Configuration

The purpose of Configuration is to prepare the software product for validation.

Tyler staff collaborates with the Sedgwick County to complete software configuration based on the outputs of the future state analysis performed during the Assess and Define Stage. The Sedgwick County collaborates with Tyler staff iteratively to validate software configuration.

Objectives:

- Software is ready for validation.
- Educate the Sedgwick County Power User how to configure and maintain software.
- Prepare standard interfaces for process validation (if applicable).

STAGE 3	Configuration																
	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Conduct configuration training			A	R							I	C		C			
Complete Tyler configuration tasks (where applicable)			A	R							I	I		I			
Complete Sedgwick County configuration tasks (where applicable)			I	C							A	R		C			
Standard interfaces configuration and training (if applicable)			A	R			C				I	C		C			C
Updates to Solution Validation testing plan			C	C							A	R		C			C

Inputs	Documentation that describes future state decisions and configuration options to support future state decisions.
--------	--



Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Configured System	

Work package assumptions:

- Tyler provides guidance for configuration options available within the Tyler software. The Sedgwick County is responsible for making decisions when multiple options are available.

6.3.3 Process Refinement

Tyler will educate the Sedgwick County users on how to execute processes in the system to prepare them for the validation of the software. The Sedgwick County collaborates with Tyler staff iteratively to validate software configuration options to support future state.

Objectives:

- Ensure that the Sedgwick County understands future state processes and how to execute the processes in the software.
- Refine each process to meet the business requirements.
- Validate standard interfaces, where applicable.
- Validate forms and reports, where applicable.

STAGE 3	Process Refinement																
	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Conduct process training			A	R							I	C	I	C			
Confirm process decisions			I	C						A	R	C	I	C			
Test configuration			I	C							A	R		C			
Refine configuration (Sedgwick County Responsible)			I	C							A	R		C			
Refine configuration (Tyler Responsible)			A	R							I	I		I			
Validate interface process and results			I	C			C				A	R		C			C



Update Sedgwick County-specific process documentation (if applicable)			I	C								A	R		C				
Updates to Solution Validation testing plan			C	C								A	R		C				C

Inputs	Initial Configuration
	Documentation that describes future state decisions and configuration options to support future state decisions.
	Solution validation test plan

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Updated solution validation test plan	
	Completed Sedgwick County-specific process documentation (completed by Sedgwick County)	

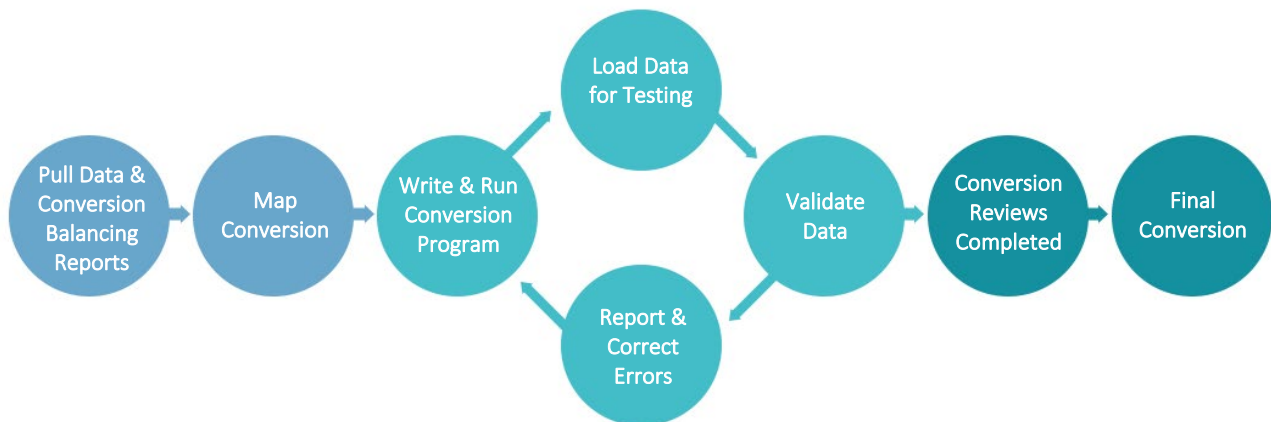
Work package assumptions:

- None

6.3.4 Conversion Delivery

The purpose of this task is to transition the Sedgwick County’s data from their source (“legacy”) system(s) to the Tyler system(s). The data will need to be mapped from the legacy system into the new Tyler system format. A well-executed data conversion is key to a successful cutover to the new system(s).

With guidance from Tyler, the Sedgwick County will review specific data elements within the system and identify / report discrepancies. Iteratively, Tyler will collaborate with the Sedgwick County to address conversion discrepancies. This process will allow for clean, reconciled data to transfer from the source system(s) to the Tyler system(s). Reference Conversion Appendix for additional detail.



Objectives:

- Data is ready for production (Conversion).

STAGE 3	Data Delivery & Conversion																
	Tyler								Sedgwick County								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
Provide data crosswalks/code mapping tool			A	C	R						I	I		I			
Populate data crosswalks/code mapping tool			I	C	C						A	R		C			
Iterations: Conversion Development			A	C	R						I						I
Iterations: Deliver converted data			A		R						I						I
Iterations: Proof/Review data and reconcile to source system			C	C	C						A	R		C			C

Inputs	
	Data Conversion Plan
	Configuration

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Code Mapping Complete / Validated	
	Conversion Iterations / Reviews Complete	Conversion complete, verified, and ready for final pass

Work package assumptions:

- The Sedgwick County will provide a single file layout per source system as identified in the investment summary.
- The Sedgwick County subject matter experts and resources most familiar with the current data will be involved in the data conversion effort.



- The Sedgwick County project team will be responsible for completing the code mapping activity, with assistance from Tyler.

6.3.5 Intentionally left blank.

6.3.6 Intentionally left blank.

6.3.7 Control Point 3: Prepare Solution Stage Acceptance

Acceptance criteria for this Stage includes all criteria listed below in each Work Package.

Note: Advancement to the Production Readiness Stage is dependent upon Tyler’s receipt of the Stage Acceptance.

Prepare Solution Stage Deliverables:

- Licensed software is installed.
- Installation checklist/system document.
- Conversion iterations and reviews complete.

Prepare Solution Stage Acceptance Criteria:

- All stage deliverables accepted based on criteria previously defined.
- Software is configured.
- Solution validation test plan has been reviewed and updated if needed.

6.4 Production Readiness

Activities in the Production Readiness stage will prepare the Sedgwick County team for go-live through solution validation, the development of a detailed go-live plan and end user training. A readiness assessment will be conducted with the Sedgwick County to review the status of the project and the organizations readiness for go-live.

6.4.1 Solution Validation

Solution Validation is the end-to-end software testing activity to ensure that the Sedgwick County verifies all aspects of the Project (hardware, configuration, business processes, etc.) are functioning properly, and validates that all features and functions per the contract have been deployed for system use.

Objectives:

- Validate that the solution performs as indicated in the solution validation plan.
- Ensure the Sedgwick County organization is ready to move forward with go-live and training (if applicable).

STAGE 4	Solution Validation	
	Tyler	Sedgwick County



<p>RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed</p>	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Update Solution Validation plan			A	R	C						C	C		C			
Update test scripts (as applicable)			C	C	C						A	R		C			
Perform testing			C	C	C						A	R		C			
Document issues from testing			C	C	C						A	R		C			
Perform required follow-up on issues			A	R	C						C	C		C			

Inputs	Solution Validation plan
	Completed work product from prior stages (configuration, business process, etc.)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Solution Validation Report	Sedgwick County updates report with testing results

Work package assumptions:

- Designated testing environment has been established.
- Testing includes current phase activities or deliverables only.

6.4.2 Go-Live Readiness

Tyler and the Sedgwick County will ensure that all requirements defined in Project planning have been completed and the Go-Live event can occur, as planned. A go-live readiness assessment will be completed identifying risks or actions items to be addressed to ensure the Sedgwick County has considered its ability to successfully Go-Live. Issues and concerns will be discussed, and mitigation options documented. Tyler and the Sedgwick County will jointly agree to move forward with transition to production. Expectations for final preparation and critical dates for the weeks leading into and during the Go-Live week will be planned in detail and communicated to Project teams.

Objectives:

- Action plan for go-live established.
- Assess go-live readiness.
- Stakeholders informed of go-live activities.

STAGE 4	Go-Live Readiness
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	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Perform Readiness Assessment	I	A	R	C	C	I	C	I	I	I	I		I				I
Conduct Go-Live planning session		A	R	C							C	C	C	C	C		C
Order peripheral hardware (if applicable)			I							A	R						C
Confirm procedures for Go-Live issue reporting & resolution		A	R	I	I	I	I				C	C	I	I	I	I	I
Develop Go-Live checklist		A	R	C	C						C	C	I	C			C
Final system infrastructure review (where applicable)			A				R				C						C

Inputs	Future state decisions
	Go-live checklist

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Updated go-live checklist	Updated Action plan and Checklist for go-live delivered to the Sedgwick County

Work package assumptions:

- None

6.4.3 End User Training

End User Training is a critical part of any successful software implementation. Using a training plan previously reviewed and approved, the Project team will organize and initiate the training activities.

Tyler Led: Tyler provides training for all applicable users. One or multiple occurrences of each scheduled training or implementation topic will be covered.

Tyler will provide standard application documentation for the general use of the software. It is not Tyler’s responsibility to develop Sedgwick County specific business process documentation. Sedgwick County-led training labs using Sedgwick County specific business process documentation if created by the Sedgwick County can be added to the regular training curriculum, enhancing the training experiences of the end users.

Objectives:

- End users are trained on how to use the software prior to go-live.



- The Sedgwick County is prepared for on-going training and support of the application.

STAGE 4	End User Training																
	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Update training plan		A	R	C							C		I		C		
End User training (Tyler-led)		A	R	C							C	C	I	C	C	C	
Train-the-trainer		A	R	C							C	C	I	C			
End User training (Sedgwick County-led)			C	C							A	R	I	C	C	C	

Inputs	Training Plan
	List of End Users and their Roles / Job Duties
	Configured Tyler System

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	End User Training	Sedgwick County signoff that training was delivered

Work package assumptions:

- The Sedgwick County project team will work with Tyler to jointly develop a training curriculum that identifies the size, makeup, and subject-area of each of the training classes.
- Tyler will work with the Sedgwick County as much as possible to provide end-user training in a manner that minimizes the impact to the daily operations of Sedgwick County departments.
- The Sedgwick County will be responsible for training new users after go-live (exception—previously planned or regular training offerings by Tyler).

6.4.4 Control Point 4: Production Readiness Stage Acceptance

Acceptance criteria for this stage includes all criteria listed below. Advancement to the Production stage is dependent upon Tyler’s receipt of the stage acceptance.

Production Readiness stage deliverables:

- Solution Validation Report.
- Update go-live action plan and/or checklist.
- End user training.



Production Readiness stage acceptance criteria:

- All stage deliverables accepted based on criteria previously defined.
- Go-Live planning session conducted.

6.5 Production

Following end user training the production system will be fully enabled and made ready for daily operational use as of the scheduled date. Tyler and the Sedgwick County will follow the comprehensive action plan laid out during Go-Live Readiness to support go-live activities and minimize risk to the Project during go-live. Following go-live, Tyler will work with the Sedgwick County to verify that implementation work is concluded, post go-live activities are scheduled, and the transition to Client Services is complete for long-term operations and maintenance of the Tyler software.

6.5.1 Go-Live

Following the action plan for Go-Live, defined in the Production Readiness stage, the Sedgwick County and Tyler will complete work assigned to prepare for Go-Live.

The Sedgwick County provides final data extract and Reports from the Legacy System for data conversion and Tyler executes final conversion iteration, if applicable. If defined in the action plan, the Sedgwick County manually enters any data added to the Legacy System after final data extract into the Tyler system.

Tyler staff collaborates with the Sedgwick County during Go-Live activities. The Sedgwick County transitions to Tyler software for day-to day business processing.

Some training topics are better addressed following Go-Live when additional data is available in the system or based on timing of applicable business processes and will be scheduled following Go-Live per the Project Schedule.

Objectives:

- Execute day to day processing in Tyler software.
- Sedgwick County data available in Production environment.

STAGE 5	Go-Live																
	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Provide final source data extract, if applicable			C		C						A						R



Final source data pushed into production environment, if applicable			A	C	R						I	C		C			C
Proof final converted data, if applicable			C	C	C						A	R		C			
Complete Go-Live activities as defined in the Go-Live action plan			C	C	C					A	R	C	I	C			
Provide Go-Live assistance			A	R	C	C					C	C	I	C		I	C

Inputs	Comprehensive Action Plan for Go-Live
	Final source data (if applicable)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Data is available in production environment	Sedgwick County confirms data is available in production environment

Work package assumptions:

- The Sedgwick County will complete activities documented in the action plan for Go-Live as scheduled.
- External stakeholders will be available to assist in supporting the interfaces associated with the Go-Live live process.
- The Sedgwick County business processes required for Go-Live are fully documented and tested.
- The Sedgwick County Project team and subject matter experts are the primary point of contact for the end users when reporting issues during Go-Live.
- The Sedgwick County Project Team and Power User’s provide business process context to the end users during Go-Live.
- The Tyler Go-Live support team is available to consult with the Sedgwick County teams as necessary.
- The Tyler Go-Live support team provides standard functionality responses, which may not be tailored to the local business processes.

6.5.2 Transition to Client Services

This work package signals the conclusion of implementation activities for the Phase or Project with the exception of agreed-upon post Go-Live activities. The Tyler project manager(s) schedules a formal transition of the Sedgwick County onto the Tyler Client Services team, who provides the Sedgwick County with assistance following Go-Live, officially transitioning the Sedgwick County to operations and maintenance.

Objectives:

- Ensure no critical issues remain for the project teams to resolve.
- Confirm proper knowledge transfer to the Sedgwick County teams for key processes and subject areas.

STAGE 5	Transition to Client Services	
	Tyler	Sedgwick County



<p>RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed</p>	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Transfer Sedgwick County to Client Services and review issue reporting and resolution processes	I	I	A	I	I			R	I	I	C	C		C			
Review long term maintenance and continuous improvement			A					R			C	C		C			

Inputs	Open item/issues List
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Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Client Services Support Document	

Work package assumptions:

- No material project issues remain without assignment and plan.

6.5.3 Post Go-Live Activities

Some implementation activities are provided post-production due to the timing of business processes, the requirement of actual production data to complete the activities, or the requirement of the system being used in a live production state.

Objectives:

- Schedule activities that are planned for after Go-Live.
- Ensure issues have been resolved or are planned for resolution before phase or project close.

STAGE 5	Post Go-Live Activities	
	Tyler	Sedgwick County



<p> RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed </p>	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Schedule contracted activities that are planned for delivery after go-live		A	R	C	C	C	C	I			C	C	I	C			C
Determine resolution plan in preparation for phase or project close out		A	R	C	C	C		I			C	C	I	C			

Inputs	List of post Go-Live activities
--------	---------------------------------

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Updated issues log	

Work package assumptions:

- System is being used in a live production state.

6.5.4 Control Point 5: Production Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below:

- Advancement to the Close stage is not dependent upon Tyler’s receipt of this Stage Acceptance.
- Converted data is available in production environment.

Production Stage Acceptance Criteria:

- All stage deliverables accepted based on criteria previously defined.
- Go-Live activities defined in the Go-Live action plan completed.
- Client services support document is provided.

6.6 Close

The Close stage signifies full implementation of all products purchased and encompassed in the Phase or Project. The Sedgwick County transitions to the next cycle of their relationship with Tyler (next Phase of implementation or long-term relationship with Tyler Client Services).



6.6.1 Phase Closeout

This work package represents Phase completion and signals the conclusion of implementation activities for the Phase. The Tyler Client Services team will assume ongoing support of the Sedgwick County for systems implemented in the Phase.

Objectives:

- Agreement from Tyler and the Sedgwick County teams that activities within this phase are complete.

STAGE 6	Phase Close Out																
	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Reconcile project budget and status of contract Deliverables	I	A	R						I	I	C						
Hold post phase review meeting		A	R	C	C	C	C				C	C	C	C			C
Release phase-dependent Tyler project resources	A	R	I								I						

Participants	Tyler	Sedgwick County
	Project Leadership	Project Manager
	Project Manager	Project Sponsor(s)
	Implementation Consultants	Functional Leads, Power Users, Technical Leads
	Technical Consultants (Conversion, Deployment, Development)	
	Client Services	

Inputs	
	Contract
	Statement of Work
	Project artifacts

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Final action plan (for outstanding items)	
	Reconciliation Report	
	Post Phase Review	



Work package assumptions:

- Tyler deliverables for the phase have been completed.

6.6.2 Project Closeout

Completion of this work package signifies final acceptance and formal closing of the Project.

At this time the Sedgwick County may choose to begin working with Client Services to look at continuous improvement Projects, building on the completed solution.

Objectives:

- Confirm no critical issues remain for the project teams to resolve.
- Determine proper knowledge transfer to the Sedgwick County teams for key processes and subject areas has occurred.
- Verify all deliverables included in the Agreement are delivered.

STAGE 6	Project Close Out																
	Tyler							Sedgwick County									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Conduct post project review		A	R	C	C	C	C				C	C	C	C			C
Deliver post project report to Sedgwick County and Tyler leadership	I	A	R						I	I	C						
Release Tyler project resources	A	R	I								I						

Inputs	Contract
	Statement of Work

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Post Project Report	Sedgwick County acceptance; Completed report indicating all project Deliverables and milestones have been completed

Work package assumptions:



- All project implementation activities have been completed and approved.
- No critical project issues remain that have not been documented and assigned.
- Final project budget has been reconciled and invoiced.
- All Tyler deliverables have been completed.

6.6.3 Control Point 6: Close Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below.

Close Stage Deliverables:

- Post Project Report.

Close Stage Acceptance Criteria:

- Completed report indicating all Project deliverables and milestones have been completed.

7. General Assumptions

Tyler and the Sedgwick County will use this SOW as a guide for managing the implementation of the Tyler Project as provided and described in the Agreement. There are a few assumptions which, when acknowledged and adhered to, will support a successful implementation. Assumptions related to specific work packages are documented throughout the SOW. Included here are general assumptions which should be considered throughout the overall implementation process.

7.1 Project

- Project activities will begin after the Agreement has been fully executed.
- The Sedgwick County Project Team will complete their necessary assignments in a mutually agreed upon timeframe to meet the scheduled go-live date, as outlined in the Project Schedule.
- Sessions will be scheduled and conducted at a mutually agreeable time.
- Additional services, software modules and modifications not described in the SOW or Agreement will be considered a change to this Project and will require a Change Request Form as previously referenced in the definition of the Change Control Process.
- Tyler will provide a written agenda and notice of any prerequisites to the Sedgwick County project manager(s) ten (10) business days or as otherwise mutually agreed upon time frame prior to any scheduled on-site or remote sessions, as applicable.
- Tyler will provide guidance for configuration and processing options available within the Tyler software. If multiple options are presented by Tyler, the Sedgwick County is responsible for making decisions based on the options available.
- Implementation of new software may require changes to existing processes, both business and technical, requiring the Sedgwick County to make process changes.
- The Sedgwick County is responsible for defining, documenting, and implementing their policies that result from any business process changes.

7.2 Organizational Change Management

Unless otherwise contracted by Tyler, Sedgwick County is responsible for managing Organizational Change. Impacted Sedgwick County resources will need consistent coaching and reassurance from their leadership team to embrace and accept the changes being imposed by the move to new software. An important part of



change is ensuring that impacted Sedgwick County resources understand the value of the change, and why they are being asked to change.

7.3 Resources and Scheduling

- Sedgwick County resources will participate in scheduled activities as assigned in the Project Schedule.
- The Sedgwick County team will complete prerequisites prior to applicable scheduled activities. Failure to do so may affect the schedule.
- Tyler and the Sedgwick County will provide resources to support the efforts to complete the Project as scheduled and within the constraints of the Project budget.
- Abbreviated timelines and overlapped Phases require sufficient resources to complete all required work as scheduled.
- Changes to the Project Schedule, availability of resources or changes in Scope will be requested through a Change Request. Impacts to the triple constraints (scope, budget, and schedule) will be assessed and documented as part of the change control process.
- The Sedgwick County will ensure assigned resources will follow the change control process and possess the required business knowledge to complete their assigned tasks successfully. Should there be a change in resources, the replacement resource should have a comparable level of availability, change control process buy-in, and knowledge.
- The Sedgwick County makes timely Project related decisions to achieve scheduled due dates on tasks and prepare for subsequent training sessions. Failure to do so may affect the schedule, as each analysis and implementation session is dependent on the decisions made in prior sessions.
- The Sedgwick County will respond to information requests in a comprehensive and timely manner, in accordance with the Project Schedule.
- The Sedgwick County will provide adequate meeting space or facilities, including appropriate system connectivity, to the project teams including Tyler team members.
- For on-site visits, Tyler will identify a travel schedule that balances the needs of the project and the employee.

7.4 Data

- Data will be converted as provided and Tyler will not create data that does not exist.
- The Sedgwick County is responsible for the quality of legacy data and for cleaning or scrubbing erroneous legacy data.
- Tyler will work closely with the Sedgwick County representatives to identify business rules before writing the conversion. The Sedgwick County must confirm that all known data mapping from source to target have been identified and documented before Tyler writes the conversion.
- All in-scope source data is in data extract(s).
- Each legacy system data file submitted for conversion includes all associated records in a single approved file layout.
- The Sedgwick County will provide the legacy system data extract in the same format for each iteration unless changes are mutually agreed upon in advance. If not, negative impacts to the schedule, budget and resource availability may occur and/or data in the new system may be incorrect.
- The Sedgwick County Project Team is responsible for reviewing the converted data and reporting issues during each iteration, with assistance from Tyler.
- The Sedgwick County is responsible for providing or entering test data (e.g., data for training, testing interfaces, etc.)



7.5 Facilities

- The Sedgwick County will provide dedicated space for Tyler staff to work with Sedgwick County resources for both on-site and remote sessions. If Phases overlap, Sedgwick County will provide multiple training facilities to allow for independent sessions scheduling without conflict.
- The Sedgwick County will provide staff with a location to practice what they have learned without distraction.



8. Glossary

Word or Term	Definition
Acceptance	Confirming that the output or deliverable is suitable and conforms to the agreed upon criteria.
Accountable	The one who ultimately ensures a task or deliverable is completed; the one who ensures the prerequisites of the task are met and who delegates the work to those responsible. [Also see RACI]
Application	A computer program designed to perform a group of coordinated functions, tasks, or activities for the benefit of the user.
Application Programming Interface (API)	A defined set of tools/methods to pass data to and received data from Tyler software products
Agreement	This executed legal contract that defines the products and services to be implemented or performed.
Business Process	The practices, policy, procedure, guidelines, or functionality that the client uses to complete a specific job function.
Business Requirements Document	A specification document used to describe Client requirements for contracted software modifications.
Change Request	A form used as part of the Change Control process whereby changes in the scope of work, timeline, resources, and/or budget are documented and agreed upon by participating parties.
Change Management	Guides how we prepare, equip and support individuals to successfully adopt change in order to drive organizational success & outcomes
Code Mapping [where applicable]	An activity that occurs during the data conversion process whereby users equate data (field level) values from the old system to the values available in the new system. These may be one to one or many to one. Example: Old System [Field = eye color] [values = BL, Blu, Blue] maps to New Tyler System [Field = Eye Color] [value = Blue].
Consulted	Those whose opinions are sought, typically subject matter experts, and with whom there is two-way communication. [Also see RACI]
Control Point	This activity occurs at the end of each stage and serves as a formal and intentional opportunity to review stage deliverables and required acceptance criteria for the stage have been met.
Data Mapping [where applicable]	The activity determining and documenting where data from the legacy system will be placed in the new system; this typically involves prior data analysis to understand how the data is currently used in the legacy system and how it will be used in the new system.
Deliverable	A verifiable document or service produced as part of the Project, as defined in the work packages.
Go-Live	The point in time when the Client is using the Tyler software to conduct daily operations in Production.
Informed	Those who are kept up-to-date on progress, often only on completion of the task or deliverable, and with whom there is just one-way communication. [Also see RACI]



Infrastructure	The composite hardware, network resources and services required for the existence, operation, and management of the Tyler software.
Interface	A connection to and potential exchange of data with an external system or application. Interfaces may be one way, with data leaving the Tyler system to another system or data entering Tyler from another system, or they may be bi-directional with data both leaving and entering Tyler and another system.
Integration	A standard exchange or sharing of common data within the Tyler system or between Tyler applications
Legacy System	The software from which a client is converting.
Modification	Custom enhancement of Tyler’s existing software to provide features or functions to meet individual client requirements documented within the scope of the Agreement.
On-site	Indicates the work location is at one or more of the client’s physical office or work environments.
Organizational Change	The process of changing an organization's strategies, processes, procedures, technologies, and culture, as well as the effect of such changes on the organization.
Output	A product, result or service generated by a process.
Peripheral devices	An auxiliary device that connects to and works with the computer in some way. Some examples: scanner, digital camera, printer.
Phase	A portion of the Project in which specific set of related applications are typically implemented. Phases each have an independent start, Go-Live and closure dates but use the same Implementation Plans as other Phases of the Project. Phases may overlap or be sequential and may have different Tyler resources assigned.
Project	The delivery of the software and services per the agreement and the Statement of Work. A Project may be broken down into multiple Phases.
RACI	A matrix describing the level of participation by various roles in completing tasks or Deliverables for a Project or process. Individuals or groups are assigned one and only one of the following roles for a given task: Responsible (R), Accountable (A), Consulted (C), or Informed (I).
Remote	Indicates the work location is at one or more of Tyler’s physical offices or work environments.
Responsible	Those who ensure a task is completed, either by themselves or delegating to another resource. [Also see RACI]
Scope	Products and services that are included in the Agreement.



Solution	The implementation of the contracted software product(s) resulting in the connected system allowing users to meet Project goals and gain anticipated efficiencies.
Stage	The top-level components of the WBS. Each Stage is repeated for individual Phases of the Project.
Standard	Software functionality that is included in the base software (off-the-shelf) package; is not customized or modified.
Statement of Work (SOW)	Document which will provide supporting detail to the Agreement defining Project-specific activities, services, and Deliverables.
System	The collective group of software and hardware that is used by the organization to conduct business.
Test Scripts	The steps or sequence of steps that will be used to validate or confirm a piece of functionality, configuration, enhancement, or Use Case Scenario.
Training Plan	Document(s) that indicate how and when users of the system will be trained relevant to their role in the implementation or use of the system.
Validation (or to validate)	The process of testing and approving that a specific Deliverable, process, program, or product is working as expected.
Work Breakdown Structure (WBS)	A hierarchical representation of a Project or Phase broken down into smaller, more manageable components.
Work Package	A group of related tasks within a project.



Part 4: Appendices

9. Conversion

9.1 Records Conversion Specification

The proposed conversion includes converting data from a single database dump file into the Records Management application database. Data should be provided to Tyler as defined below. When providing data and images to Tyler also provide a data dictionary or mapping, including a key to associating images with a specific record in the database. Tyler will convert the data as closely as possible to how it appears in your current system, but Tyler will not normalize data.

When providing data and images to Tyler, include counts of each document type and a count of images.

The client will provide two sets or pulls of data and images to Tyler to be converted from their current system into Records Management. The first set is for a 'bulk' conversion, which is all records in your current system, through the date the extract of data from your legacy system is pulled. The second data set is called a 'gap' and contains the records from the last date you provided the bulk set to the last day of business processing/recording before Go Live, without any duplication or gaps records. In some cases, Tyler may require a complete pull of your entire system instead of a gap, if this approach is deemed more efficient it will be coordinated during the Initiate and Plan stage of the project. Each set of data and images is required to be provided in the same format each time the client provides data and images to Tyler.

9.1.1 Providing Data

The county is required to provide the data to Tyler in one of the following formats:

- A database dump file (*.dmp), accompanied by database definitions/mapping.
 - Microsoft SQL Server ®
 - Oracle ®
- A delimited ASCII text file(s), including file layouts and/or each text file should contain a header row
 - Pipe delimited
 - Tab delimited
 - All data for a specific record in the text file should be in a single line (i.e., No line feeds)

9.1.2 Images

Tyler Technologies requires images to be in the following format:

- group IV Compression
- TIFF format (tagged image file format) and compliant with the TIFF 6.0 specification as defined at <http://partners.adobe.com/public/developer/en/tiff/TIFF6.pdf>
- Up to 300 DPI for land and vital records, up to 600 DPI for plat images
- black and white
- Single-page TIFF images should be stored with a file extension in *.001 - *.0NN format, where page 1 is .001, page 2 is .002, etc. Multi-page TIFF images should be stored in TIFF extensions such as *.tif. In both cases the * represents the document number.
- Images must be oriented correctly (right side) up



- Total combined size of all image files associated with a document can't exceed 65 Mb

If any images do not comply with the specifications, a change order and additional charges may be required to modify and properly convert those images.

Tiff images are the only images supported for Records Management. Due to normal operating system limitations, a directory/folder with more than 10,000 images without subfolders may cause performance issues in the conversion as well as the application.

As a standard, converted images are stored on the file system.

The county is responsible for providing the definition for how the images are linked to the record as well as ensuring that the above image requirements are met. The images must be available on the file system; if they are currently stored in a database, the county is responsible for extracting them to the file system.

The images must be placed on a location that is accessible by the application server. For maximum conversion performance, it is strongly encouraged that this be on a drive of the application server rather than another server on the network.

9.1.3 Redactions

Data and images can be redacted in two different ways depending on how redactions have previously been stored.

Option 1 –

When redactions are stored as overlays and information such as page, x, y coordinates, length and height of the redaction are available, Tyler will convert the redaction as an overlay. This means that only one copy of the image is converted, the redaction can be edited/moved, and admins can see through the redaction while it shows as a red box to the public. This option is consistent with how redactions will be applied once live with Records Management. The client is responsible for providing the overlay information and how to access it; this overlay information must be stored in the same source data as the index data (i.e., in the database). The redaction information must be provided in an Oracle database, Access file, SQL Server database or text file. Providing redaction data as one file per image may incur additional charges.

Option 2 –

When redaction information as described above is not available but instead two copies of the image are stored, one with the redaction and one without, both would be converted. The redacted image would be converted as the primary attachment for the public to view. The unredacted image would be converted as the secondary attachment, which only Administrators can view. The redactions in this case would not be editable. With this option, the client is responsible for providing the redacted as well as the unredacted copy of the image and knowledge of how both would link to the index data.

Data layout for Option 1 – this is appended as a field within the same pipe file as the index data. The redaction information below needs to be on the same line as the rest of the index data for the document.

The redactions are imported at the same time as the index and images.

Redactions for multi-title documents must be identical for all records that are part of the multi-title document.



9.1.4 Annotations

9.1.4.1 Annotation Conversion – Text and Image Stamps

To convert annotations, the following information must be provided in an Oracle database, Access file, SQL Server database or text file. When provided, Tyler will import this with the file before the final conversion. Annotations can only be converted at the time the data and images are converted, not at a later point in time. This data is included in the same file as the index data, so each line corresponds with the correct document id. The annotation data must be provided within the same database the index data is in or within nonproprietary text file(s), providing annotation data as one file per image may incur additional charges.

- Image annotations only support certain types of images - .png, .gif
- An annotation can either have text or an image, not both
- Stamp rotation is not supported, the image will convert with the orientation shown when opened on the file system
- Annotations for multi-title documents must be identical for all of the records that are part of the multi-title document.

All data and images received will be deleted from Tyler systems 90 days after Go Live. It is recommended that each client retain the source data locally and in a secure location.

The following tables show the available fields in the Records Management database; your source data and configuration will determine which specific fields will be converted and used; actual field names in the application may have different labels. Other document types may be allowed and will be reviewed on a case by case basis.

LAND RECORDS

Document Number	Lien Address
Book/Page/Volume or Book/Page	Transfer Tax State
Recording Date	Transfer Tax County
Total Fees	Number of Pages
Recording Fee	Flattened Stamp Date
Transfer Tax	Flattened Stamp Pages
Tax Rate Area	Verification Date
PCOR Pages	Verification User
Document Date	Modify By
Return Address	Modify Date
Requested By	Legal
Grantor	Situs
Grantee	Legal Remarks
Parcel Number	Submitter
Related Data	Location
Grantor Address	Housing State
Grantee Address	Housing Multi State
Treasurer Receipt	Housing Multi County
Affidavit	Housing County
Excise Number	Index Error Notes
Received Date	Notes



Exempt Both	Notes Internal
Exempt State	Legal Survey
Failed Reason	Company ID
Submit Date	Order Number
Tracking Number	Vendor ID
Vendor	Consideration/Loan Amount/Sales Price
Scan Date	Mortgage Tax
Scan Modification Date	Compliance Date
Scan Page County	Documentary Fee
Lien Name	Previous Date

BIRTH CERTIFICATES

Document Number	Name
Recording Date	Parent1 Name
Book/Volume/Page or Book/Page	Parent2 Name
Gender	Death Date
Deceased	Amendment Date
Amendment	Amendment Comment
Notes	Place of Birth
Notes Internal	Related Data
Birth Date	Do Not Issue
Number of Pages	

DEATH CERTIFICATES

Document Number	Parent1 Name
Recording Date	Parent2 Name
Book/Volume/Page or Book/Page	Amendment Date
Name of Deceased	Amendment Comment
Gender	Place of Death
Amendment	Location
Notes	Return To
Internal Notes	Return Address
Related Data	Cause of Death
Number of Pages	Race
Date of Death	Funeral Home
Date of Birth	

MILITARY DISCHARGE

Document Number	Return Address
Recording Date	Requested By
Book/Volume/Page or Book/Page	Grantor (Veteran)
Document Date	Grantee (Military Branch)



Return To	Discharge Date
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CONCEALED WEAPON

Document Number	Weight
Recording Date	Height
Book/Volume/Page or Book/Page	Eye Color
Issue Number	Hair Color
Fingerprint Date	Place of Birth
Issue Date	Country
Application Date	SSN
PASP Status	Address
Name	Mailing Address
Alias	County
Date of Birth	Phone Number
Gender	Email
Race	

NOTARY

Document Number	Phone Number
Recording Date	Status
Book/Volume/Page or Book/Page	Expiration Date
Document Date	ID Type
Name	ID Number
Bond Number/Commission Number	Signature
Bond Date/Commission Date	Business Name
Document Date	

MARRIAGE CERTIFICATE

Document Number	Marriage City
Book/Volume/Page or Book/Page	Return Date
Recording Date	Phone Number
Application Date	Notes
Marriage Date	Notes Internal
Marriage County	Related Data
Married By/Officiant	Party 1 Last Name at Birth
Married By/Officiant Address	Party 2 Last Name at Birth
Party 1 Name	Number of Pages
Party 1 Date of Birth	Party 1 Designation
Party 1 Gender	Party 2 Designation
Party 1 Age	Waiver
Party 1 New Last Name	Return Address
Party 1 Number of this marriage	Party 1 Phone Number



Party 1 Previous Marriage	Party 2 Phone Number
Party 1 Marriage End Date	Party 1 Email
Party 2 Name	Party 2 Email
Party 2 Date of Birth	Party 1 Address
Party 2 Gender	Party 2 Address
Party 2 Age	Party 1 ID Type
Party 2 New Last Name	Party 2 ID Type
Party 2 Number of this marriage	Party 1 ID Number
Party 2 Previous Marriage	Party 2 ID Number
Party 2 Marriage End Date	Expiration Date
Marriage State	

FICTITIOUS BUSINESS NAMES/ASSUMED NAMES

Document Number	Withdrawal Date
Recording Date	Withdrawal Publication Date
Book/Volume/Page or Book/Page	Registrant Status
Total Fees	Type
Filing Type	Business Transacted
FBN Publication	Business Transacted Date
Publication Date	Source
Expiration date	ID Check
Related Data	Executed By
Business Name	LLC Title
Registrant Name	Signature
Grantee Address	Notes
Registrant Type	Notes Internal
State of Incorporation	Number of Pages
Registrant Phone Number	



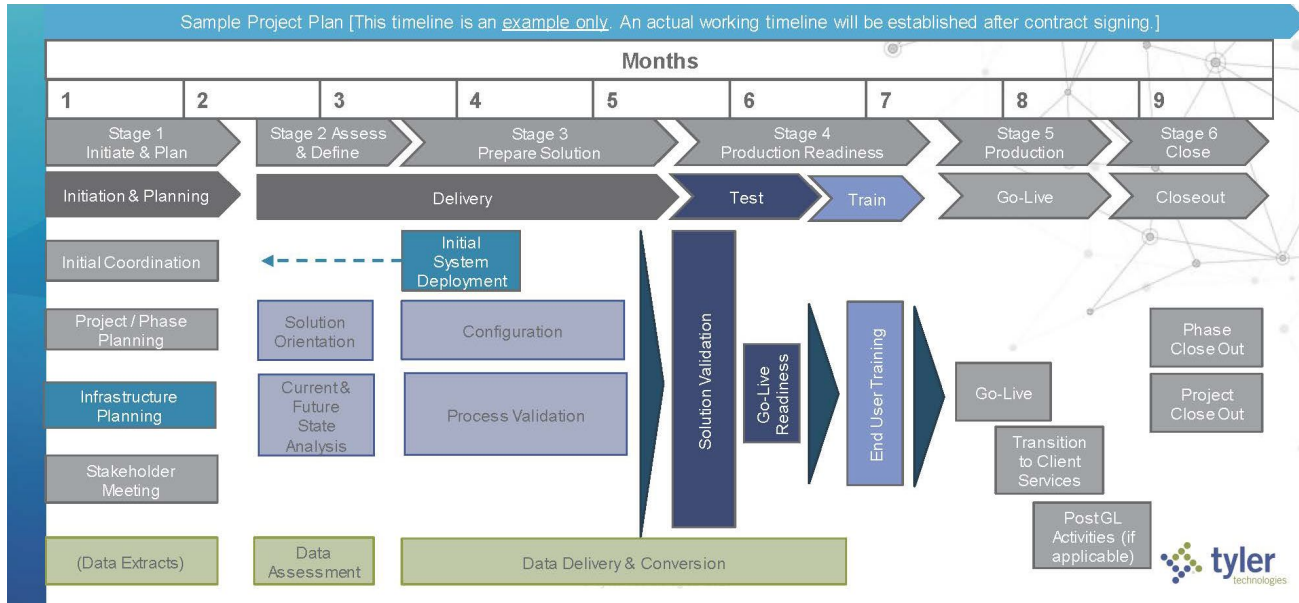
10. Additional Appendices

10.1 Intentionally left blank.



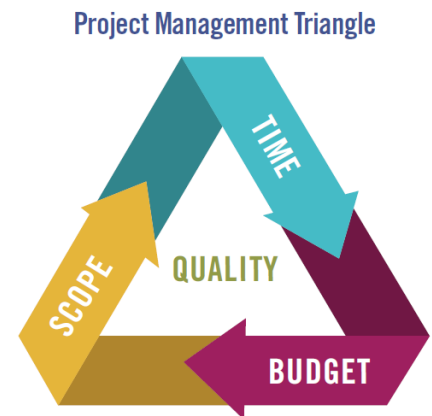
11. Project Timeline

11.1 Sample Records Management Timeline



C. Project Management

Tyler follows the standard Project Management governance principles that contend there are three connected constraints on a Project: budget, timeline, and scope. These constraints, known as the 'triple constraints' or Project management triangle, define budget in terms of financial cost, labor costs, and other resource costs. Scope is defined as the work performed to deliver a product, service or result with the specified features and functions, while time is simply defined as the schedule. The Triple Constraint theory states that if you change one side of the triangle, the other two sides must be correspondingly adjusted. For example, if the scope of the Project is increased, cost and time to complete will also need to increase. The Project and executive teams will need to remain cognizant of these constraints when making impactful decisions to the Project. A simple illustration of this triangle is included here, showing the connection of each item and their relational impact to the overall Scope.



Communication Management

Tyler understands the importance of having current, accurate, easily accessible during an Implementation Project. As part of Implementation, each new Tyler client will be provided a Project SharePoint Web site. The purpose of this site is to furnish the project teams with a central location to plan, store and access pertinent documentation and information relating to your Implementation project. Tools of the site will include: Documents & Links; Announcements; Calendar; Project Task List; Issues & Action Items; Project Schedule; Modifications & Enhancements; Versioning; Client Alerts.

This site will be jointly maintained by the project teams for the duration of the implementation. Once the client has gone live, the site will be maintained by Tyler's assigned Support Account Manager for the first year of live processing.

Resource Management

Tyler will assign a Project Manager and Technical Implementation Analysts to the County. The Implementation Analysts will conduct the Assess and Define, setup the system, write specifications for modifications, test the modifications, and train the County. Tyler keeps analysts consistent during the implementation so they will learn your process and be able to train you effectively. The County will be expected to provide SME(s) to help in the Gap/Fit, data proofing, testing, sign off of modifications, and acceptance testing.

Scope Management

Changes in scope are a risk for any software implementation. Tyler typically allows some wiggle room in the schedule to accommodate some minor scope changes. We first attempt to mitigate increases in scope through setups and configuration. Often, minor changes can be accommodated without additional development cycles or changes to the schedule or project hours. If a scope change is significant, the Tyler PM will follow the Scope Management Protocol and advise the County of the best options available.

Schedule Management

Schedule is typically managed as part of Risk Management. Tyler will closely manage the Go Live date and any critical path deliverables on both the Tyler and County side.

Project Risks and Mitigation

As with any major project, there are risks both large and small inherent to implementing a new software system. That is why you need experts to guide you through the process from start to finish. Tyler has been delivering services and solutions to the public sector since 1938. Our vast experience and adherence to the industry-leading Project Management Institute (PMI) approach to project management give Tyler the knowledge to measure risk and to implement procedures that mitigate and minimize risk to our clients.

During the planning stage of the project, potential risks and mitigation techniques are discussed to limit impact in a successful project. The largest project risks inherent with a software implementation of this size are in the adoption of change and the follow through on meeting your stated goals. In every project, there are people and departments that are resistant to the change needed to fully use a new system. It is important that these individuals and groups be identified early in the project, and a communication and coaching plan be put in place to minimize their impact on the project and the intended results. Stakeholders can assist by communicating management's commitment to the project, establishing clear internal expectations for the staff, supporting change management efforts, enforcing changed business practices and holding resources accountable for completion of tasks necessary for project deadlines. Implementing a new software solution is a commitment that requires full buy-in from all levels and properly allocated resources for both time and effort. Ensuring that tasks are monitored and prioritized accordingly helps ensure a successful, on-time project completion.

The best way to minimize any risk and maximize the benefits of a Tyler implementation is to communicate and document decisions as thoroughly as possible during the planning stage of the project. A Risk Management Plan, Communication Management Plan, Change Management Plan, and Risk Register will all be part of the overall Project Plan. These documents will provide a list of the potential project risks, identify ways to mitigate the risk that each brings and describe what to do in the case of a risk impacting the project and how to compensate for that change. Communication and planning can help to prepare for risks and minimize the impact they have on the overall implementation.

Organizational Change Management

Public sector organizations of all sizes find it challenging to adopt new approaches and processes even when given the opportunity to do so through the implementation of a new software system. To realize the benefits our software can provide to our clients, it is necessary to adopt business practices and approaches that leverage the features and tools provided by Tyler. It is only through enterprise-wide adoption of new technology, processes and business practices, that the biggest improvements to key areas such as efficiency, data access and cost savings are realized as an organization. Organizational change management practices and principals are designed to help our clients through the change process, achieving a higher level of adoption and reaping the benefits of changes required by the implementation of a new software system.

Tyler's Project Managers assist during the implementation process with the human side of change. Effective communication is one of the core components of change management: identifying who to communicate with, the proper communication methods and determining the timing, tone and content of the messaging. A communication plan encompassing these critical decisions will be updated during the planning stage of the project by both project teams. Tyler believes that for your project to be successful, change management must be sponsored from top down in your organization, because it requires a high level of adoption of desired changes. In addition, leveraging our extensive past experience, our project team will do everything possible to advise you in this process throughout implementation.

As a company, we embrace the following principles and we assist our clients in their efforts to achieve these principles.

- **Start to Finish:** Change management must begin early on, and extend through and beyond the transition to the new system. Creating ownership early on is absolutely essential to a successful implementation.
- **Integrated and Holistic Approach:** Change management strategies must be integrated into overall project management and not treated as a separate and distinct effort. Additionally, since most agencies are experiencing multiple changes at any given time during the project, change strategies and efforts should be managed in a holistic way.
- **Collaborate and Leverage Strengths, Experience:** Working collaboratively ensures that the implementation process leverages internal capabilities, organizational knowledge and relationships. Moreover, collaboration and engagement are essential to building support, establishing ownership and gaining buy-in from all affected users.
- **Engage and Rely Upon Key Stakeholders:** Identifying and empowering representatives from primary stakeholder groups is fundamental to an effective change program, allowing the project team to obtain critical feedback on your needs and change acceptance at key milestones.
- **Build on Established Change Methodology:** Tyler helps you build on your established change methodology, if and where it exists, advising you on practices we have seen as effective in other projects similar to yours. Our intent is to supplement and strengthen it where possible.
- **Create Frameworks and Build Capability:** The most successful projects are those that build lasting capability within the organization, allowing internal resources to support and engender lasting change.

D. Training

A key part of any implementation is training users at all levels. Fully trained users understand how to use your new software system to record and report information that helps them to do their jobs better. This is critical to user acceptance of the system and crucial to a successful implementation.

Tyler offers several training formats to accommodate our diverse clients' needs. On-site training by Tyler staff provides hands-on learning in your own labs. Tyler also provides flexible alternatives including remote collaborative training technology, and may offer video and software tutorial media. Regardless of the scope or logistics, your resources receive consultative knowledge transfer sessions that are a combination of lecture and hands-on education, using your data. Tyler requests that managers attend training with their employees. This ensures that the managers can confirm the proper transfer of knowledge has occurred. This also allows employees to ask the manager policy-related questions about how the system will work within their department.

Tyler has developed a dynamic set of training and education resources and services that are tailored to your needs, the Tyler products you are implementing and the scope of your project budget.

Training Methodology

A mutually developed education plan lays out the process of transferring knowledge between you and Tyler. We refer to our plan as an "education plan" as opposed to a "training plan" for several reasons. First, the process of transferring knowledge is vital to the analysis phase of our project. During analysis we review the current environment, provide Tyler demonstrations, review questionnaires and flow charts, and ultimately arrive at a future state model. The future state model becomes the foundation for user training. Second, training denotes a classroom setting with teacher and pupil. While training will occur, it is only a piece of the overall education needed to be a proficient Tyler user.

Purpose

The purpose of the Tyler's training is to:

- Communicate the process to stakeholders and functional leaders
- Answer specific questions (where will classrooms be established, what database environment will be used, etc.)
- Establish action items and link project personnel as owners
- Define measurement criteria to ensure the plan has been successfully followed



Solutions Orientation

In this step, your functional leads and power users become familiar with the new Tyler system and its capabilities, language and processes before the start of the current/future state analysis. This allows users on your team to better engage with the Tyler implementation consultants during regular training hours, empowers your staff with experience and a more complete understanding of the system, and provides a strong foundation for ongoing conversations regarding the future state processing. Fundamentals review eases the transition into implementation and training, garnering better results and a greater understanding of new processes.

Goals

- Learn general Tyler Technologies terminology
- Experience the basic functionality of your new software solution
- Explore the configuration options including data flow, connectivity, etc.
- Encourage discussions within your organization of desired configuration for design and future processing
- Discover some of the software capabilities available for consideration
- Improve communication between you and Tyler through software knowledge

Configuration and Power User Training

This stage enables your power users to validate the new software based upon the output from the future state analysis. A high-level exploration of the system results in greater comprehension and retention of system features and functionality. Configuration training may include data conversions validation, configuration validation testing, third-party data exchange validation, forms/reports validation and customization validation.

Technical and System Administration Training

Technical training begins at the time of software installation. Tyler's installation team teaches the technical staff how the software is configured within the operating system, as well as basic system maintenance routines such as backups, loading releases, and refreshing training and test databases.

System administration training is conducted after software installation to show users how to update users, permissions, menu security, workflow administration, etc. from within Tyler's software. Your System Administrator necessarily attends these sessions; functional leaders should also attend to have a thorough understanding of the permissions and options available.

End User Training

After the functional leaders and power users are trained, the system parameters and tables are set up and/or converted, and processes are defined and tested, End users attend applicable scheduled training. Many agencies conduct this training prior to go-live. This allows the users to assist in system testing and verification and to become familiar with their new processes.

Train the Trainer

Tyler provides training to functional leads and power users throughout the implementation, as the set-up knowledge is key to a self-sufficient user. Tyler provides training to your internal trainers, who in turn train the end user community. End user training is scheduled during the project and is usually done just prior to, or just after, going live. Training materials will be provided and may be customized prior to this training.

The benefits to the Train the Trainer approach include:

- Powers users become immediate stakeholders
- Training between the power users and peers creates a comfortable environment
- Reduced learning times and more flexible training scheduling

Scheduling and Attendance

Tyler prefers a classroom and curriculum approach for on-site training to ensure knowledge transfer, comprehension, and retention. A successful user training session is in a classroom environment with a computer for each user (minimum of one computer for every two users, but ideally one per user), a whiteboard, a printer in the room or nearby, and one computer connected to a projector. The size of the class depends on the classroom size and the available computers for training. Ideally, a class size should be limited to twelve (12) users in order to keep the session controlled and ensure that all users are receiving an appropriate level of personalized attention. The specific course topics are discussed and scheduled after analysis, depending on your agency's specific training needs.

Attendance to the training is critical during implementation. By participating in training courses, your employees gain critical hands-on experience with the system, and learn the Tyler approach. Tyler's training staff will take attendance during classes, and relay that information back to your Project Manager for review. This ensures that users get the complete benefit of training and reduces support incidents after go-live.

Responsibilities

Both teams collaborate on all aspects of training which will be discussed and documented during the planning stage of the project. The expectation is for Tyler to provide one occurrence of each scheduled training. You will be responsible for the logistics of the training by completing such tasks as scheduling resources and ensuring facilities are available. These sessions are to be attended by your key staff members so that they can then disseminate the information they learn to others in your organization if or when necessary. Tyler knows the value of being prepared for the use of our software in production, so we contribute to an ongoing education effort by recommending functional processes to be presented to specific departments, and share training materials used during our sessions. Our goal is to partner with you and lend our expertise and best approaches based on our experiences, in order to allow your resources to be successful at go-live. Changes to these expectations are discussed during project planning, and are based upon your specific business environment and resources.

Additional Training Resources

State User Groups

Sound development of the Tyler product is largely driven by existing clients. To that end, we encourage active, client-organized product user groups. User groups typically consist of like-minded customers in geographic proximity of one another and running the same or similar Tyler applications.

Online Resources

Our knowledgebase and website includes searchable documents and reports for users to view, download and modify. These include how-to documents, user conference session documents, best practices and more.

Tyler Connect

Tyler hosts an annual education forum, Tyler Connect, which serves our clients' need for new or refresher information on our software products. Each class is tailored to meet the needs of attendees in order to increase productivity and, ultimately, improve responsiveness to your citizens and clients. Tyler is a nationwide community dedicated to learning, growing, sharing, and connecting every year.

E. Cost of Work

Financial Summary			
Records Management	On-Premises		SaaS
Software	Software	Support	Software & Support
Records Management (Recorder Base)	included	included	included
Full Seat License * (30)	included	included	included
eRecording	included	included	included
eCommerce	included	included	included
Records Public Access	included	included	included
Fraud Notify	included	included	included
Gov to Gov	included	included	included
eCertification	included	included	included
Recording Access	included	included	included
Sub Total			
Software Investment	\$238,500	\$51,525	\$152,463
Professional Services	One Time		SaaS
Project Management	included		included
Business Process Review	included		included
Software Installation (remote)	included		included
User Acceptance Training	included		included
Implementation	included		included
Training (remote)	included		included
Go Live	included		included
eRecording	included		included
eCommerce	included		included
Fraud Guard	included		included
Recording Access	included		included
eCertify	included		included
Records Public Access	included		included
Data and Image Conversion (CAI)	included		included
Total Professional Hours**		516	516
Professional Services (One time)		\$89,400	\$89,400
Annual Fees			SaaS
Recurring Services Basic Network Services	annual	\$3,389	Not Required
Disaster Recovery (optional)	annual	\$7,155	Not Required
SSL Certificate***	annual	\$299	annual \$299
Test Database (optional)****	annual	\$11,925	annual \$11,925

Optional Software & Maint	Software	Support.	SaaS
Intelligent Indexing *****	\$40,000	\$8,000	\$23,672
Historical Index	\$10,000	\$2,000	\$5,918
Intelligent Redaction	\$10,000	\$2,000	\$5,918
On Site Training*****	Actual	\$2,500	\$2,500
Optional Software Install (PS Services)			SaaS
E Forms (per hour)	\$150 per hr.		150 per hr.
Customization (per hour/scope)	\$150 per hr.		150 per hr.
Intelligent Indexing		\$10,800	\$10,800
Historical Index		\$900	\$900
Intelligent Redaction		\$1,200	\$1,200
Hardware			SaaS
Credit Card Machine	each	\$449	each \$449
Transaction Fees			SaaS
Recording Access	submitter paid	\$3	submitter paid \$3
eCertify	submitter paid	\$3	submitter paid \$3
Revenue Generation / Optimization			SaaS
subscription / copy / certify	estimated	(\$360,000)	estimated (\$360,000)

Electronic Payments	
Tyler Payments (Electronic Payment Costs)	
eCheck	\$1.95
eCheck Rejects	\$5
Credit Card Chargebacks	\$15

10 Year Life Cycle Cost					
	On Premises			Hosted (SaaS)	
	Software License	Professional Services	Maintenance	Professional Services	SaaS Fee
Year 1	\$238,500	\$89,400	\$51,525	\$89,400	\$152,463
Year 2			\$51,525		\$152,463
Year 3			\$51,525		\$152,463
Year 4			\$51,525		\$152,463
Year 5			\$51,525		\$152,463
Year 6			\$51,525		\$152,463
Year 7			\$51,525		\$152,463
Year 8			\$51,525		\$152,463
Year 9			\$51,525		\$152,463
Year 10			\$51,525		\$152,463

Notes	
*	Full Seat license configuration is based upon full OTE employees per county budget and may be reconfigured to reduce costs. Full seat licenses are not required for access only license. Other licensing options are available that may reduce costs.
**	Professional service hours will be billed as incurred. If not used will not be billed.
***	SSL Certificate required to offer eCertify services.
****	There are multiple options for Test database configuration.
*****	Intelligent Indexing may be added in the future after evaluation of standard indexing OCR functionality
*****	Onsite training may be performed, allocated hours plus T and E are required.

F. Architecture and IT Standards

System Architecture

Tyler's Enterprise Records Management software implements an n-tiered application architecture composed of client, business and data tiers.

- Client Tier
 - The client tier consists of a Java desktop application launched via Java Webstart.
 - Embedded Java
 - Primary access point for staff.
 - HTML5 front-end for citizen self-service.
 - Thin presentation layer
- Business Tier
 - Clerk and Recorder deployed on Apache Tomcat
 - Business logic
 - SOAP & REST web service APIs
 - Reporting engine, document extract
- Data Tier
 - The data tier consists of an Oracle or SQL Server Database. Prefer MS SQL
 - Optional filesystem storage for images

Optional end-user productivity tools include the Tyler HUB platform. There is a built in Workflow Dashboard productivity tool users will have access to, but Tyler HUB takes the dashboard to the next level for customization and interoffice connectivity with the vitals and land department.

Tyler Hub is a powerful platform that improves the efficiency of users across Tyler applications. By connecting powerful and diverse data sources, Tyler Hub enables you to monitor key processes, quickly execute routine tasks, and eliminate time-consuming data searches. Tyler Hub is built on a series of preconfigured cards designed to visualize standard sets of data for various job functions and tasks. Cards are used to build pages that offer insight into staff productivity, outstanding tasks, office statistics, and more. Users have the option to adjust the data as needed and specify how it is presented — or simply use the cards as they are. A Tyler Hub page can be assembled to focus on a specific process, such as recording or marriage, or can be configured to reach across Tyler solutions to combine cards from finance and the recording office. A page can combine data analytics, reporting, and task functions, and users can add or modify pages to their platform stack as their job functions evolve. Real-time data analytics and active links give Tyler Hub users an advantage. Instead of taking the time to open multiple programs to find data, Tyler Hub centralizes the data you need and makes it instantly accessible — quickly click on line items to access transactional details, locate a site on a map, or approve or reject a transaction. By having everything visible and accessible, users have more time to analyze their data rather than searching for it.

Features:

- Out-of-the-box standard content packs with the options to personalize as needed
- Real-time data with active links to process tools
- HTML5 browser compatibility
- Widespread Excel® integration
- Easily configurable content

- Combined content connections •
- Embedded reporting
- Built-in migration for dashboard users

User experience is central to the Tyler Hub design. The screen features easily identifiable color blocks, graphs, and charts to present the latest UX best practices and provide click-through access to interactive supporting data and applications. Users can modify and add content layers as needed to keep their pages targeted on the essential data points. Tyler Hub improves efficiency of all Tyler software users, regardless of their job function. With customized pages and content packs, each user has access to the data and analytics they need to stay on top of operations and minimize time spent navigating from one software program to another.

Solution Security

A common issue with recording offices and online credit cards is PCI compliance. Records Management provides credit card processing through a defined gateway that integrates seamlessly into the Cashiering module and is our best-practices approach for integrated credit card acceptance. This gateway works with the leading merchant services providers and is also certified as PCI compliant. The gateway and Tyler will ensure eCommerce in Self-Service adhere to PCI requirements today, and into the future as these security requirements continue to evolve and change.

Security measures are built around PII data. Utilizing Enterprise Records Management's automated redaction tool, social security numbers will be redacted for public view. Additional redacted PII data will be protected from public view. Security is then put into place so only granted users may have access to that PII data.

End User Security and Administration

Tyler's Enterprise Records Management product line was developed with an extremely robust security system. Security can be enforced at the field level, document level (index or image), and by function. Security is applied to groups (roles) and to individual users. Permissions allow or limit what each group (role) can do. Security groups may be added or taken away from individual users to adjust their access to the system as needed.

Auditing

The system audits all changes to instruments and configuration. Configuration changes are saved to a logging system. All instrument activity is logged and kept in perpetuity. Logging is based on County settings. Logging is based on County settings. Each time something changes on a document, the system tracks the date, time, and operator who made the change. All index adjusted will show the original and new values as well as changes to the document image will show if it was changed, deleted, or added and display the image state at that time.

Shared Access

Simultaneously document access are allowed by multiple users. For proper editing and auditing, the first person to access the record will be able to make corrections as needed. All subsequent users that access the same record will be in read only mode. This ensures data security and accuracy.

Processing Speed and System Performance

Tyler's solution employs a number of application services, each providing a distinct service to the system. Each embodies a large part of the business logic of the system. Each of these server components may use services from the other components, in a distributed manner. For example, every subsystem uses the services of the persistence and security subsystems; the search subsystem uses the services of the job scheduling and document store subsystems; the workflow automation subsystem uses job scheduling and messaging services, etc. In this manner, the whole collection of services can offer complex functionality, while each particular subsystem can be kept simple and modular for increased processing speed, system performance, efficiency and maintainability. Furthermore, the architecture allows for each of these services to be exposed as Web Services or accessed directly through an open Java API.

G. Project Status Reporting

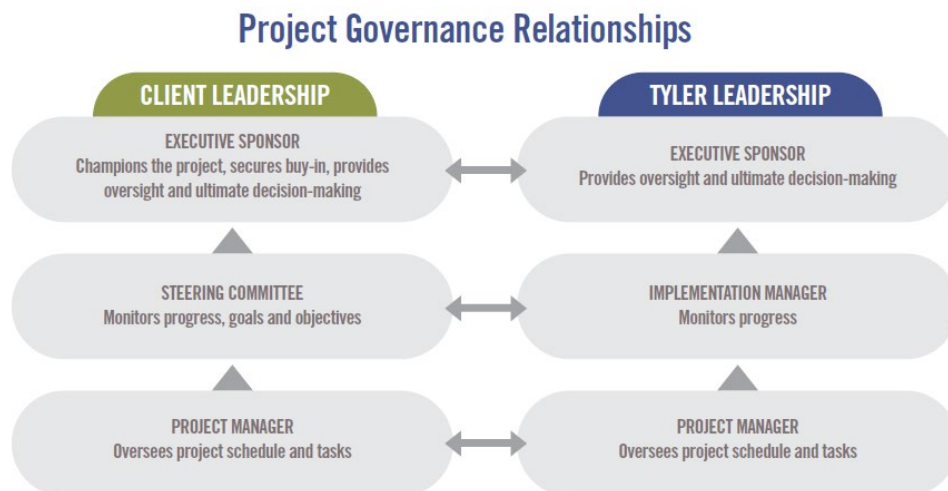
Tyler understands the importance of having current, accurate, easily accessible during an Implementation Project. As part of Implementation, each new Tyler client will be provided a Project SharePoint Web site. The purpose of this site is to furnish the project teams with a central location to plan, store and access pertinent documentation and information relating to your Implementation project. Tools of the site will include: Documents & Links; Announcements; Calendar; Project Task List; Issues & Action Items; Project Schedule; Modifications & Enhancements; Versioning; Client Alerts.

This site will be jointly maintained by the project teams for the duration of the implementation. Once the client has gone live, the site will be maintained by Tyler's assigned Support Account Manager for the first year of live processing.

Project Governance

Communication and transparency are essential to any successful implementation. Tyler and County resources collaborate to determine core business needs, objectives and priorities. Project teams work together to navigate challenges as they arise according to the escalation paths outlined in the organization charts.

The chart below illustrates an overall team perspective where Tyler and County collaborate to resolve project challenges according to defined escalation paths. In the event that project managers do not possess authority to determine a solution, resolve an issue, or mitigate a risk, Tyler implementation management and County steering committee become the escalation points to triage responses prior to escalation to County and Tyler executive sponsors. As part of the escalation process, each project governance tier presents recommendations and supporting information to facilitate knowledge transfer and issue resolution. County and Tyler executive sponsors serve as the final escalation point.



H. Acceptance Testing

A Quality Management / Testing Plan establishes processes and activities to ensure that project objectives outlined within the Implementation Management Plan are successfully implemented. The Quality Management / Testing Plan addresses both the project and the product, meaning that tests are conducted at appropriate times throughout the project and that they test different facets of the product as the future-state system evolves. The tests examine all of the implemented functions and processes to ensure that the goals and requirements for the project are fully satisfied.

Purpose

The Quality Management / Testing Plan defines and monitors critical milestones. Failure to meet critical milestones may negatively impact project timing, which could affect go-live.

It also provides a controlled environment for high-level product testing, taking into account full product integration, import and export interface integrity, functional flow and reliability.

Methodology

Although potential problems can be exposed using standard quality assurance testing methods, the project teams also conduct testing throughout the life of the project to expose issues that would normally only be revealed in a production environment. A comprehensive testing plan is set in place and may include the following: system infrastructure audit, conversions, third-party data exchange, customization, form/reporting, configuration validation testing, and user acceptance testing. The Quality Management / Testing Plan will be mutually agreed upon prior to executing any of the tests.

Overview

System Infrastructure Audit

The foundation of the system is fully vetted to ensure that the system hardware meets specifications and vital system infrastructure information is available.

Conversion Validation and Testing

Conversion proofing is performed after each pass of converted data is loaded. Control reports, filtering techniques, comparison reports and visual inspection are all part of this process. The purpose is to identify all issues with data, whether due to mapping inconsistencies, source data issues, data submission content or conversion programming errors. The goal is to have acceptance of conversion programming completed prior to the pre-live period so that final conversions have little or no risk of data or conversion programming issues. Final acceptance is necessary prior to live processing as the last step before data is loaded in the live database for live processing to begin.

Data Exchange Testing

Exchange testing involves the observation of inter-functionality and third-party data flow and effect. Throughout the implementation, special attention is paid to the exchange integrity of the system, which is validated via standard training, parallel testing and customization testing. Whether between Tyler applications or third-party exchanges, all aspects of functional integrity are tested thoroughly.

Customization testing is performed to verify that contracted custom modifications delivered from Tyler work as specified in the approved product specifications.

System Design Validation

Testing ensures that the system has been built to conform to the design determined during the Assess and Design stage, and that it complies with the business process decisions you have made. The purpose of the test is to provide an opportunity for validation of business process decisions in the actual application. A key part of the test is to conduct a transaction test, during which typical business transactions, specific to a given area of configuration, are duplicated and validated.

Forms and Report Testing

Testing of your constituent-facing output — valuation notices, personal property returns/abstracts, bills, receipts, refund checks, etc. — is an essential component of the testing plan. Each constituent-facing form and report is validated using the data output created during the system design validation. This continues as a repeated and iterative process whereby testing occurs as your users validate processes, print these outputs as part of training sessions and perform User Acceptance Testing (UAT).

User Acceptance Testing (UAT)

The objective of UAT is to confirm that the system is ready for daily deployment and operational use. During UAT, your functional leads and power users are required to participate by testing the system's functionality, features and performance. Tyler guides you through this process by assisting in the establishment of a test plan and implementing routine communication protocols to ensure reported issues are prioritized and addressed based on established standards. Thorough end-to-end testing sets the tone for the success of the production cutover process, both in system readiness for live transactions and in user proficiency in the software tools prior to go-live.

The Benefits of Testing

Through this process, end-users gain extensive product experience, develop a high level of confidence in Tyler's products and understand their specific functions within the system. Expected benefits from the completion of these tests also include:

- The infrastructure of hardware and network design is thoroughly tested
- Customizations and exchanges are fully integrated into the product
- A managed issues list is fully quantified

Software Environments

Customizations, exchanges, conversions and other data and programmatic elements are tested in a non-production environment. This environment also serves as the UAT environment.

This environment provides the structure and supporting programs for user testing performed throughout the duration of the project. The desired result of the user testing process is functional goal acceptance achieved through managed issue identification, resolution and testing.

Measurement and Tracking

Once corrections have been delivered, your Project Manager and the Tyler Project Managers determine if repeat testing can continue from a stopped point or if it must be restarted.

Tyler requires a final sign-off prior to going live on any product. This sign-off document will outline the status of any remaining open issues related to the product, confirming the issue status and the associated priority code. Your project team and the Tyler project team will review all items and make a decision as to the ability to begin live processing. The sign-off will signify the end of the system test stage for the product. The decision to delay live processing should not be based on issues whose status is a priority 2 or 3, defined as follows:

- Priority 1 Critical Issue: Cannot proceed without correction
- Priority 2 High Issue: Can proceed but needs correction before go-live
- Priority 3 Medium Issue: Can proceed with live processing but fix needs to be delivered to comply with project goals
- Priority 4 Low Priority Issue: Can proceed with go-live, new desired functionality

Testing Conclusion

Clear communication, recordkeeping and analysis by your project team, Tyler Project Manager(s) and Tyler implementation teams are critical in order to move through the testing phase both successfully and in a timely manner. A member of these teams will need to identify the issues and then determine what type of issue resolution is necessary. Most issues can be categorized as they relate to the following:

- Product design or setup
- Best practice re-engineering
- Change in scope
- Software modification requests

Issue tracking, resolution accountability, timely testing and completed issue resolution are absolutely necessary in a successfully completed project. The testing phase is a shared responsibility and must be recognized as such.

J. Documentation

Tyler shall provide system documentation (required electronic and optional written) to Sedgwick County. Documentation will include steps for setup and configuration of servers and clients, as well as product use, maintenance, and version upgrade instructions.

Documentation samples are included on the following pages.

Recorder Release Information

2021.1	2022.1	2022.3	2022.4	2023.1
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2023.1 Release Information

- Select All
- 2023.1
- 2023.1 Release Highlights
- 2023.1.2
- 2023.1.1

[Release Archives](#)

2023.1 New and Noteworthy

Topic	Description
Cashiering	
	[GA] Added the ability to choose a Millage Year when setting tax distribution amounts in the Advanced Setup of the Georgia Tax Distribution Report.
Fraud Notify	
	Fixed a bug with Additional Search checkbox in Fraud Notify settings.
GSCCCA	
	[GA] The Georgia Tax Distribution report now accounts for receipts refunded through a Document Adjustment product.
Integrations	
	[NC] The Assumed Name upload now checks the status of the submission, whether it is new, amended, or withdrawal and sends the appropriate status to the Secretary of State.
NYSCEF	
	[NY] A table was created to store incoming references of changes of docket activities from NYSCEF. The purpose of this table is to provide a method of storing these references so the processes run for each of these activities can be run in a batch rather than ad hoc. By running the processes in a batch, performance of the underlying NYSCEF integration code is improved.

Records Public Access	
	A coverage can be now set to purchased documents in Records Public Access.
Reports	
	The Journal Activity Report now displays transaction details in CSV similar to what PDF displays.
Security	
	Important security fixes.
Security Manager	
	Removed misleading message about password defaults for new users.
Security Paper	
	Performance improvements were made to the Security Paper view when toggling the "Show/Hide Archived Batches" button.
Stamps & Annotations	
	Transparency can now be configured for Document Stamps.
System Setup	
	Topaz T-L462-HSB-R Signature Pads now work with 64bit java.
Vitals Processing	
	Vitals Import interface now has a status option for those configurations that have the Vitals Crossmatch feature enabled.

2023.1 Release Highlights

Release Webinar

Watch the [Release Webinar](#) video.

2023.1.2 Hotfix Information

Topic	Description
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CeRTNA	
	A regression was introduced in a prior release, which addressed moving code related to CeRTNA in a more logical location. The issue within this hotfix was to fix an issue associated with the CeRTNA code move that was not picked up in testing.

2023.1.1 Release Information

Topic	Description
Eagle Web	
	Password reset in Eagle Web no longer validates the username passed in, instead the user is sent an email to reset their password if they entered a valid username/email combination.
Finance	
	[OK] For our Chase_Oklahoma ACH file format, house accounts marked for immediate distribution are identified as a "27" file type for Checking Debit in the ACH file output. House accounts not marked for immediate distribution are identified as a "47" file type for General Ledger Debit in the ACH file output.
GSCCCA	
	[GA] Added a new API call that validates PT-61 information to the GSCCCA eRecording web service.

Need more help? Visit [Tyler University](#), [Tyler Community](#), or contact your [Support Team](#). Check out [Tyler Search](#); enter keywords to find information across Online Help, Tyler Community, and more.



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Run a Report

Application Toolbar > Reports Manager

1. To run reports, click the **Reports Manager** icon in the application bar.
2. Double-click the name of the report to run or select the report name and click the **Generate Selected Report** icon.
3. On the Report Parameters tab of the Run Report window, specify the parameters for running the selected report. Learn more about specific report configurations at [Report Descriptions Overview](#).
4. On the Print Options tab specify the print settings for the report. For more information, see [Printing Overview](#).
5. Click **Run Report**.
6. Access completed reports in the generated reports pane at the bottom of the Reports Manager.

Need more help? Visit [Tyler University](#), [Tyler Community](#), or contact your [Support Team](#). Check out [Tyler Search](#); enter keywords to find information across Online Help, Tyler Community, and more.



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K User Training

End User Training

After the functional leaders and power users are trained, the system parameters and tables are set up and/or converted, and processes are defined and tested, End users attend applicable scheduled training. Many agencies conduct this training prior to go-live. This allows the users to assist in system testing and verification and to become familiar with their new processes.

Train the Trainer

Tyler provides training to functional leads and power users throughout the implementation, as the set-up knowledge is key to a self-sufficient user. Tyler provides training to your internal trainers, who in turn train the end user community. End user training is scheduled during the project and is usually done just prior to, or just after, going live. Training materials will be provided and may be customized prior to this training.

The benefits to the Train the Trainer approach include:

- Powers users become immediate stakeholders
- Training between the power users and peers creates a comfortable environment
- Reduced learning times and more flexible training scheduling

Scheduling and Attendance

Tyler prefers a classroom and curriculum approach for on-site training to ensure knowledge transfer, comprehension, and retention. A successful user training session is in a classroom environment with a computer for each user (minimum of one computer for every two users, but ideally one per user), a whiteboard, a printer in the room or nearby, and one computer connected to a projector. The size of the class depends on the classroom size and the available computers for training. Ideally, a class size should be limited to twelve (12) users in order to keep the session controlled and ensure that all users are receiving an appropriate level of personalized attention. The specific course topics are discussed and scheduled after analysis, depending on your agency's specific training needs.

Attendance to the training is critical during implementation. By participating in training courses, your employees gain critical hands-on experience with the system, and learn the Tyler approach. Tyler's training staff will take attendance during classes, and relay that information back to your Project Manager for review. This ensures that users get the complete benefit of training and reduces support incidents after go-live.

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Tyler Connect

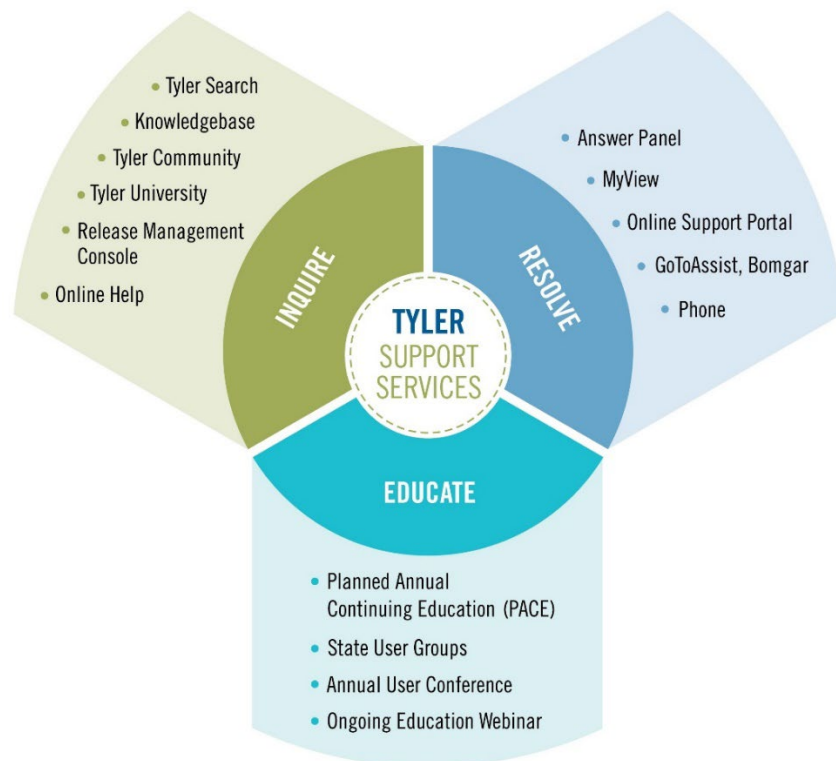
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Post Implementation Support

Our mission is to deliver superior service by providing a timely response, issue resolution and operational support, resulting in a high-level of client satisfaction. Unlike some companies who outsource their application support to a third party, Tyler offers a complete solution of customer support services provided by our in-house experts.

Transparency is important, that is why every support incident is logged into Tyler’s Customer Relationship Management System and given a unique incident number. This system tracks the history of each incident and each incident is assigned a priority number, which corresponds to your needs and deadlines. Clients can track the progress of these incidents online using Tyler’s support portal.

Tyler provides online and continuing education resources for our clients, including but not limited to the following resources.



Support Channels

Tyler offers Live telephone support on our toll-free support hotline (8am – 5pm across four US time zones). For urgent or complex questions, users receive, unlimited telephone software support.

On-line submission (portal) for less urgent and functionality-based questions, users may create unlimited support incidents through the customer relationship management portal available at the Tyler Technologies website.

Our E-mail support allows our clients to ask unlimited detailed questions, attach documents and screenshots, and explain the issues so that our staff can create a resolution efficiently.

Tyler Community – your direct link to thousands of Tyler software users across the country, as well as Tyler personnel in support, implementation, sales, etc.

Support Resources

- **Tyler Search** – an online query tool that provides answers for your questions by culling through all Tyler’s online resources using Knowledge Centered Service
- **Tyler Knowledgebase** – a documentation library in a single, easily accessible location
- **Tyler Community** – Tyler’s online forum available 24/7
- **Tyler University** – Tyler’s e-learning solution to enhance support and training of your employees using your data
- **Tyler Release Management Console** – Shows all release version information, with a summary of each release and associated enhancements, open, closed and non-critical issues
- **Online Help** – context sensitive field help and procedural information to assist your team in completing program tasks
- **Answer Panel** – As you begin entering your case details, Tyler Search presents results in the panel that matches your question. Answers provided are the most relevant to your question, regardless of the source of the information.
- **Online Support Portal** – log or manage incidents and attach documentation and screenshots
- **GoToAssist & Bomgar** – remote assistance from Support used to connect to your desktop
- **Phone** – Tyler provides a dedicated 800 number that places no limits on who from your team may contact Support, or the number of calls placed
- **State User Groups** – forums organized by Tyler staff and attended by existing clients to get the latest information on Tyler products
- **Annual Conference** – Tyler Connect features online courses taught by Tyler subject matter experts hosted in a different city each year

Support Availability

Regardless of how your team contact us, we are here to help. Tyler Technical Support is divided into application specific teams to enable product specialization and provide timely resolution of support incidents. This application specific approach allows our Technical Support Representatives to focus on a small group of applications offering a high level of product expertise to our clients. Customer support’s goal is to return all requests for Support within one business hour.

Tyler Technologies support is available during the local business hours of 8 AM to 5 PM (Monday – Friday) across four US time zones (Pacific, Mountain, Central and Eastern). Clients may receive coverage across these time zones. Tyler’s holiday schedule is outlined below. There will be no support coverage on these days.

- New Year’s Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Day

Issue Handling

Tyler records all your contacts and incidents in a customer relationship management system. This system tracks the history of each incident, including the contact, time, priority level, case description, correspondence, attached files, support recommendations, your feedback, and the resolution. The priority is assigned to each case as it is logged based upon the initial information provided and can be modified.



*Please see Tyler's Terms & Conditions for additional details.

Problem Escalation

The goal of the Tyler Support department is to provide technical assistance to Tyler Product users in overcoming issues, understanding certain functionality, and recommending approaches to various situations.

An incident is originated when a customer contacts Tyler's support staff. Support can be contacted via the toll free support line, e-mail, or the support website. The incident can be received in several different ways via our flexible support systems.

If the support incident is received via the toll-free support line, a support representative will create and log the support issue into our help desk system. The support representative will take ownership of the incident and see it to resolution. The support representative will use many different resources to resolve the issue including on-line help, Knowledge Base, advisors, team leaders, managers, and software developers.

If the support incident is received via e-mail or online support portal, an incident is created and a support representative will contact the customer based on a combination of the priority of the issue and the order that the issue was received. The support representative will take ownership of the incident and see it to resolution. The support representative will use many different resources to resolve the issue including on-line help, Knowledge Base, advisors, team leaders, managers, and software developers.

The Team Leaders and Manager of Support Services monitor the status of all support incidents received during the day. In situations where the Team Leaders or Manager identify an incident that needs

escalation, the Team Leader or Manager may manually escalate the incident or assign it to a specific support representative. If the software support representative cannot resolve the incident, they have several different levels of help in order to resolve the incident in a timely manner. The levels are as follows: Support Specialist > Advisor > Team Leader > Manager of Support Services > Director of Client Services.

Support Goals

Though our Live Telephone Support reduces call-backs, it does not eliminate them. Goals have been established for those incidents and are monitored via constant communication with the Customers and specific metrics. The information presented below does NOT include live support, only incidents where live support was not available, such as high-volume seasons.

Type of Call	Response Goal
Standard Call	2-8 Hours
High Priority	30 minutes – 1 hour
Critical	10 – 30 minutes

Support Analysis

With many our customers taking advantage of our Live Telephone Support, we track First Call Resolution. The Industry Standard for Call Back Resolution falls below 49 percent. Tyler stays well above the industry standard in resolving issues upon first contact by our customers, with an average 70 percent resolution rate. Taking support calls live allows us to resolve issues more quickly creating a more efficient environment for our customers.

Tyler carefully gauges all the aspects of support to maintain a customer-conscious atmosphere, so in addition to tracking First Call Resolution, we track relevant data that helps us to better serve our customers.

- Average wait time in the queue
- Average response time
- Average resolution time
- Average call volume by day
- Average incidents closed by agent by day
- Incident trend analysis

Tyler Community

As America’s largest software provider dedicated to serving the public sector, Tyler is uniquely qualified to leverage the combined experience of tens of thousands of users with our staffs’ deep domain knowledge to bring a one-of-a-kind interactive online community.

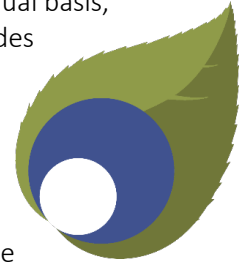
In the Tyler Community clients connect with other users and Tyler staff to share information, collaborate, access support and receive training. In this interactive environment, individual knowledge is amplified exponentially across the community.

Get connected. Connect with colleagues from neighboring communities or from across the country. And stay connected by joining groups with other users who are in the same geographic region, share common job functions or use the same software products.

Join the Discussion. Join discussions on topics that impact your daily life, keep up with the latest software tips and tricks and discover what other agencies around the nation are doing to connect and empower their constituents.

Software Updates & Maintenance

Tyler has proven history of providing upgrades and enhancement releases on a continual basis, which are available to all clients. Our evergreen philosophy ensures that those upgrades and enhancements are provided at no cost to those current with their annual software maintenance contract. Enhancement releases take place every year and are scheduled with the client to provide the best possible timeframe for both the client and Tyler. Upgrades, however, occur periodically and are initiated by the client at any time via the Internet through a process called Live Update, making the process as convenient as possible for our clients. Patches and fixes are provided to the client through Live Update as well.



Our evergreen development philosophy has been a strong differentiator that separates us from our competitors and provides a significant cost savings to our family of clients. Through evergreen, our clients receive the latest technology developments, releases and updates without paying additional license fees – for the life of their Tyler product. While this has provided our clients with a return on investment that is unrivaled in our industry, the frequency and complexity of software releases can sometimes create a consumption gap for our clients.

The gap exists when new features are released and, over time, users don't learn and apply these features to their work environments. EverGuide® is a Tyler-wide continuous improvement initiative to address the consumption gap. With EverGuide, our goal is to help our clients continue to grow and evolve their use of the functionality and enhancements of their Tyler product over time. Through our EverGuide initiative, we will:

- Help clients better leverage product enhancements
- Provide a workflow “maturity model” for clients to follow
- Offer strategic planning services and training resources
- Offer a client executive program to help clients build and implement a continuous improvement plan
- Provide domain expertise, with defined integration points and common support methodology

With EverGuide, our goal is to help our clients continue to grow and evolve their use of the functionality and enhancements of their Tyler product over a long period of time. It's also our hope that this initiative is a catalyst for our clients' organizations to embrace change, commit to training and developing their staff, and fully use the wide ranges of Tyler's service and support offerings available to them.

County Responsibilities

The following matrices show the Tyler and client roles and responsibilities at each stage of implementation. These are not all of the project activities to be conducted, but the sampling should allow for the County to appreciate the direction to be taken during the project.

RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed

RACI DEFINITION KEY: Responsible – the person who will be completing the task, Accountable – The person who is ultimately accountable for decisions being made on a task, Consulted – Anyone who must be consulted with prior to a decision being made and/or the task being completed, Informed – Anyone who will be updated when decisions are made or a task is completed.

Tyler SOW RACI		TYLER																CLIENT									
TASKS	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Conversion Experts	Forms & Reports Experts	Modification Programmers	Technical Support	Sales	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Power Users	Department Heads	End Users	Technical Leads	Project Toolset Coordinator	Upgrade Coordinator							
STAGE 1	Tyler Internal Coordination & Planning																										
Assign Tyler project manager	A	R	I						I			I															
Provide initial Project documents (includes Welcome Packet) to Client		A	R						C			I															
Sales team to Implementation team knowledge transfer		A	R						C																		
Internal planning and Phase coordination		A	R		C	C	C	C																			
STAGE 1	System Infrastructure Planning																										
Provide system hardware specifications			I					R	A			I							C								
Make hardware available for Installation	A		I					R				I							C								
Install system hardware, if applicable			I					C				A							R								
Complete system infrastructure audit			I					C				A							R								
STAGE 1	Project/Phase Planning																										
Perform Project/Phase Planning		A	R									I	C	C					I								
Create implementation management plan		A	R									I	C	C	I				I								
Deliver implementation management plan		A	R									C	C	I													
Review implementation management plan			C									A	R	C	I												
STAGE 1	Project Schedule																										
Develop initial Project schedule		A	R	I								C	I	I													
Deliver Project Plan and schedule for Project Phase		A	R	I						I	I	C	C	I	I	I											

Tyler SOW RACI	TYLER										CLIENT									
TASKS	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Conversion Experts	Forms & Reports Experts	Modification Programmers	Technical Support	Sales	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Power Users	Department Heads	End Users	Technical Leads	Project Toolset Coordinator	Upgrade Coordinator
Client reviews Project Plan & initial schedule			C							I	A	R	C	C		C				
Client approves Project Plan & initial schedule			I							I	A	R	C	C	I	I		I	I	I
STAGE 1	Stakeholder Presentation(s)																			
Tyler & client Project managers to determine the quantity and audience of the presentations		A	R									C								
Present overview of Project Deliverables, Project schedule and roles and responsibilities		A	R	I					I	I	I	C	I	I	I	I		I	I	I
Communicate successful Project criteria and goals			I							R	C	A	C	I	I	C	I	I		
STAGE 2	Fundamentals Review																			
Schedule fundamentals review & provide fundamentals materials & prerequisites, if applicable		A	R	I								C	I	I					I	
Complete fundamentals materials review and prerequisites			I									A	R	I					C	
Ensure all scheduled attendees are present			I	I							A	R	C	I						
Facilitate fundamentals review			A	R								I	I	I						
STAGE 2	Current/Future State Analysis																			
Provide Current/Future State analysis questionnaire to the <<ClientShort>>, as applicable		A	R	I								C	I	I						
Conduct Current & Future State analysis			A	R								I	C	I	C					
Provide pros and cons of Tyler software options			A	R								I	C	I	C					
Make Future State Decisions according to due date in the Project Plan			I	I							C	A	R	I	C	I				
Record Future State decisions			A	R								I	C	I	C					
STAGE 2	Data Conversion Planning & Mapping																			
Review contracted data conversion(s) elements			A	R	I							C	C	C				C		
Map data from Legacy System to Tyler system			I	C	I							A	C	C				R		
Pull conversion data extract			I	C	C							A	C	C				R		
Run balancing Reports for data pulled and provide to Tyler			I	I								A	C	R				I		

Tyler SOW RACI																					
TASKS	TYLER								CLIENT												
	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Conversion Experts	Forms & Reports Experts	Modification Programmers	Technical Support	Sales	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Power Users	Department Heads	End Users	Technical Leads	Project Toolset Coordinator	Upgrade Coordinator	
Review and approve initial data extract		A	I	C	R							I							I		
Correct issues with data extract, if needed			I	C	C							A	C		C				R		
STAGE 2	Standard 3rd Party Data Exchange Planning																				
Review Standard or contracted Data Exchanges			A	R								C	I		I				C		
Confirm required Data Exchanges			I	C								A	C		C				R		
Define the approach to satisfy Data Exchanges			A	R			C					I	C		C				C		
STAGE 2	Modification Analysis & Specification																				
Analyze contracted custom program requirements			A	R			C					I	C	I	C				C		
Develop specification document(s)			A	R			C					I	I		I				I		
Review specification document(s); provide changes to Tyler, if applicable			I	C			C					A	R	I	C				C		
Sign-off on specification document(s) and authorize work			I	I			I				A	R	C	I	I				C		
STAGE 2	Forms & Reports Planning																				
Review required Forms and Reports output			A	R								I	C		C				I		
Review all Forms and Reports			A	R								I	C		C				I		
Identify additional Form and Report needs			I	C		C						A	R		C				I		
Add applicable tasks to Project schedule		A	R	I		C						C	I		I				I		
STAGE 2	System Deployment																				
Install contracted software on server			A				R					I							C		
Ensure platform operates as expected			A				R					I							C		
STAGE 3	Configuration & Power User Training																				
Perform configuration			A	R								I	C		I						
Process and Validation training			A	R								I	C	I	C					I	
Validate configuration			I	C								A	C		R				C		
STAGE 3	Data Conversion & Validation																				
Write and run data conversion program against Client data		A	I	C	R							I							C		
Complete initial review of data discrepancies		A	I	C	R							I	I						C		

Tyler SOW RACI		TYLER																CLIENT									
TASKS	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Conversion Experts	Forms & Reports Experts	Modification Programmers	Technical Support	Sales	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Power Users	Department Heads	End Users	Technical Leads	Project Toolset Coordinator	Upgrade Coordinator							
Review data conversion and submit needed corrections			I	C	I							A	C		R			C									
Revise conversion program(s) to correct discrepancies		A	I	C	R							I	I		C			C									
STAGE 3	Standard 3rd Party Data Exchange Validation																										
Train Data Exchange(s) processing in Tyler software			A	R								I	I	I	I				C	I							
Coordinate 3rd Party Data Exchange activities			I	I								A	C		C				R								
Test all Standard 3rd party Data Exchange(s)			I	C								A	C	I	R				C								
STAGE 3	Modification Delivery & Validation																										
Develop and deliver contracted custom program(s)		A	I	C	I		R					I	C	I	C				I	C							
Test contracted custom program(s) in isolated database			I	C			C					A	C		R				C								
Report discrepancies between specification and delivered contracted custom program(s)			I	I			I					A	R		C				C								
Make corrections to contracted custom program(s) as required		A	I	C	I		R					I	C		C				I								
STAGE 3	Forms & Reports Validation																										
Standard Forms & Report Training			A	R								I	C		C				I								
Test Standard Forms & Reports			I	C		C						A	C		R				C								
STAGE 4	Power User Training																										
Conduct Power User training sessions			A	R								C	I		C				I	I							
STAGE 4	Cutover Planning																										
Cutover Planning Session		A	R	C							I	C	C	C	C				C	C							
Develop Production Cutover Checklist		A	R	C							I	I	C	C	I	I			C								
STAGE 4	User Acceptance Testing (UAT)																										
Deliver Test Plan for User Acceptance Testing		A	R	C								C	C	I	I				I	I							
Develop Test Scripts			I	C		C						A	C						R								
Perform User Acceptance Testing			I	C								A	C	C	R	I	C	C	C	I							
Accept custom program(s), if applicable			I	I		I					A	R	C	I	C				C								
Validate Report performance			I	C		C						A	C		R				C								
Perform Stress Testing			I	I								A	I		C	I	C	R									

Tyler SOW RACI																				
	TYLER										CLIENT									
TASKS	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Conversion Experts	Forms & Reports Experts	Modification Programmers	Technical Support	Sales	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Power Users	Department Heads	End Users	Technical Leads	Project Toolset Coordinator	Upgrade Coordinator
STAGE 4	End User Training																			
Conduct End User training sessions			I	C							I	A	C	I	R	I	I	I	I	
STAGE 5	Final Data Conversion																			
Provide final data extract			I		I						I	A	C	I	I	I	I	R		
Provide final extract balancing Reports			I		I							A	C		R			I		
Convert and deliver final pass of data		A	I	I	R							I	I		I			C		
Load final pass of data to Test Database			A	I	R							I	I		I			C		
Validate final pass of data			I	C	C						I	A	C		R			C		
Load final conversion pass to Production Database			A	I	R						I	I	I	I	I	I	I	C		
STAGE 5	Production Processing & Assistance																			
Production processing			C	C						I	I	A	R	C	C	C	C	C	I	I
Provide production assistance			A	R				C				I	C	C	C	C	C	C		
STAGE 5	Transition to Tyler Support																			
Develop internal support plan			I								A	R	C	C	C	C		C	C	C
Conduct transfer to Support meeting	I	A	R					C			I	C	C	C	C	I	I	C	I	I
Review outstanding Project activities and develop action plan			A	R	C							C	C	I	C	I		C		
Complete activities assigned to Client within the action plan			I	C								A	R		C			C		
Complete activities assigned to Tyler within the action plan			A	R								I	C		C			C		
STAGE 5	Schedule Post-Production Services																			
Identify period processes for post-production support			C	C								A	R	I	C				I	
Schedule support for post-production periodic process			A	R	I							C	C	I	C		I		I	
Provide support for post-production periodic processes			A	R								I	C		C		C		I	
STAGE 6	Close Phase/Project																			
Review Project budget and status of contract Deliverables			A	R							I	I	C							

Response Form

The required form and supporting documentation are included in this section.

IX. Response Form

REQUEST FOR PROPOSAL
RFP #23-0031

Records Management System for the Register of Deeds

The undersigned, on behalf of the proposer, certifies that: (1) this offer is made without previous understanding, agreement or connection with any person, firm, or corporation submitting a proposal on the same project; (2) is in all respects fair and without collusion or fraud; (3) the person whose signature appears below is legally empowered to bind the firm in whose name the proposer is entered; (4) they have read the complete Request for Proposal and understands all provisions; (5) if accepted by the county, this proposal is guaranteed as written and amended and will be implemented as stated; and (6) mistakes in writing of the submitted proposal will be their responsibility.

NAME Tyler Technologies, Inc.

DBA/SAME _____

CONTACT Gus Tenhundfeld

ADDRESS One Tyler Way CITY/STATE Moraine, Ohio ZIP 45439

PHONE 800.800.2581 FAX 866.658.4258 HOURS _____

STATE OF INCORPORATION or ORGANIZATION Delaware

COMPANY WEBSITE ADDRESS www.tylertech.com EMAIL gus.tenhundfeld@tylertech.com

NUMBER OF LOCATIONS 68 NUMBER OF PERSONS EMPLOYED 7,200

TYPE OF ORGANIZATION: Public Corporation Private Corporation _____ Sole Proprietorship _____

Partnership _____ Other (Describe): Software Developer

BUSINESS MODEL: Small Business _____ Manufacturer _____ Distributor _____ Retail _____

Dealer _____ Other (Describe): _____

Not a Minority-Owned Business: Minority-Owned Business: _____ (Specify Below)

_____ African American (05) _____ Asian Pacific (10) _____ Subcontinent Asian (15) _____ Hispanic (20)

_____ Native American (25) _____ Other (30) - Please specify _____

Not a Woman-Owned Business: Woman-Owned Business: _____ (Specify Below)

_____ Not Minority -Woman Owned (50) _____ African American-Woman Owned (55) _____ Asian Pacific-Woman Owned (60)

_____ Subcontinent Asian-Woman Owned (65) _____ Hispanic Woman Owned (70) _____ Native American-Woman Owned (75)

_____ Other – Woman Owned (80) – Please specify _____

ARE YOU REGISTERED TO DO BUSINESS IN THE STATE OF KS: Yes _____ No

DUNS NUMBER: 04-108-9293 SAM NUMBER: GKHL5VNFMZ3

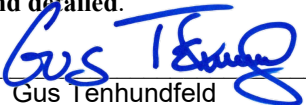
INSURANCE REGISTERED IN THE STATE OF KS WITH MINIMUM BEST RATING OF A-VIII: Yes _____ No

ACKNOWLEDGE RECEIPT OF ADDENDA: All addendum(s) are posted to our RFB/RFP web page and it is the vendor's responsibility to check and confirm all addendum(s) related to this document by going to

www.sedgwickcounty.org/finance/purchasing.asp.

NO. 1, DATED 6/16/2023; NO. 2, DATED 6/21/2023; NO. _____, DATED _____

In submitting a proposal, vendor acknowledges all requirements, terms, conditions, and sections of this document. Proposal submission format should be by order in which sections are listed throughout the document. All minimum and general requirements should be specifically addressed and detailed in proposer's response. **Exceptions to any part of this document should be clearly delineated and detailed.**

Signature  ** Title Inside Sales Manager
Print Name Gus Tenhundfeld Dated June 30, 2023

** Subject to Tyler's Proposal response and exceptions.


**CERTIFICATE OF SECRETARY OF
TYLER TECHNOLOGIES, INC.**

The undersigned, being the duly elected and qualified Secretary of Tyler Technologies, Inc., a Delaware corporation (“Tyler”), hereby certifies on behalf of Tyler that:

1. Attached hereto is a true, correct and complete copy of resolutions duly adopted by the Executive Committee of the Board of Directors of Tyler.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Secretary on behalf of Tyler as of July 30, 2020.

TYLER TECHNOLOGIES, INC.
a Delaware corporation

By:  _____
Name: Abigail M. Diaz
Title: Secretary

**RESOLUTIONS OF THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS OF
TYLER TECHNOLOGIES, INC.**

WHEREAS, the Executive Committee of the Board of Directors of Tyler Technologies, Inc., a Delaware corporation ("Tyler"), deems it to be in the best interests of the Appraisal & Tax Division (the "Tyler Division") to authorize certain individuals to enter into contracts and other legally binding obligations or representations on behalf of the Tyler Division and Tyler;

RESOLVED, that, in addition to Tyler's corporate officers, the following persons are hereby authorized to enter into contract(s) and make other legally binding obligations or representations on behalf of the Tyler Division and of Tyler (including, without limitation, contract(s) for the license, lease, sale and provision of Tyler goods and services) without regard to the dollar value of such contract(s), and limited only by the product line listed below, if any such limitation is given:

Andrew D. Teed

Mark Hawkins

Matthew A (Gus) Tenhundfeld

Kimberly L. Frisby – Time & Materials Support Contracts or proposals of any value

RESOLVED, that the foregoing authorization will automatically terminate with respect to each named person on such date is no longer employed by Tyler;

RESOLVED, that each officer of Tyler is hereby authorized and directed, in the name and on behalf of Tyler, to do or cause to be done any and all things, and to execute, deliver and file all such other agreements, amendments, instruments, certificates, waivers, documents, and papers that any of them deem necessary or advisable to carry into effect the purposes and intent of the foregoing resolutions and to consummate the transactions contemplated thereby.

**STATE OF KANSAS
OFFICE OF
SECRETARY OF STATE
SCOTT SCHWAB**

I, SCOTT SCHWAB, Secretary of State of the state of Kansas, do hereby certify, that according to the records of this office.

Business Entity ID Number: 3751120

Entity Name: TYLER TECHNOLOGIES, INC.

Entity Type: FOREIGN FOR PROFIT

State of Organization: DE

was filed in this office on March 01, 2005, and is in good standing, having fully complied with all requirements of this office.

No information is available from this office regarding the financial condition, business activity or practices of this entity.



In testimony whereof I execute this certificate and affix the seal of the Secretary of State of the state of Kansas on this day of June 27, 2023

A handwritten signature in black ink that reads "Scott Schwab". The signature is written in a cursive style with a long, sweeping underline.

**SCOTT SCHWAB
SECRETARY OF STATE**

Certificate ID: 1269632 - To verify the validity of this certificate please visit <https://www.kansas.gov/bess/flow/validate> and enter the certificate ID number.

Exceptions and Sample Agreement

Tyler's Proposal is based on the delivery of the requested software and services according to Tyler's standard implementation methodology and Tyler's standard contract. That methodology, and that contract, have been refined and enhanced over Tyler's many years of operation in the public sector information technology market. ***Tyler's submission of its Proposal does not waive Tyler's right to negotiate any and all terms to the mutual satisfaction of the parties.*** Tyler will be obligated to provide products and services only upon execution, and under the terms and conditions, of the mutually negotiated contract between Tyler and the Client.

Tyler is providing representative exceptions to standard procurement terms and conditions for your review. This list does not negate any of the expectations Tyler has stated above.

- Public Disclosure (RFP Section I); (RFP Conditions Item 18): We reserve the right to protest the public disclosure of our confidential business information/trade secrets but will comply with applicable public records laws.
- Project Plan (RFP Sections V.B.ix, V.C): Tyler's Proposal includes a sample project plan. Tyler will deliver the actual project plan upon obtaining further information from the Client.
- Cost of Work/Pricing (RFP Section V.E); (Mandatory Contractual Provisions Item 8); (Sample Contract Item 6); (Sample Contract Addendum A item 8): Unless expressly indicated otherwise, our Proposal contains estimates of the amount of services and associated expenses needed, based on our understanding of the size and scope of your project. The actual amount of services and expenses depends on such factors as your level of involvement in the project and the speed of knowledge transfer. Unless noted otherwise, our services rates do not include travel expenses, which are separately estimated and are payable in accordance with our then-current Business Travel Policy. Unless expressly indicated otherwise, the fees we have quoted do not include any taxes.
- Site Inspection (RFP Section VI); (Federal Certifications Addendum Item L.3): For security reasons, Tyler reserves the right to reasonably negotiate or restrict in Tyler's sole discretion the scope of Client's review of Tyler's physical site.
- Applicable Laws (RFP Section VII.B); (HIPAA Rules Item 2.6); (RFP Conditions Items 20, 21, 24, 26, 27); (General Contractual Provisions Items 18, 19); (Mandatory Contractual Terms Items 2, 9, 11, 12, 13, 15, 16); (Sample Contract Items 21, 22); (Sample Contract Appendix A Items 2, 4, 5, 9, 11, 12, 13, 15, 16); (Federal Certifications Addendum (all) and Items F, H, J, N, FEMA Recommended Provisions)): Tyler, in the performance of services, will comply with all applicable state and federal laws, ordinances, orders, decrees, and regulations. The quoted fees are based, in part, on the cost of compliance with applicable laws existing as of execution of the contract. Should laws applicable to Tyler's performance under the contract change post-signature, Tyler reserves the right to seek a change order for the additional work, time, and/or cost that may be required to comply with the new law, ordinance, or regulation. Tyler reserves the right to remove any litigation to a federal court of competent jurisdiction.
- Ownership (RFP Sections VII.C, VII.H), (RFP Conditions Items 18, 25); (General Contractual Provisions Items 21, 22); (Sample Contract Item 23, 24): The Client may use the Tyler Proposal for its internal reference in evaluating proposals. Tyler shall retain ownership of all (i) software products licensed to the Client; and (ii) proprietary information contained in all deliverables. Tyler

reserves the right to protest the public disclosure of its confidential and proprietary information, consistent with applicable public records laws. Tyler does not agree to work-for-hire provisions.

- Termination for Convenience (RFP Section VII.E); (RFP Conditions Item 21); (General Contractual Provisions Item 7.A, 7.B); (Sample Contract Item 10.B); (Federal Certifications Addendum Item B): Tyler's standard practice is not to include a termination for convenience provision in its contracts, given the significant investments made by both parties to the procurement and implementation. Tyler relies instead on its termination provisions for cause, non-appropriation, and/or force majeure. If required under federal law due to the use of federal funding under the contract, Tyler is willing to agree to a termination for convenience provision, subject to early-termination fees for a multiyear software as a service contract.
- Non-Appropriation (RFP Section VII.E); (General Contractual Provisions Item 7.A, 7.C); (Mandatory Contractual Provisions Item 3); (Sample Contract Item 10.C); (Sample Contract Addendum A Item 3): If the Client should not appropriate or otherwise make available funds sufficient to purchase, lease, operate or maintain the products set forth in the contract, the Client may unilaterally terminate the contract upon thirty (30) days' prior written notice to Tyler regardless of when in the fiscal year termination is necessary. Upon termination, the Client shall remit payment for all products and services delivered to the Client and all expenses incurred by Tyler prior to Tyler's receipt of the termination notice. The Client will not be entitled to a refund or offset of previously paid license and other fees.
- Payment Terms (RFP Section VII.E and linked terms); (RFP Conditions Item 22): Tyler's standard payment terms are set forth in the Invoicing and Payment Policy (Exhibit B) to the standard Tyler contract. Payment is due within forty-five (45) days of invoicing.
- Insurance (RFP Section VII.F and Section IX Response Form); (RFP Conditions Item 3); (General Contractual Provisions Item 9); (Sample Contract Item 12): Tyler has provided its evidence of insurance certificate. Tyler's insurance program is established at a corporate level and is not subject to change for individual customers. While performing services under an agreement with the Client, we will agree to maintain the following levels of insurance: (a) Commercial General Liability (CGL) of \$1,000,000 per occurrence and in the aggregate; (b) Automobile Liability of \$1,000,000; (c) Professional Liability of \$2,000,000 on a claims-made basis (cyber liability with a sublimit of \$2,000,000 included); (d) Workers' Compensation complying with applicable statutory requirements; and (e) Excess/Umbrella Liability of \$5,000,000 per occurrence and in the aggregate. We agree to secure our insurance from a carrier with a minimum AM Best rating of A-:VII. Tyler's insurance coverage is evidenced using a standard Acord form. The coverage limits set forth on our certificate of insurance do not apply separately. Certificates of insurance listing the customer as certificate holder are available upon request after a contract is signed. At your request during contract negotiations, we will add language to the insurance provision that adds you as an additional insured to our commercial general liability and auto liability policy for claims caused, in whole or in part, by Tyler as respects the contract, which automatically affords you the same status under our excess/umbrella liability policy. A certificate of insurance reflecting that status may be provided at your request after the contract is executed. Our carrier has issued blanket endorsements regarding additional insured status; we do not issue separate endorsements specific to each customer. Tyler agrees that Tyler's insurance is primary for claims under Tyler's Commercial General Liability or auto policies that arise out of and relate to the contract and are between Tyler and the Client. If you require it in the contract, we will agree to provide you with notice of cancellation or non-renewal, or reduction in our insurance coverages below the minimum requirements set forth in the contract within thirty (30) days thereof unless

replaced. Renewal certificates of insurance will be provided as close as practicable to the date the applicable policy or policies is/are renewed.

- Indemnification (RFP Section VII.G); (General Contractual Provisions item 8); (Sample Contract Item 11); (Independent Contractor Addendum sec. B): Tyler shall defend, indemnify, and hold harmless the Client from and against any and all direct claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) from third parties for personal injury or property damage arising from Tyler's negligence or willful misconduct; or Tyler's violation of a law applicable to Tyler's performance under the contract. The Client must notify Tyler promptly in writing of the claim and give Tyler sole control over its defense or settlement. The Client agrees to provide Tyler with reasonable assistance, cooperation, and information in defending the claim at Tyler's expense. Tyler will defend, indemnify, and hold harmless the Client from third-party claims that the Tyler software and/or documentation infringes an intellectual property right in accordance with Tyler's standard contract.
- Limitation of Liability (RFP Section VII.G); (General Contractual Provisions Items 7.A, 8); (Sample Contract Item 10.A); (Sample Contract Addendum A Item 6); (Federal Certifications Addendum Item A): EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THE CONTRACT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THE CONTRACT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO YOUR ACTUAL DIRECT DAMAGES, NOT TO EXCEED (A) DURING THE INITIAL TERM, AS SET FORTH IN THE CONTRACT, TOTAL FEES PAID AS OF THE TIME OF THE CLAIM; OR (B) DURING ANY RENEWAL TERM, THE THEN-CURRENT ANNUAL SAAS FEES PAYABLE IN THAT RENEWAL TERM. THE PRICES SET FORTH IN THE CONTRACT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO TYLER'S INDEMNIFICATION OBLIGATIONS.
- Exclusion of Damages (RFP Section VII.G); (General Contractual Provisions Items 7.A, 8); (Sample Contract Item 10.A); (Sample Contract Addendum A Item 6); (Federal Certifications Addendum Item A): TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL TYLER BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF TYLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- Confidential Matters and Data Ownership (RFP Section VII.H); (Sample Contract Addendum A Item 11): Tyler reserves the right to negotiate requirements for handling of confidential information in accordance with applicable law; provided, however, that in the event Client receives an open records or other similar applicable request, Client will give us prompt notice and otherwise perform the functions required by applicable law.
- Non-Employee Information Technology Usage Agreement (RFP pages 19–20): Tyler reserves the right to review and negotiate the contents of any IT usage agreements it will require Tyler to sign. Tyler's prefers that such agreements be signed by Tyler at a company level and not by individual employees.
- Business Associate Agreement (RFP pages 21–26); (Mandatory Provisions Item 15) (sample Contract Item 15): Tyler reserves the right to discuss with the Client the applicability of HIPAA to Tyler and whether Tyler would be considered a 'business associate' in its performance of the contract.
- Cooperative Procurement (RFP Conditions Item 1): To the maximum extent permitted by applicable law, we agree that this RFP submission may be used as a cooperative procurement vehicle by eligible jurisdictions. We reserve the right to negotiate and customize the terms and

conditions set forth herein, including but not limited to pricing, to the scope and circumstances of that cooperative purchase.

- Contract (RFP Conditions Items 10, 13, 20); (General Contractual Provisions (all) and Items 5, 10, 17); (Mandatory Contractual Provisions (all) and Items 1, 5, 7); (Independent Contractor Addendum); (Sample Contract (all) and Items 1, 3, 4, 6, 13, 20); (Sample Contract Appendix A (all) and Items 1, 7); (Federal Certifications Addendum (all)): Tyler expects to use the standard Tyler contract as the basis for beginning contract negotiations, as it contains language specific to the software industry, such as license grant and intellectual property infringement. Tyler recognizes that there may be clauses of particular importance to the Client that may not be included in the Tyler contract. Tyler is amenable to accommodating the Client's contract requests by incorporating mutually agreed clauses into the Tyler contract. Tyler will agree to incorporate the Client's RFP by reference into the final contract, so long as Tyler's Proposal is incorporated as well, and the order of priority in the event of any conflict is: (1) the final negotiated agreement; (2) Tyler's Proposal; and (3) the RFP. If the contract resulting from this procurement will be paid through federal funds, Tyler will agree to standard federal funding provisions that are applicable to Tyler and required by law. Please note that several of the standard federal funding contract provisions (such as those that relate to nutrition programs or construction projects) are not applicable to Tyler. If required by federal law, Tyler is willing to agree to a termination for convenience provision, subject to early-termination fees for multiyear SaaS contracts.
- Dispute Resolution (General Contractual Provisions item 7.A); (Sample Contract Item 10.A): In the event a dispute arises, or Client believes Tyler has materially breached the contract, the Client shall follow the mutually agreed to dispute resolution process.
- Termination for Cause (RFP Conditions Item 11); (RFP Conditions Items 21, 26.c, 26.d); (General Contractual Provisions Items 7.A, 18, 19); (Mandatory Contractual Provisions Item 12, 13, 14); (Sample Contract Items 10.A, 21, 22); (Sample Contract Addendum A item 13, 14); (Federal Certifications Addendum Item B): The Client may terminate the contract for cause in the event Tyler fails to cure a material breach according to the terms of the dispute resolution process set forth in Tyler's standard contract. The Client will make payment to Tyler for all undisputed products, services and expenses delivered or incurred through the effective date of termination. Payment for disputed products, services and expenses, and the Client's remedies, will be determined through the mutually agreed dispute resolution process.
- Certification (RFP Conditions Item 11): Tyler certifies to, rather than warrants to, the statements in this paragraph. Tyler provides express warranties for its services and its software as set forth in Tyler's standard contract.
- Background Checks (RFP Conditions Item 16): Tyler conducts routine background checks as part of pre-employment screening. Any additional background checks for Tyler personnel providing onsite services must be mutually agreed to by Tyler and the Client.
- Compliance with RFP (RFP Conditions Item 17); (Sample Contract Item 13); (Sample Contract Addendum A Item 7); Federal Certifications Addendum Item N): Tyler's Proposal complies with and is subject to the RFP's terms (inclusive of additional terms provided on additional addenda), except as modified by, taken exception to, and as otherwise provided in Tyler's Proposal.
- Contract Modifications (RFP Conditions Item 21): The contract may be modified only by a mutually agreed upon written agreement signed by an authorized representative of each party.
- Offset (RFP Conditions Item 22); (Sample Contract Addendum A Item 17): Tyler is opposed to allowing the Client the right to offset or withhold payment and prefers instead to resolve the dispute through the mutually agreed-upon dispute-resolution process.

- Non-Discrimination; Americans with Disabilities Act; Anti-Discrimination Clause (RFP Conditions Item 27); (Mandatory Contractual Provisions Item 13); (Sample Contract Addendum A item 13): Tyler agrees to comply with the applicable sections of the ADA as it relates to its employment practices and the services being proposed. Tyler reserves the right to discuss the applicability of the ADA, 2008 ADA Amendments Act and the 2010 ADA Standards for Accessible Design as they relate to the products and software, including software as a service being proposed.
- Conflicts of Interest (RFP Section VIII.4); (RFP Conditions Item 31): Tyler reads provisions on disclosure of public official's ownership interests to be an obligation of Sedgwick County or those officials, not of Tyler. Tyler is not aware of a personal interest of an official of Sedgwick County in Tyler or in the contract. Please note that Tyler is a publicly traded company and thus its shares are available for purchase on an open market.
- Authority to Contract (General Contractual Provisions Item 2): Tyler acknowledges all understandings and assurances contained in the RFP (inclusive of accompanying addenda) except where expressly provided by Tyler's Proposal materials.
- Delivery (General Contractual Provisions Item 5); (Sample Contract Item 5): The vast majority of delivery is intended to be electronic, so many of these terms are likely to be inapplicable to those "deliveries." In the event of any physical delivery, risk of loss passes to the Client upon delivery.
- Acceptance (General Contractual Provisions Item 5); (Sample Contract Item 8): Tyler is willing to negotiate a mutually agreeable acceptance process based on warranted functionality.
- Cover (General Contractual Provisions Items 5, 7.A); (Sample Contract Items 8, 10.A); (Federal Certifications Addendum Item B): Tyler is opposed to Client procuring replacement products and/or services at Tyler's expense.
- Warranty (General Contractual Provisions Item 5); (Mandatory Contractual Provisions Item 6); (Sample Contract Item 8): For as long as the Client has an in-force maintenance or SaaS agreement, as applicable, Tyler warrants that the Tyler software will substantially conform to the functional descriptions of the Tyler software contained in Tyler's Proposal, or their functional equivalent. Future functionality may be updated, modified, or otherwise enhanced through our maintenance and support services, and the governing functional descriptions for such future functionality will be set forth in our then-current documentation. Tyler disclaims all implied warranties.
- Assignment (General Contractual Provisions Item 11); (Sample Contract Item 14): Neither party may assign the contract without the prior written consent of the other party, except that Tyler may, without the prior written consent of the Client, assign the contract in its entirety to the surviving entity of any merger or consolidation or to any purchaser of substantially all of Tyler's assets.
- Records Retention (General Contractual Provisions Item 20); (Sample Contract Item 24); (Federal Certifications Addendum Items L.1, N): Tyler will maintain complete and accurate records of time and expense relating directly to the contract for the greater of five (5) years from their creation or the period required by applicable law.
- Right to Audit (HIPAA Rules Items 2.8, 2.9); (General Contractual Provisions Item 20); (Sample Contract Item 24); (Federal Certifications Addendum Item L.2): The Client may audit Tyler's books and records relating directly to the contract once per year on one-week advance written notice, and at Client's expense. Unless otherwise agreed, the location of the records will be the Tyler office servicing the contract. The audit will not include access to Tyler's personnel records, or conditions of employment.

- Obligations Related to Client's Data in the Event of Termination (General Contractual Provisions Items 21, 22); (Sample Contract items 23, 24); (Sample Contract Addendum A item 11): Upon your request in connection with termination, expiration or non-renewal of the agreement, Tyler will return client's data and "client intellectual property" in our possession in a format mutually agreed to within a commercially reasonable timeframe.
- Disputes; Arbitration, Damages and Jury Trial (Mandatory Contractual Provisions item 6); (Sample Contract Addendum A Item 6): Any failure to perform must be referred to a mutually agreed dispute resolution process for handling, with any rights, adjustments or remedies to be determined thereby. Tyler reserves its right to seek a jury trial.
- Term (Sample Contract Item 2): Tyler reserves the right to discuss requirements and limitations for contract renewal, subject to your procurement and other requirements.



SOFTWARE AS A SERVICE AGREEMENT

This Software as a Service Agreement is made between Tyler Technologies, Inc. and Client.

WHEREAS, Client selected Tyler to provide certain products and services set forth in the Investment Summary, including providing Client with access to Tyler's proprietary software products, and Tyler desires to provide such products and services under the terms of this Agreement;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth in this Agreement, Tyler and Client agree as follows:

SECTION A – DEFINITIONS

- **“Agreement”** means this Software as a Service Agreement.
- **“Business Travel Policy”** means our business travel policy. A copy of our current Business Travel Policy is attached as Schedule 1 to Exhibit B.
- **“Client”** means **INSERT CLIENT NAME**.
- **“Data”** means your data necessary to utilize the Tyler Software.
- **“Data Storage Capacity”** means the contracted amount of storage capacity for your Data identified in the Investment Summary.
- **“Defect”** means a failure of the Tyler Software to substantially conform to the functional descriptions set forth in our written proposal to you, or their functional equivalent. Future functionality may be updated, modified, or otherwise enhanced through our maintenance and support services, and the governing functional descriptions for such future functionality will be set forth in our then-current Documentation.
- **“Defined Users”** means the number of users that are authorized to use the SaaS Services. The Defined Users for the Agreement are as identified in the Investment Summary. If Exhibit A contains Enterprise Permitting & Licensing labeled software, defined users mean the maximum number of named users that are authorized to use the Enterprise Permitting & Licensing labeled modules as indicated in the Investment Summary.
- **“Developer”** means a third party who owns the intellectual property rights to Third Party Software.
- **“Documentation”** means any online or written documentation related to the use or functionality of the Tyler Software that we provide or otherwise make available to you, including instructions, user guides, manuals and other training or self-help documentation.
- **“Effective Date”** means the date by which both your and our authorized representatives have signed the Agreement.
- **“Force Majeure”** means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.
- **“Investment Summary”** means the agreed upon cost proposal for the products and services attached as Exhibit A.



- **“Invoicing and Payment Policy”** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as [Exhibit B](#).
- **“Order Form”** means an ordering document that includes a quote or investment summary and specifying the items to be provided by Tyler to Client, including any addenda and supplements thereto.
- **“SaaS Fees”** means the fees for the SaaS Services identified in the Investment Summary.
- **“SaaS Services”** means software as a service consisting of system administration, system management, and system monitoring activities that Tyler performs for the Tyler Software, and includes the right to access and use the Tyler Software, receive maintenance and support on the Tyler Software, including Downtime resolution under the terms of the SLA, and Data storage and archiving. SaaS Services do not include support of an operating system or hardware, support outside of our normal business hours, or training, consulting or other professional services.
- **“SLA”** means the service level agreement. A copy of our current SLA is attached hereto as [Exhibit C](#).
- **“Statement of Work”** means the industry standard implementation plan describing how our professional services will be provided to implement the Tyler Software, and outlining your and our roles and responsibilities in connection with that implementation. The Statement of Work is attached as [Exhibit E](#).
- **“Support Call Process”** means the support call process applicable to all of our customers who have licensed the Tyler Software. A copy of our current Support Call Process is attached as [Schedule 1](#) to [Exhibit C](#).
- **“Third Party Hardware”** means the third party hardware, if any, identified in the Investment Summary.
- **“Third Party Products”** means the Third Party Software and Third Party Hardware.
- **“Third Party SaaS Services”** means software as a service provided by a third party, if any, identified in the Investment Summary.
- **“Third Party Services”** means the third party services, if any, identified in the Investment Summary.
- **“Third Party Software”** means the third party software, if any, identified in the Investment Summary.
- **“Third Party Terms”** means, if any, the end user license agreement(s) or similar terms for the Third Party Products or other parties’ products or services, as applicable, and attached or indicated at [Exhibit D](#).
- **“Tyler”** means Tyler Technologies, Inc., a Delaware corporation.
- **“Tyler Software”** means our proprietary software, including any integrations, custom modifications, and/or other related interfaces identified in the Investment Summary and licensed by us to you through this Agreement.
- **“we”, “us”, “our”** and similar terms mean Tyler.
- **“you”** and similar terms mean Client.

SECTION B – SAAS SERVICES

1. **Rights Granted**. We grant to you the non-exclusive, non-assignable limited right to use the SaaS Services solely for your internal business purposes for the number of Defined Users only. The Tyler Software will be made available to you according to the terms of the SLA. You acknowledge that we have no delivery obligations and we will not ship copies of the Tyler Software as part of the SaaS Services. You may use the SaaS Services to access updates and enhancements to the Tyler Software,

as further described in Section C(9). The foregoing notwithstanding, to the extent we have sold you perpetual licenses for Tyler Software, if and listed in the Investment Summary, for which you are receiving SaaS Services, your rights to use such Tyler Software are perpetual, subject to the terms and conditions of this Agreement including, without limitation, Section B(4). We will make any such software available to you for download.

2. SaaS Fees. You agree to pay us the SaaS Fees. Those amounts are payable in accordance with our Invoicing and Payment Policy. The SaaS Fees are based on the number of Defined Users and amount of Data Storage Capacity. You may add additional users or additional data storage capacity on the terms set forth in Section H(1). In the event you regularly and/or meaningfully exceed the Defined Users or Data Storage Capacity, we reserve the right to charge you additional fees commensurate with the overage(s).
3. Ownership.
 - 3.1 We retain all ownership and intellectual property rights to the SaaS Services, the Tyler Software, and anything developed by us under this Agreement. You do not acquire under this Agreement any license to use the Tyler Software in excess of the scope and/or duration of the SaaS Services.
 - 3.2 The Documentation is licensed to you and may be used and copied by your employees for internal, non-commercial reference purposes only.
 - 3.3 You retain all ownership and intellectual property rights to the Data. You expressly recognize that except to the extent necessary to carry out our obligations contained in this Agreement, we do not create or endorse any Data used in connection with the SaaS Services.
4. Restrictions. You may not: (a) make the Tyler Software or Documentation resulting from the SaaS Services available in any manner to any third party for use in the third party's business operations; (b) modify, make derivative works of, disassemble, reverse compile, or reverse engineer any part of the SaaS Services; (c) access or use the SaaS Services in order to build or support, and/or assist a third party in building or supporting, products or services competitive to us; or (d) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the SaaS Services, Tyler Software, or Documentation available to any third party other than as expressly permitted by this Agreement.
5. Software Warranty. We warrant that the Tyler Software will perform without Defects during the term of this Agreement. If the Tyler Software does not perform as warranted, we will use all reasonable efforts, consistent with industry standards, to cure the Defect in accordance with the maintenance and support process set forth in Section C(9), below, the SLA and our then current Support Call Process.
6. SaaS Services.
 - 6.1 Our SaaS Services are audited at least yearly in accordance with the AICPA's Statement on Standards for Attestation Engagements ("SSAE") No. 21. We have attained, and will maintain, SOC 1 and SOC 2 compliance, or its equivalent, for so long as you are timely paying for SaaS Services. The scope of audit coverage varies for some Tyler Software solutions. Upon execution of a mutually agreeable Non-Disclosure Agreement ("NDA"), we will provide you with a

summary of our compliance report(s) or its equivalent. Every year thereafter, for so long as the NDA is in effect and in which you make a written request, we will provide that same information. If our SaaS Services are provided using a 3rd party data center, we will provide available compliance reports for that data center.

- 6.2 You will be hosted on shared hardware in a Tyler data center or in a third-party data center. In either event, databases containing your Data will be dedicated to you and inaccessible to our other customers.
- 6.3 Our Tyler data centers have fully-redundant telecommunications access, electrical power, and the required hardware to provide access to the Tyler Software in the event of a disaster or component failure. In the event of a data center failure, we reserve the right to employ our disaster recovery plan for resumption of the SaaS Services. In that event, we commit to a Recovery Point Objective (“RPO”) of 24 hours and a Recovery Time Objective (“RTO”) of 24 hours. RPO represents the maximum duration of time between the most recent recoverable copy of your hosted Data and subsequent data center failure. RTO represents the maximum duration of time following data center failure within which your access to the Tyler Software must be restored.
- 6.4 We conduct annual penetration testing of either the production network and/or web application to be performed. We will maintain industry standard intrusion detection and prevention systems to monitor malicious activity in the network and to log and block any such activity. We will provide you with a written or electronic record of the actions taken by us in the event that any unauthorized access to your database(s) is detected as a result of our security protocols. We will undertake an additional security audit, on terms and timing to be mutually agreed to by the parties, at your written request. You may not attempt to bypass or subvert security restrictions in the SaaS Services or environments related to the Tyler Software. Unauthorized attempts to access files, passwords or other confidential information, and unauthorized vulnerability and penetration test scanning of our network and systems (hosted or otherwise) is prohibited without the prior written approval of our IT Security Officer.
- 6.5 We test our disaster recovery plan on an annual basis. Our standard test is not client-specific. Should you request a client-specific disaster recovery test, we will work with you to schedule and execute such a test on a mutually agreeable schedule. At your written request, we will provide test results to you within a commercially reasonable timeframe after receipt of the request.
- 6.6 We will be responsible for importing back-up and verifying that you can log-in. You will be responsible for running reports and testing critical processes to verify the returned Data.
- 6.7 We provide secure Data transmission paths between each of your workstations and our servers.
- 6.8 Tyler data centers are accessible only by authorized personnel with a unique key entry. All other visitors to Tyler data centers must be signed in and accompanied by authorized personnel. Entry attempts to the data center are regularly audited by internal staff and external auditors to ensure no unauthorized access.
- 6.9 Where applicable with respect to our applications that take or process card payment data, we

are responsible for the security of cardholder data that we possess, including functions relating to storing, processing, and transmitting of the cardholder data and affirm that, as of the Effective Date, we comply with applicable requirements to be considered PCI DSS compliant and have performed the necessary steps to validate compliance with the PCI DSS. We agree to supply the current status of our PCI DSS compliance program in the form of an official Attestation of Compliance, which can be found at <https://www.tylertech.com/about-us/compliance>, and in the event of any change in our status, will comply with applicable notice requirements.

SECTION C – PROFESSIONAL SERVICES

1. Professional Services. We will provide you the various implementation-related services itemized in the Investment Summary and described in the Statement of Work.
2. Professional Services Fees. You agree to pay us the professional services fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy. You acknowledge that the fees stated in the Investment Summary are good-faith estimates of the amount of time and materials required for your implementation. We will bill you the actual fees incurred based on the in-scope services provided to you. Any discrepancies in the total values set forth in the Investment Summary will be resolved by multiplying the applicable hourly rate by the quoted hours.
3. Additional Services. The Investment Summary contains, and the Statement of Work describes, the scope of services and related costs (including programming and/or interface estimates) required for the project based on our understanding of the specifications you supplied. If additional work is required, or if you use or request additional services, we will provide you with an addendum or change order, as applicable, outlining the costs for the additional work. The price quotes in the addendum or change order will be valid for thirty (30) days from the date of the quote.
4. Cancellation. If travel is required, we will make all reasonable efforts to schedule travel for our personnel, including arranging travel reservations, at least two (2) weeks in advance of commitments. Therefore, if you cancel services less than two (2) weeks in advance (other than for Force Majeure or breach by us), you will be liable for all (a) non-refundable expenses incurred by us on your behalf, and (b) daily fees associated with cancelled professional services if we are unable to reassign our personnel. We will make all reasonable efforts to reassign personnel in the event you cancel within two (2) weeks of scheduled commitments.
5. Services Warranty. We will perform the services in a professional, workmanlike manner, consistent with industry standards. In the event we provide services that do not conform to this warranty, we will re-perform such services at no additional cost to you.
6. Site Access and Requirements. At no cost to us, you agree to provide us with full and free access to your personnel, facilities, and equipment as may be reasonably necessary for us to provide implementation services, subject to any reasonable security protocols or other written policies provided to us as of the Effective Date, and thereafter as mutually agreed to by you and us.
7. Background Checks. For at least the past twelve (12) years, all of our employees have undergone criminal background checks prior to hire. All employees sign our confidentiality agreement and

security policies.

8. Client Assistance. You acknowledge that the implementation of the Tyler Software is a cooperative process requiring the time and resources of your personnel. You agree to use all reasonable efforts to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones for implementation. This cooperation includes at least working with us to schedule the implementation-related services outlined in this Agreement. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission).
9. Maintenance and Support. For so long as you timely pay your SaaS Fees according to the Invoicing and Payment Policy, then in addition to the terms set forth in the SLA and the Support Call Process, we will:
 - 9.1 perform our maintenance and support obligations in a professional, good, and workmanlike manner, consistent with industry standards, to resolve Defects in the Tyler Software (subject to any applicable release life cycle policy);
 - 9.2 provide support during our established support hours;
 - 9.3 maintain personnel that are sufficiently trained to be familiar with the Tyler Software and Third Party Software, if any, in order to provide maintenance and support services;
 - 9.4 make available to you all releases to the Tyler Software (including updates and enhancements) that we make generally available without additional charge to customers who have a maintenance and support agreement in effect; and
 - 9.5 provide non-Defect resolution support of prior releases of the Tyler Software in accordance with any applicable release life cycle policy.

We will use all reasonable efforts to perform support services remotely. Currently, we use a third-party secure unattended connectivity tool called Bomgar, as well as GotoAssist by Citrix. Therefore, you agree to maintain a high-speed internet connection capable of connecting us to your PCs and server(s). You agree to provide us with a login account and local administrative privileges as we may reasonably require to perform remote services. We will, at our option, use the secure connection to assist with proper diagnosis and resolution, subject to any reasonably applicable security protocols. If we cannot resolve a support issue remotely, we may be required to provide onsite services. In such event, we will be responsible for our travel expenses, unless it is determined that the reason onsite support was required was a reason outside our control. Either way, you agree to provide us with full and free access to the Tyler Software, working space, adequate facilities within a reasonable distance from the equipment, and use of machines, attachments, features, or other equipment reasonably necessary for us to provide the maintenance and support services, all at no charge to us. We strongly recommend that you also maintain your VPN for backup connectivity purposes.

For the avoidance of doubt, SaaS Fees do not include the following services: (a) onsite support (unless Tyler cannot remotely correct a Defect in the Tyler Software, as set forth above); (b) application design; (c) other consulting services; or (d) support outside our normal business hours as listed in our then-

current Support Call Process. Requested services such as those outlined in this section will be billed to you on a time and materials basis at our then current rates. You must request those services with at least one (1) weeks' advance notice.

SECTION D – THIRD PARTY PRODUCTS

1. Third Party Hardware. We will sell, deliver, and install onsite the Third Party Hardware, if you have purchased any, for the price set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
2. Third Party Software. As part of the SaaS Services, you will receive access to the Third Party Software and related documentation for internal business purposes only. Your rights to the Third Party Software will be governed by the Third Party Terms.
3. Third Party Products Warranties.
 - 3.1 We are authorized by each Developer to grant access to the Third Party Software.
 - 3.2 The Third Party Hardware will be new and unused, and upon payment in full, you will receive free and clear title to the Third Party Hardware.
 - 3.3 You acknowledge that we are not the manufacturer of the Third Party Products. We do not warrant or guarantee the performance of the Third Party Products. However, we grant and pass through to you any warranty that we may receive from the Developer or supplier of the Third Party Products.
4. Third Party Services. If you have purchased Third Party Services, those services will be provided independent of Tyler by such third-party at the rates set forth in the Investment Summary and in accordance with our Invoicing and Payment Policy.

SECTION E - INVOICING AND PAYMENT; INVOICE DISPUTES

1. Invoicing and Payment. We will invoice you the SaaS Fees and fees for other professional services in the Investment Summary per our Invoicing and Payment Policy, subject to Section E(2).
2. Invoice Disputes. If you believe any delivered software or service does not conform to the warranties in this Agreement, you will provide us with written notice within thirty (30) days of your receipt of the applicable invoice. The written notice must contain reasonable detail of the issues you contend are in dispute so that we can confirm the issue and respond to your notice with either a justification of the invoice, an adjustment to the invoice, or a proposal addressing the issues presented in your notice. We will work with you as may be necessary to develop an action plan that outlines reasonable steps to be taken by each of us to resolve any issues presented in your notice. You may withhold payment of the amount(s) actually in dispute, and only those amounts, until we complete the action items outlined in the plan. If we are unable to complete the action items outlined in the action plan because of your failure to complete the items agreed to be done by you, then you will remit full payment of the invoice. We reserve the right to suspend delivery of all SaaS Services, including maintenance and support services, if you fail to pay an invoice not disputed as described above within fifteen (15) days of notice of our intent to do so.

SECTION F – TERM AND TERMINATION

1. Term. The initial term of this Agreement is equal to the number of years indicated for SaaS Services in Exhibit A, commencing on the first day of the first month following the Effective Date, unless earlier terminated as set forth below. If no duration is indicated in Exhibit A, the initial term is one (1) year. Upon expiration of the initial term, this Agreement will renew automatically for additional one (1) year renewal terms at our then-current SaaS Fees unless terminated in writing by either party at least sixty (60) days prior to the end of the then-current renewal term. Your right to access or use the Tyler Software and the SaaS Services will terminate at the end of this Agreement.
2. Termination. This Agreement may be terminated as set forth below. In the event of termination, you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. Disputed fees and expenses in all terminations other than your termination for cause must have been submitted as invoice disputes in accordance with Section E(2).
 - 2.1 Failure to Pay SaaS Fees. You acknowledge that continued access to the SaaS Services is contingent upon your timely payment of SaaS Fees. If you fail to timely pay the SaaS Fees, we may discontinue the SaaS Services and deny your access to the Tyler Software. We may also terminate this Agreement if you don't cure such failure to pay within forty-five (45) days of receiving written notice of our intent to terminate.
 - 2.2 For Cause. If you believe we have materially breached this Agreement, you will invoke the Dispute Resolution clause set forth in Section H(3). You may terminate this Agreement for cause in the event we do not cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within the thirty (30) day window set forth in Section H(3).
 - 2.3 Force Majeure. Either party has the right to terminate this Agreement if a Force Majeure event suspends performance of the SaaS Services for a period of forty-five (45) days or more.
 - 2.4 Lack of Appropriations. If you should not appropriate or otherwise make available funds sufficient to utilize the SaaS Services, you may unilaterally terminate this Agreement upon thirty (30) days written notice to us. You will not be entitled to a refund or offset of previously paid, but unused SaaS Fees. You agree not to use termination for lack of appropriations as a substitute for termination for convenience.

SECTION G – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE

1. Intellectual Property Infringement Indemnification.
 - 1.1 We will defend you against any third party claim(s) that the Tyler Software or Documentation infringes that third party's patent, copyright, or trademark, or misappropriates its trade secrets, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent). You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.

- 1.2 Our obligations under this Section G(1) will not apply to the extent the claim or adverse final judgment is based on your use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties, or your willful infringement.
- 1.3 If we receive information concerning an infringement or misappropriation claim related to the Tyler Software, we may, at our expense and without obligation to do so, either: (a) procure for you the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent, in which case you will stop running the allegedly infringing Tyler Software immediately. Alternatively, we may decide to litigate the claim to judgment, in which case you may continue to use the Tyler Software consistent with the terms of this Agreement.
- 1.4 If an infringement or misappropriation claim is fully litigated and your use of the Tyler Software is enjoined by a court of competent jurisdiction, in addition to paying any adverse final judgment (or settlement to which we consent), we will, at our option, either: (a) procure the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent. This section provides your exclusive remedy for third party copyright, patent, or trademark infringement and trade secret misappropriation claims.

2. General Indemnification.

- 2.1 We will indemnify and hold harmless you and your agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent caused by our negligence or willful misconduct; or (b) our violation of PCI-DSS requirements or a law applicable to our performance under this Agreement. You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.
- 2.2 To the extent permitted by applicable law, you will indemnify and hold harmless us and our agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for personal injury or property damage to the extent caused by your negligence or willful misconduct; or (b) your violation of a law applicable to your performance under this Agreement. We will notify you promptly in writing of the claim and will give you sole control over its defense or settlement. We agree to provide you with reasonable assistance, cooperation, and information in defending the claim at your expense.

3. **DISCLAIMER. EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CLIENT UNDERSTANDS AND AGREES THAT TYLER DISCLAIMS ANY LIABILITY FOR ERRORS THAT RELATE TO USER ERROR.**
4. **LIMITATION OF LIABILITY. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO**

YOUR ACTUAL DIRECT DAMAGES, NOT TO EXCEED (A) DURING THE INITIAL TERM, AS SET FORTH IN SECTION F(1), TOTAL FEES PAID AS OF THE TIME OF THE CLAIM; OR (B) DURING ANY RENEWAL TERM, THE THEN-CURRENT ANNUAL SAAS FEES PAYABLE IN THAT RENEWAL TERM. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY AND TO THE MAXIMUM EXTENT ALLOWED UNDER APPLICABLE LAW, THE EXCLUSION OF CERTAIN DAMAGES, AND EACH SHALL APPLY REGARDLESS OF THE FAILURE OF AN ESSENTIAL PURPOSE OF ANY REMEDY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTIONS G(1) AND G(2).

5. **EXCLUSION OF CERTAIN DAMAGES.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
6. Insurance. During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least \$1,000,000; (b) Automobile Liability of at least \$1,000,000; (c) Professional Liability of at least \$1,000,000; (d) Workers Compensation complying with applicable statutory requirements; and (e) Excess/Umbrella Liability of at least \$5,000,000. We will add you as an additional insured to our Commercial General Liability and Automobile Liability policies, which will automatically add you as an additional insured to our Excess/Umbrella Liability policy as well. We will provide you with copies of certificates of insurance upon your written request.

SECTION H – GENERAL TERMS AND CONDITIONS

1. Additional Products and Services. You may purchase additional products and services at the rates set forth in the Investment Summary for twelve (12) months from the Effective Date by executing a mutually agreed addendum. If no rate is provided in the Investment Summary, or those twelve (12) months have expired, you may purchase additional products and services at our then-current list price, also by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.
2. Optional Items. Pricing for any listed optional products and services in the Investment Summary will be valid for twelve (12) months from the Effective Date.
3. Dispute Resolution. You agree to provide us with written notice within thirty (30) days of becoming aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If we fail to resolve the dispute, then the parties shall participate in non-binding mediation in an effort to resolve the dispute. If the dispute remains unresolved after mediation, then either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution procedures.

4. Taxes. The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes, both federal and state, as applicable, arising from our performance of this Agreement.
5. Nondiscrimination. We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable law.
6. E-Verify. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your project.
7. Subcontractors. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld.
8. Binding Effect; No Assignment. This Agreement shall be binding on, and shall be for the benefit of, either your or our successor(s) or permitted assign(s). Neither party may assign this Agreement without the prior written consent of the other party; provided, however, your consent is not required for an assignment by us as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of our assets.
9. Force Majeure. Except for your payment obligations, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event.
10. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement. This provision does not affect the rights of third parties under any Third Party Terms.
11. Entire Agreement; Amendment. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Purchase orders submitted by you, if any, are for your internal administrative purposes only, and the terms and conditions contained in those purchase orders will have no force or effect. This Agreement may only be modified by a written amendment signed by an authorized representative of each party.

12. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.
13. No Waiver. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.
14. Independent Contractor. We are an independent contractor for all purposes under this Agreement.
15. Notices. All notices or communications required or permitted as a part of this Agreement, such as notice of an alleged material breach for a termination for cause or a dispute that must be submitted to dispute resolution, must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the receiving party; (c) upon receipt by sender of proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the intended receiving party of a change in address will be borne by the intended receiving party.
16. Client Lists. You agree that we may identify you by name in client lists, marketing presentations, and promotional materials.
17. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (*e.g.*, social security numbers) and trade secrets, each as defined by applicable state law. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. This obligation of confidentiality will not apply to information that:
 - (a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this Agreement by a party or its employees or agents;
 - (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
 - (c) a party receives from a third party who has a right to disclose it to the receiving party; or
 - (d) is the subject of a legitimate disclosure request under the open records laws or similar applicable public disclosure laws governing this Agreement; provided, however, that in the event you receive an open records or other similar applicable request, you will give us prompt notice and otherwise perform the functions required by applicable law.
18. Quarantining of Client Data. Some services provided by Tyler require us to be in possession of your Data. In the event we detect malware or other conditions associated with your Data that are

reasonably suspected of putting Tyler resources or other Tyler clients' data at risk, we reserve the absolute right to move your Data from its location within a multi-tenancy Tyler hosted environment to an isolated "quarantined" environment without advance notice. Your Data will remain in such quarantine for a period of at least six (6) months during which time we will review the Data, and all traffic associated with the Data, for signs of malware or other similar issues. If no issues are detected through such reviews during the six (6) month period of quarantine, we will coordinate with you the restoration of your Data to a non-quarantined environment. In the event your Data must remain in quarantine beyond this six (6) month period through no fault of Tyler's, we reserve the right to require payment of additional fees for the extended duration of quarantine. We will provide an estimate of what those costs will be upon your request.

19. Business License. In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.
20. Governing Law. This Agreement will be governed by and construed in accordance with the laws of your state of domicile, without regard to its rules on conflicts of law.
21. Multiple Originals and Authorized Signatures. This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as if an original signature. Each party represents to the other that the signatory set forth below is duly authorized to bind that party to this Agreement.
22. Cooperative Procurement. To the maximum extent permitted by applicable law, we agree that this Agreement may be used as a cooperative procurement vehicle by eligible jurisdictions. We reserve the right to negotiate and customize the terms and conditions set forth herein, including but not limited to pricing, to the scope and circumstances of that cooperative procurement.
23. Data & Insights Solution Terms. Your use of certain Tyler solutions includes Tyler's Data & Insights data platform. Your rights, and the rights of any of your end users, to use Tyler's Data & Insights data platform is subject to the Data & Insights SaaS Services Terms of Service, available at <https://www.tylertech.com/terms/data-insights-saas-services-terms-of-service>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using any of the Tyler solutions listed at the linked terms, you certify that you have reviewed, understand, and agree to said terms.
24. Contract Documents. This Agreement includes the following exhibits:

Exhibit A	Investment Summary
Exhibit B	Invoicing and Payment Policy Schedule 1: Business Travel Policy
Exhibit C	Service Level Agreement Schedule 1: Support Call Process
Exhibit D	Third Party Terms Schedule 1: Hyperlinked Terms Schedule 2: DocOrigin Terms
Exhibit E	Statement of Work

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Agreement as of the date(s) set forth below.

Tyler Technologies, Inc.

INSERT CLIENT NAME

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Address for Notices:

Tyler Technologies, Inc.
One Tyler Drive
Yarmouth, ME 04096
Attention: Chief Legal Officer

Address for Notices:

INSERT CLIENT NAME
CLIENT ADDRESS
ADDRESS
Attention: _____

Sample



Exhibit A Investment Summary

The following Investment Summary details the software and services to be delivered by us to you under the Agreement. This Investment Summary is effective as of the Effective Date, despite any expiration date in the Investment Summary that may have lapsed as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement. In the event of conflict between the Agreement and terms in the Comments section of this Investment Summary, the language in the Agreement will prevail.

Tyler sales quotation to be inserted prior to Agreement execution.

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Exhibit B Invoicing and Payment Policy

We will provide you with the software and services set forth in the Investment Summary of the Agreement. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Invoicing: We will invoice you for the applicable software and services in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in the Agreement.

1. **SaaS Fees.** SaaS Fees are invoiced on an annual basis, beginning on the commencement of the initial term as set forth in Section F (1) of this Agreement. Your annual SaaS fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual SaaS fees will be at our then-current rates.
2. **Other Tyler Software and Services.**
 - 2.1 *VPN Device:* The fee for the VPN device will be invoiced upon installation of the VPN.
 - 2.2 *Implementation and Other Professional Services (including training):* Implementation and other professional services (including training) are billed and invoiced as delivered, at the rates set forth in the Investment Summary.
 - 2.3 *Consulting Services:* If you have purchased any Business Process Consulting services, if they have been quoted as fixed-fee services, they will be invoiced 50% upon your acceptance of the Best Practice Recommendations, by module, and 50% upon your acceptance of custom desktop procedures, by module. If you have purchased any Business Process Consulting services and they are quoted as an estimate, then we will bill you the actual services delivered on a time and materials basis.
 - 2.4 *Conversions:* Fixed-fee conversions are invoiced 50% upon initial delivery of the converted Data, by conversion option, and 50% upon Client acceptance to load the converted Data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, we will bill you the actual services delivered on a time and materials basis.
 - 2.5 *Requested Modifications to the Tyler Software:* Requested modifications to the Tyler Software are invoiced 50% upon delivery of specifications and 50% upon delivery of the applicable modification. You must report any failure of the modification to conform to the specifications within thirty (30) days of delivery; otherwise, the modification will be deemed to be in compliance with the specifications after the 30-day window has passed. You may still report Defects to us as set forth in this Agreement.

- 2.6 *Other Fixed Price Services*: Other fixed price services are invoiced as delivered, at the rates set forth in the Investment Summary. For the avoidance of doubt, where “Project Planning Services” are provided, payment will be due upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be billed monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
- 2.7 *Web Services*: Annual fees for web services are payable in advance, commencing upon the availability of the service. Your annual fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual fees will be at our then-current rates.
- 2.8 *Annual Services*: Unless otherwise indicated in this Exhibit B, fees for annual services are due annually, in advance, commencing on the availability of the service. Your annual fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual fees will be at our then-current rates.
3. Third Party Products.
- 3.1 *Third Party Software License Fees*: License fees for Third Party Software, if any, are invoiced when we make it available to you for downloading.
- 3.2 *Third Party Software Maintenance*: The first year maintenance for the Third Party Software is invoiced when we make it available to you for downloading.
- 3.3 *Third Party Hardware*: Third Party Hardware costs, if any, are invoiced upon delivery.
- 3.4 *Third Party Services*: Fees for Third Party Services, if any, are invoiced as delivered, along with applicable expenses, at the rates set forth in the Investment Summary. For the avoidance of doubt, Finite Matters will invoice Client directly for any services fees for Pattern Stream.
- 3.5 *Third Party SaaS*: Third Party SaaS Services fees, if any, are invoiced annually, in advance, commencing with availability of the respective Third Party SaaS Services. Pricing for the first year of Third Party SaaS Services is indicated in the Investment Summary. Pricing for subsequent years will be at the respective third party’s then-current rates.
4. Transaction Fees. Unless paid directly by an end user at the time of transaction, per transaction (call, message, etc.) fees are invoiced on a quarterly basis. Fees are indicated in Schedule A and may be increased by Tyler upon notice of no less than thirty (30) days.
5. Expenses. The service rates in the Investment Summary do not include travel expenses. Expenses for Tyler delivered services will be billed as incurred and only in accordance with our then-current Business Travel Policy, plus a 10% travel agency processing fee. Our current Business Travel Policy is attached to this Exhibit B as Schedule 1. Copies of receipts will be provided upon request; we reserve the right to charge you an administrative fee depending on the extent of your requests. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.

Payment. Payment for undisputed invoices is due within forty-five (45) days of the invoice date. We prefer to receive payments electronically. Our electronic payment information is available by contacting AR@tylertech.com.

Sample



Exhibit B
Schedule 1
Business Travel Policy

1. Air Travel

A. Reservations & Tickets

The Travel Management Company (TMC) used by Tyler will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within \$100 (each way) of the lowest logical fare. If a net savings of \$200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make advanced reservations to take full advantage of discount opportunities. Employees should use all reasonable efforts to make travel arrangements at least two (2) weeks in advance of commitments. A seven (7) day advance booking requirement is mandatory. When booking less than seven (7) days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is six (6) or more consecutive hours in length, only economy or coach class seating is reimbursable. Employees shall not be reimbursed for "Basic Economy Fares" because these fares are non-refundable and have many restrictions that outweigh the cost-savings.

B. Baggage Fees

Reimbursement of personal baggage charges are based on trip duration as follows:

- Up to five (5) days = one (1) checked bag
- Six (6) or more days = two (2) checked bags

Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

A. Private Automobile

Mileage Allowance – Business use of an employee’s private automobile will be reimbursed at the current IRS allowable rate, plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee’s office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.

B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience, and the specific situation reasonably require their use. When renting a car for Tyler business, employees should select a “mid-size” or “intermediate” car. “Full” size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; except for employees traveling to Alaska and internationally (excluding Canada), additional insurance on the rental agreement should be declined.

C. Public Transportation

Taxi or airport limousine services may be considered when traveling in and around cities or to and from airports when less expensive means of transportation are unavailable or impractical. The actual fare plus a reasonable tip (15-18%) are reimbursable. In the case of a free hotel shuttle to the airport, tips are included in the per diem rates and will not be reimbursed separately.

D. Parking & Tolls

When parking at the airport, employees must use longer term parking areas that are measured in days as opposed to hours. Park and fly options located near some airports may also be used. For extended trips that would result in excessive parking charges, public transportation to/from the airport should be considered. Tolls will be reimbursed when receipts are presented.

3. Lodging

Tyler’s TMC will select hotel chains that are well established, reasonable in price, and conveniently located in relation to the traveler’s work assignment. Typical hotel chains include Courtyard, Fairfield Inn, Hampton Inn, and Holiday Inn Express. If the employee has a discount rate with a local hotel, the hotel reservation should note that discount and the employee should confirm the lower rate with the hotel upon arrival. Employee memberships in travel clubs such as AAA should be noted in their travel profiles so that the employee can take advantage of any lower club rates.

“No shows” or cancellation fees are not reimbursable if the employee does not comply with the hotel’s cancellation policy.

Tips for maids and other hotel staff are included in the per diem rate and are not reimbursed separately.

Employees are not authorized to reserve non-traditional short-term lodging, such as Airbnb, VRBO, and HomeAway. Employees who elect to make such reservations shall not be reimbursed.

4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status within the continental U.S. are in accordance with the federal per diem rates published by the General Services Administration. Incidental expenses include tips to maids, hotel staff, and shuttle drivers and other minor travel expenses. Per diem rates are available at www.gsa.gov/perdiem.

Per diem for Alaska, Hawaii, U.S. protectorates and international destinations are provided separately by the Department of State and will be determined as required.

A. Overnight Travel

For each full day of travel, all three meals are reimbursable. Per diems on the first and last day of a trip are governed as set forth below.

Departure Day

Depart before 12:00 noon

Lunch and dinner

Depart after 12:00 noon

Dinner

Return Day

Return before 12:00 noon

Breakfast

Return between 12:00 noon & 7:00 p.m.

Breakfast and lunch

Return after 7:00 p.m.*

Breakfast, lunch and dinner

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

The reimbursement rates for individual meals are calculated as a percentage of the full day per diem as follows:

Breakfast	15%
Lunch	25%
Dinner	60%

B. Same Day Travel

Employees traveling at least 100 miles to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 7:00 p.m.*

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

5. Internet Access – Hotels and Airports

Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If an employee's hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.

6. International Travel

All international flights with the exception of flights between the U.S. and Canada should be reserved through TMC using the "lowest practical coach fare" with the exception of flights that are six (6) or more consecutive hours in length. In such event, the next available seating class above coach shall be reimbursed.

When required to travel internationally for business, employees shall be reimbursed for photo fees, application fees, and execution fees when obtaining a new passport book, but fees related to passport renewals are not reimbursable. Visa application and legal fees, entry taxes and departure taxes are reimbursable.

The cost of vaccinations that are either required for travel to specific countries or suggested by the U.S. Department of Health & Human Services for travel to specific countries, is reimbursable.

Section 4, Meals & Incidental Expenses, and Section 2.b., Rental Car, shall apply to this section.

Sample



Exhibit C Service Level Agreement

I. Agreement Overview

This SLA operates in conjunction with, and does not supersede or replace any part of, the Agreement. It outlines the information technology service levels that we will provide to you to ensure the availability of the application services that you have requested us to provide. This SLA does not apply to any Third Party SaaS Services. All other support services are documented in the Support Call Process.

II. Definitions. Except as defined below, all defined terms have the meaning set forth in the Agreement.

Actual Attainment: The percentage of time the Tyler Software is available during a calendar quarter, calculated as follows: $(\text{Service Availability} - \text{Downtime}) \div \text{Service Availability}$.

Client Error Incident: Any service unavailability resulting from your applications, content or equipment, or the acts or omissions of any of your service users or third-party providers over whom we exercise no control.

Downtime: Those minutes during Service Availability, as defined below, when all users cannot launch, login, search or save primary data in the Tyler Software. Downtime does not include those instances in which only a Defect is present.

Emergency Maintenance: (1) maintenance that is required to patch a critical security vulnerability; (2) maintenance that is required to prevent an imminent outage of Service Availability; or (3) maintenance that is mutually agreed upon in writing by Tyler and the Client.

Planned Downtime: Downtime that occurs during a Standard or Emergency Maintenance window.

Service Availability: The total number of minutes in a calendar quarter that the Tyler Software is capable of receiving, processing, and responding to requests, excluding Planned Downtime, Client Error Incidents, denial of service attacks and Force Majeure.

Standard Maintenance: Routine maintenance to the Tyler Software and infrastructure. Standard Maintenance is limited to five (5) hours per week.

III. Service Availability

a. Your Responsibilities

Whenever you experience Downtime, you must make a support call according to the procedures outlined in the Support Call Process. You will receive a support case number.

b. Our Responsibilities

When our support team receives a call from you that Downtime has occurred or is occurring, we will work with you to identify the cause of the Downtime (including whether it may be the result of Planned

Downtime, a Client Error Incident, Denial of Service attack or Force Majeure). We will also work with you to resume normal operations.

c. Client Relief

Our targeted Attainment Goal is 100%. You may be entitled to credits as indicated in the Client Relief Schedule found below. Your relief credit is calculated as a percentage of the SaaS fees paid for the calendar quarter.

In order to receive relief credits, you must submit a request through one of the channels listed in our Support Call Process within fifteen days (15) of the end of the applicable quarter. We will respond to your relief request within thirty (30) day(s) of receipt.

The total credits confirmed by us will be applied to the SaaS Fee for the next billing cycle. Issuing of such credit does not relieve us of our obligations under the Agreement to correct the problem which created the service interruption.

Client Relief Schedule	
Actual Attainment	Client Relief
99.99% - 99.50%	Remedial action will be taken
99.49% - 98.50%	2%
98.49% - 97.50%	4%
97.49% - 96.50%	6%
96.49% - 95.50%	8%
Below 95.50%	10%

IV. Maintenance Notifications

We perform Standard Maintenance during limited windows that are historically known to be reliably low-traffic times. If and when maintenance is predicted to occur during periods of higher traffic, we will provide advance notice of those windows and will coordinate to the greatest extent possible with you.

Not all maintenance activities will cause application unavailability. However, if Tyler anticipates that activities during a Standard or Emergency Maintenance window may make the Tyler Software unavailable, we will provide advance notice, as reasonably practicable that the Tyler Software will be unavailable during the maintenance window.



Exhibit C Schedule 1 Support Call Process

Support Channels

Tyler Technologies, Inc. provides the following channels of software support for authorized users*:

- (1) On-line submission (portal) – for less urgent and functionality-based questions, users may create support incidents through the Tyler Customer Portal available at the Tyler Technologies website. A built-in Answer Panel provides users with resolutions to most “how-to” and configuration-based questions through a simplified search interface with machine learning, potentially eliminating the need to submit the support case.
- (2) Email – for less urgent situations, users may submit emails directly to the software support group.
- (3) Telephone – for urgent or complex questions, users receive toll-free, telephone software support.

** Channel availability may be limited for certain applications.*

Support Resources

A number of additional resources are available to provide a comprehensive and complete support experience:

- (1) Tyler Website – www.tylertech.com – for accessing client tools, documentation, and other information including support contact information.
- (2) Tyler Search -a knowledge based search engine that lets you search multiple sources simultaneously to find the answers you need, 24x7.
- (3) Tyler Community –provides a venue for all Tyler clients with current maintenance agreements to collaborate with one another, share best practices and resources, and access documentation.
- (4) Tyler University – online training courses on Tyler products.

Support Availability

Tyler Technologies support is available during the local business hours of 8 AM to 5 PM (Monday – Friday) across four US time zones (Pacific, Mountain, Central and Eastern). Tyler’s holiday schedule is outlined below. There will be no support coverage on these days.

New Year’s Day	Labor Day
Martin Luther King, Jr. Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day

For support teams that provide after-hours service, we will provide you with procedures for contacting support staff after normal business hours for reporting Priority Level 1 Defects only. Upon receipt of

such a Defect notification, we will use commercially reasonable efforts to meet the resolution targets set forth below.

We will also make commercially reasonable efforts to be available for one pre-scheduled Saturday of each month to assist your IT staff with applying patches and release upgrades, as well as consulting with them on server maintenance and configuration of the Tyler Software environment.

Incident Handling

Incident Tracking

Every support incident is logged into Tyler’s Customer Relationship Management System and given a unique case number. This system tracks the history of each incident. The case number is used to track and reference open issues when clients contact support. Clients may track incidents, using the case number, through Tyler’s Customer Portal or by calling software support directly.

Incident Priority

Each incident is assigned a priority level, which corresponds to the Client’s needs. Tyler and the Client will reasonably set the priority of the incident per the chart below. This chart is not intended to address every type of support incident, and certain “characteristics” may or may not apply depending on whether the Tyler software has been deployed on customer infrastructure or the Tyler cloud. The goal is to help guide the Client towards clearly understanding and communicating the importance of the issue and to describe generally expected response and resolution targets in the production environment only.

References to a “confirmed support incident” mean that Tyler and the Client have successfully validated the reported Defect/support incident.

Priority Level	Characteristics of Support Incident	Resolution Targets*
1 Critical	Support incident that causes (a) complete application failure or application unavailability; (b) application failure or unavailability in one or more of the client’s remote location; or (c) systemic loss of multiple essential system functions.	Tyler shall provide an initial response to Priority Level 1 incidents within one (1) business hour of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within one (1) business day. For non-hosted customers, Tyler’s responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.

Priority Level	Characteristics of Support Incident	Resolution Targets*
2 High	Support incident that causes (a) repeated, consistent failure of essential functionality affecting more than one user or (b) loss or corruption of data.	Tyler shall provide an initial response to Priority Level 2 incidents within four (4) business hours of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within ten (10) business days. For non-hosted customers, Tyler's responsibility for loss or corrupted data is limited to assisting the Client in restoring its last available database.
3 Medium	Priority Level 1 incident with an existing circumvention procedure, or a Priority Level 2 incident that affects only one user or for which there is an existing circumvention procedure.	Tyler shall provide an initial response to Priority Level 3 incidents within one (1) business day of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents without the need for a circumvention procedure with the next published maintenance update or service pack, which shall occur at least quarterly. For non-hosted customers, Tyler's responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.
4 Non-critical	Support incident that causes failure of non-essential functionality or a cosmetic or other issue that does not qualify as any other Priority Level.	Tyler shall provide an initial response to Priority Level 4 incidents within two (2) business days of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents, as well as cosmetic issues, with a future version release.

Response and Resolution Targets may differ by product or business need

Incident Escalation

If Tyler is unable to resolve any priority level 1 or 2 defect as listed above or the priority of an issue has elevated since initiation, you may escalate the incident to the appropriate resource, as outlined by each product support team. The corresponding resource will meet with you and any Tyler staff to establish a mutually agreeable plan for addressing the defect.

Remote Support Tool

Some support calls may require further analysis of the Client's database, processes or setup to diagnose a problem or to assist with a question. Tyler will, at its discretion, use an industry-standard remote support tool. Tyler's support team must have the ability to quickly connect to the Client's system and view the site's setup, diagnose problems, or assist with screen navigation. More information about the remote support tool Tyler uses is available upon request.



Exhibit D
Third Party Terms

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Exhibit D Schedule 1 Hyperlinked Terms

Fire Prevention Mobile Terms. Your use of Tyler's Fire Prevention Mobile solutions is subject to the terms found here: <https://www.tylertech.com/terms/mobileeyes-third-party-terms>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using the Fire Prevention Mobile solution, you agree that you have read, understood, and agree to such terms.

Pattern Stream Terms. Your use of Pattern Stream software and services is subject to the terms found here: <https://www.tylertech.com/terms/finite-matters-ltd-consolidated-terms>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using Pattern Stream software or services, you agree that you have read, understood, and agree to such terms.

Quatred Terms. Your use of Quatred solutions is subject to the End User License Agreement terms found here: <https://www.quatred.com/eula>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using Quatred solutions provided to you by Tyler, you agree that you have read, understood, and agree to such terms.

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- Electronic Warrants
- Online Dispute Resolution
- Enterprise Justice Notifications Add On (text notifications)
- Absence & Substitute
- Notify
- Enterprise Jury Manager
- Enterprise Supervision
- Virtual Court



**Exhibit D
Schedule 2
DocOrigin Terms**

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DocOrigin

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7.1 The term of this Agreement will begin on download of the Software and, in respect of an Evaluation License, shall continue for the Evaluation Period, and in respect of all other license types defined in Section 1, shall continue for as long as You use the Software, unless earlier terminated sooner under this section 7.

7.2 Eclipse Corporation may terminate this Agreement in the event of any breach by You if such breach has not been cured within thirty (30) days of notice to You. No termination of this Agreement will entitle You to a refund of any amounts paid by You to Eclipse Corporation or its applicable distributor or reseller or affect any obligations You may have to pay any outstanding amounts owing to Eclipse Corporation or its distributor.

7.3 Your rights to use the Software will immediately terminate upon termination or expiration of this Agreement. Within thirty (30) days of termination or expiration of this Agreement, You shall purge all Software and all copies thereof from all computer systems and storage devices on which it was stored, and certify such to Eclipse Corporation

8. GENERAL PROVISIONS

8.1 **No Waiver.** No delay or failure in exercising any right under this Agreement, or any partial or single exercise of any right, will constitute a waiver of that right or any other rights under this Agreement. No consent to a breach of any express or implied term set out in this Agreement constitutes consent to any subsequent breach, whether of the same or any other provision.

8.2 **Severability.** If any provision of this Agreement is, or becomes, unenforceable, it will be severed from this Agreement and the remainder of this Agreement will remain in full force and effect.

8.3 **Assignment.** You may not transfer or assign this Agreement (whether voluntarily, by operation of law, or otherwise) without Eclipse Corporation's prior written consent. Eclipse Corporation may assign this Agreement at any time without notice. This Agreement is binding upon and will inure to the benefit of both parties, and their respective successors and permitted assigns.

8.4 **Governing Law and Venue if You are located in the USA.** This Agreement shall be governed by the laws of the State of Texas if You are located in the USA. No choice of laws rules of any jurisdiction shall apply to this Agreement. You consent and agree that the courts of the State of Texas shall have jurisdiction over any legal action or proceeding brought by You arising out of or relating to this Agreement, and You consent to the jurisdiction of such courts for any such action or proceeding.

8.5 **Governing Law and Venue if You are not located in the USA.** This Agreement shall be governed by the laws of the Province of Ontario in Canada if You are not located in the USA. No choice of laws rules of any jurisdiction shall apply to this Agreement. You consent and agree that the courts of the Province of Ontario in Canada shall have jurisdiction over any legal action or proceeding brought by You arising out of or relating to this Agreement, and You consent to the jurisdiction of such courts for any such action or proceeding.

8.6 **Entire Agreement.** This Agreement is the entire understanding and agreement between You and Eclipse Corporation with respect to the subject matter hereof, and it supersedes all prior negotiations, commitments and understandings, verbal or written, and purchase order issued by You. This Agreement may be amended or otherwise modified by Eclipse Corporation from time to time and the most recent version of the Agreement will be available on the Eclipse Corporation website www.docorigin.com.

Last Updated: July 22, 2017



Exhibit E
Statement of Work

Statement of Work to be inserted prior to Agreement execution.

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Sample



ADDITIONAL REMARKS SCHEDULE

AGENCY MARSH USA, LLC.		NAMED INSURED Tyler Technologies, Inc. 5101 Tennyson Parkway Plano, TX 75024	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 **FORM TITLE:** Certificate of Liability Insurance

The Professional Liability / Cyber policies evidenced contain Self Insured Retentions to various perils covered. If you would like additional information regarding these sub limits or deductibles, please contact the insured.

At the intersection of

NOW + NEXT







Focused on the future.
Delivering on the present.

In an unpredictable world, people look to the public sector for the services, information, and leadership required to make our communities thrive.

In turn, the public sector looks to Tyler to address its technology needs of today while building towards tomorrow.

Our long-term perspective and investments continue to bring value as we help our public sector clients interconnect their communities. Thanks to our dependable solutions and dedicated team members, we help our clients build for the future while overcoming the present-day challenges of changing workforce dynamics, economic uncertainties, and the lingering impact of the pandemic.

A letter to our *shareholders*

Thanks to our balanced approach to running and growing our business, 2022 was one of Tyler's most successful years to date.

2022 at a glance

In addition to making significant advancements to our long-term cloud and payments strategies, our performance this year was notable for solid organic revenue growth and higher earnings, even in the face of economic uncertainty. GAAP revenue rose 16.2% to \$1.85 billion, while non-GAAP revenue increased 16.0% to \$1.85 billion. GAAP net income for the year was \$164.2 million, or \$3.87 per diluted share, a change of 1.7% from 2021. Non-GAAP net income for the year was \$318.1 million, or \$7.50 per diluted share, up 7.3%. Recurring revenues grew 17.6% and comprised 80% of our total revenues. Cash provided by operations grew 2.6% to \$381.5 million, while free cash flow grew 4.8%, reaching a new high of \$331.3 million. We finished the year with a backlog of \$1.89 billion, up 5.2%.



*H. Lynn Moore Jr.
President &
Chief Executive Officer*

We spent the year continuing to strengthen our already-solid balance sheet by repaying \$360 million of debt from our April 2021 NIC acquisition, ending the year with a total outstanding debt of \$995 million and cash and investments of \$229 million. Our net leverage at year-end was approximately 1.64 times trailing twelve-month pro forma EBITDA. \$600 million of our debt is in the form of convertible debt with a fixed interest rate of 0.25%, which is extremely favorable, given current rates. The remaining \$395 million in debt is in prepayable term debt due in 2024 and 2026, with interest at floating rates based on SOFR. We also have an undrawn \$500 million revolving credit facility, which provides significant additional flexibility.

Expanding our footprint

The year was highlighted by our continued integration of NIC (now our Digital Solutions Division), our largest and most impactful acquisition to date. We've been hard at work integrating NIC's payment expertise, capabilities, and team members into our business, which in turn allows us to significantly accelerate our strategy to integrate payments across every facet of the public sector.

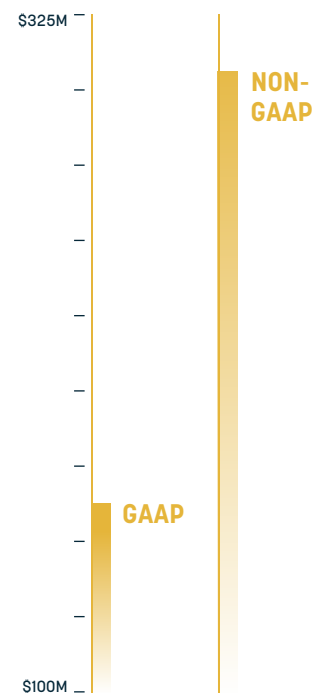
In addition, we're leveraging NIC's existing client relationships to expand our presence at the state and federal levels, leading to the formation of a new State & Federal Group to align our resources and pursue strategic market expansion opportunities.

While our current priority for capital allocation is to pay down debt, we continued to augment our portfolio with the acquisitions of U.S. eDirect, Quatred, and Rapid Financial Solutions, which will accelerate our ability to enter new markets and offer a broader range of capabilities.

17.6%

Recurring revenue growth

Net income



\$164.2M

GAAP net income

\$318.1M

Non-GAAP net income

Advancing our cloud journey

We continued to accelerate our progress on our cloud journey during 2022. We remain on track with our projects to have cloud-native or cloud-efficient versions of all our major solutions, along with our planned exit from our proprietary data centers over the next three years. We introduced several cloud-only products this year, and many of our core products are now solely available to new clients in the cloud.

Our results reflect the ongoing success of our cloud transition. Recurring revenues comprised 80% of our 2022 revenue, in large part due to a 29% increase in subscription revenue for the year. 83% of our new software contract value was attributable to SaaS arrangements, up from 71% in 2021. In addition, 336 existing on premises clients chose to migrate to the cloud, compared to 239 in 2021.

To accelerate our cloud progress, we further strengthened our Corporate Cloud Services team that acts as a central point of service for engineering and support so all our teams can leverage a single, best-in-class cloud approach. We also added new chief information security officer and chief privacy officer roles to our executive team to ensure these key considerations are represented at the highest level.

Looking ahead

I've never entered a new year more confident about Tyler's long-term prospects, even in the face of economic uncertainty. Our management team is acutely focused on achieving operational efficiencies while accelerating revenue growth. 2023 will be a pivotal year in our cloud transition, with one-time license revenues being replaced by valuable long-term recurring SaaS revenue. We expect operating margins to trough in 2023 and are firmly committed to returning to a trajectory of consistent operating margin expansion beginning in 2024.

Thanks to our exclusive focus on the public sector, combined with our broad portfolio of solutions across functions at every level of government, our business remains resilient to headwinds compared to our peers. Public sector technology budgets are more stable and predictable than those of private sector enterprises. Our clients aren't at risk of going out of business or being acquired, and we have ensured the relationships we build today will remain strong for the long haul. Our greatest asset is our client base of more than 40,000 installations across nearly 13,000 locations, which creates a defensible moat that no other company comes near to replicating.



Our cloud-based solutions are well-positioned to replace mission-critical legacy systems approaching end of life that are essential to powering public sector services. We have a singular opportunity to capture a significant portion of those prospects, whom I believe will see the value of our Connected Communities vision. This will lead to even more opportunities for expanding relationships through the addition and integration of more of our solutions.

From streamlining product naming and solution portfolios to unifying our cloud resources to making significant progress toward delivering an integrated payments experience across all our products, we are moving in a singular direction unlike any time in the past. Considering how much we've already accomplished, the fact that we have unlocked new levels of collaboration across the business represents nothing less than a paradigm shift for what Tyler can achieve. By balancing today's demands with tomorrow's opportunities, we have never been better positioned to meet the expectations of the public sector, the communities they serve, our shareholders, and the entire Tyler team.



*H. Lynn Moore Jr.
President & Chief Executive Officer*



80%

Recurring revenues

29%

Growth in subscription revenue

17%

Growth in new software contract value from subscription arrangements

2022 financial *review*

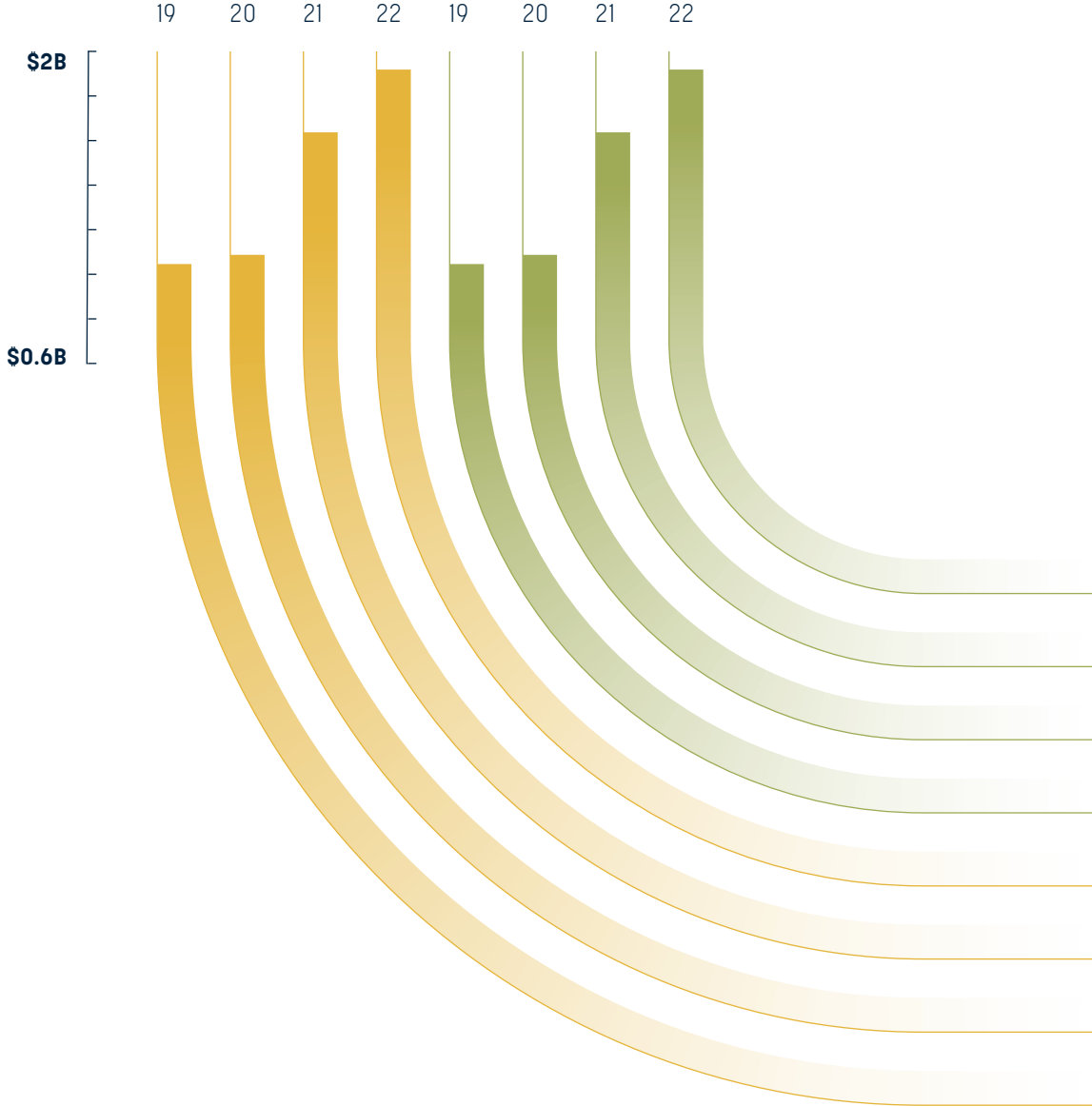
Annual revenue

GAAP

- 2019 — \$1.086B
- 2020 — \$1.117B
- 2021 — \$1.592B
- 2022 — \$1.850B

NON-GAAP

- 2019 — \$1.091B
- 2020 — \$1.117B
- 2021 — \$1.595B
- 2022 — \$1.850B



\$1.01B

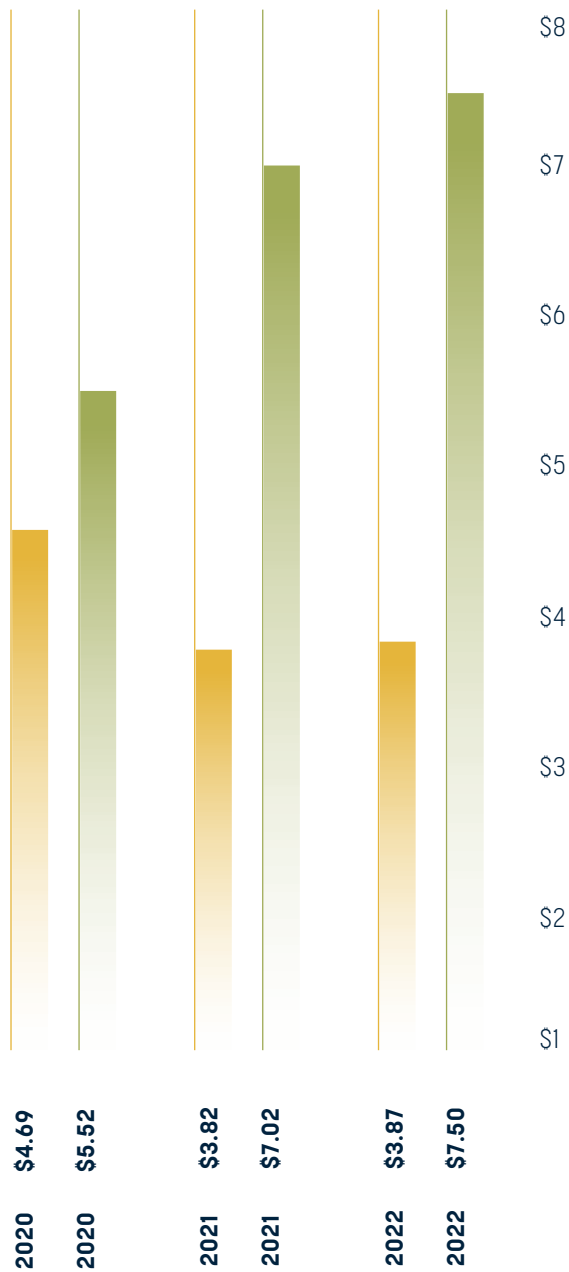
Subscription revenue, up 29%

54.7%

Revenue from subscriptions

Annual earnings per diluted share

GAAP  **NON-GAAP** 



GAAP
operating
margin

11.6%



NON-GAAP
operating
margin

23.6%



\$1.89B

Backlog,
up 5.2%

\$1.90B

TTM bookings,
up 9.5%

\$381.5M

Cash flow from
operations, up 2.6%

\$475M

Adjusted EBITDA,
up 9%

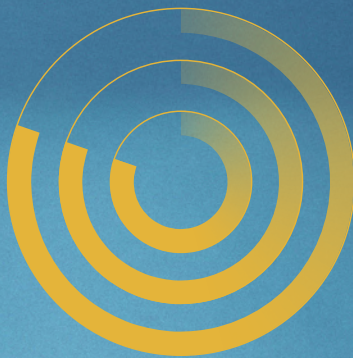
Positioned for today.
Prepared for tomorrow.

By balancing both the short-term and long-term needs of our clients, shareholders, and employees, this year we navigated the choppy waters of economic uncertainty to deliver on our vision of an empowered and transformed public sector.

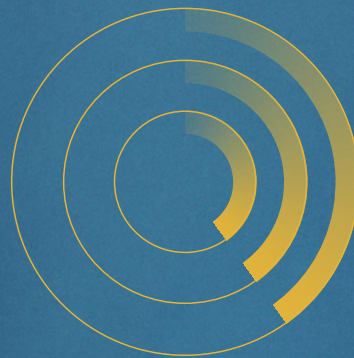




Thanks to our work integrating NIC post-acquisition, accelerating our cloud initiatives, executing three strategic acquisitions, and reinforcing internal initiatives, we continued to address the ongoing needs of our clients while creating a solid foundation for the future of all stakeholders.



83%
New software contract value from cloud solutions



41%
Increase in clients converting to the cloud (from an on-premises deployment)

Leveraging the payments *opportunity*

Key to our balanced approach of serving our public sector clients now and in the future is our 2021 acquisition of NIC, the largest in Tyler's history.

We made great strides in 2022 integrating NIC's payments expertise, capabilities, and team into our operations while leveraging their relationships to increase our footprint across local, state, and federal levels.

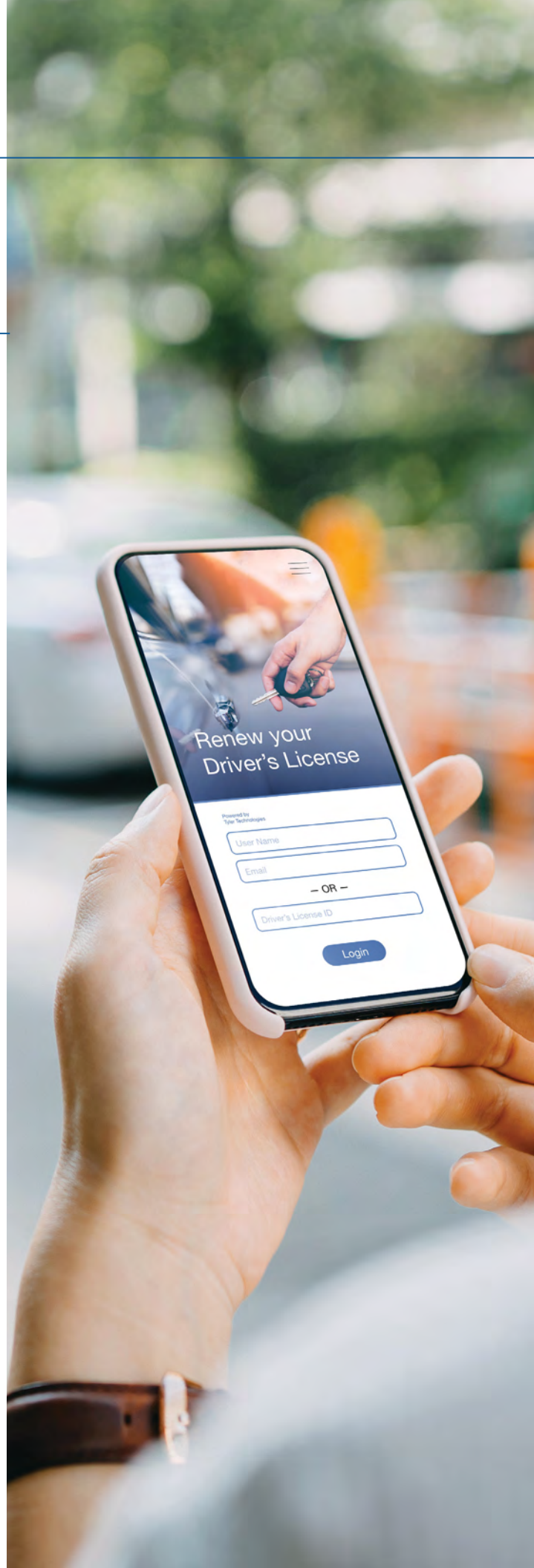
Our payments leadership played an integral role in creating a stronger competitive position while unlocking new cross-sell and upsell opportunities across our respective client bases.

571

New payments deals across Tyler

\$53B

Government payments processed for our clients



Examples of our shared success include:

01 We've closed a total of 19 cross-sell deals across seven Tyler product lines through our Digital Solutions Division (formerly NIC), driving \$9.5 million in total contract value while providing additional value for our clients. The acquisition of NIC also accelerated Tyler's payments capabilities, with 571 new payments deals signed Tyler-wide.

02 Cross-sell wins included a first-of-its-kind enterprise deal with the State of Kansas Department of Revenue under NIC's state enterprise contract that adds a powerful Data & Insights layer to elevate Tyler's Assessment Pro software used by Kansas counties and make property assessment data more actionable for the department.

03 The State of Texas relies on Tyler's payments services to process more than 70 million transactions totaling more than \$5.7 billion in government payments on behalf of more than 300 government entities. As part of a three-year contract extension, the state added Tyler's Data & Insights platform so it can more easily digest information, conduct advanced analytics, and unlock insights from customer transactions.

04 Under our enterprise payments contract with the State of Florida, we completed implementation across 21 executive branch agencies while enabling local governments to utilize the contract to add Tyler's payment services. The Tyler team was also able to upsell new payment capabilities across the State of Florida, including our Payments Enterprise Portal, which allows public sector agencies to accept online or over-the-counter payments for bills, fees, tickets, and fines.

05 The Colorado Statewide Internet Portal Authority (SIPA) awarded Tyler a new five-year contract, building on the Digital Solutions Division's track record of providing similar services to SIPA and state and local agencies in Colorado since 2005. This new enterprise contract presents an excellent opportunity to connect state, city, county, and regional services across the state, with 83 state agencies, 233 municipal departments, 238 county departments, and 83 school districts across Colorado currently using Tyler products to support mission-critical programs. Tyler's extensive footprint in the state provided us with a significant competitive advantage.

Combined with our 2022 acquisition of Rapid Financial Solutions, which has worked with governments since 2005 to solve complex disbursement challenges, Tyler now provides the most comprehensive and trusted solutions for simplifying payments processes across all levels of the public sector.

With several Tyler applications serving the public sector payments market, we see a massive opportunity to unite our solutions across the divisions, particularly in the state and federal spaces where we have identified significant market expansion opportunities. Our new State & Federal Group will help us align our teams and resources to ensure greater collaboration so we can deliver a unified, consistent payments experience for our clients.

Looking ahead, Tyler remains committed to enhancing our position as the market leader in the government payments space. Powered by our acquisitions of NIC and Rapid, our solutions give the public sector everything it needs to manage the entire payments life cycle: billing, presentment, merchant onboarding, collections, reconciliation, and disbursements.

Accelerating our cloud *journey*

We've taken several high-impact steps to establish Tyler as a cloud-first company over the past three years, including entering into a strategic collaboration agreement with Amazon Web Services (AWS) and establishing our cross-vertical Corporate Cloud Services team.

These moves allowed us to make substantial progress with our product development initiatives in 2022, with all of our major products on track to be cloud-efficient or cloud-native.

Several of our major products, including Enterprise ERP and Enterprise Permitting & Licensing, are now exclusively offered to new clients as cloud solutions. We also introduced several cloud-only products in the past year, such as our Electronic Warrants solution that allows judicial officials to process electronic warrant requests 24/7.

Our embrace of a cloud-first approach is matched by the growing demand for cloud solutions from our public sector clients. For example, while we began the year estimating that approximately 75% of new Enterprise Permitting & Licensing software sales would be SaaS, we finished the year with 100% of new clients for that product selecting our cloud-based solution instead of the on-premises version.

Our new contract value for cloud solutions reached a record high of 83% of our total, while a record 336 clients switched from an on-premises solution to the cloud.

Notable client adoptions of our cloud-based solutions include:

01 The U.S. Department of State’s Diplomatic Security Service, a user of Tyler’s on-premises solution since 2017, signed a five-year, \$54 million agreement for Tyler’s Case Management Development Platform.

02 The Arizona Supreme Court replaced an on-premises system it had developed in-house 20 years ago with Tyler’s Enterprise Supervision solution. The new solution supports Arizona’s 15 Adult Probation Departments, including the Superior Court in Maricopa County, the fourth-most populous county in the U.S.

03 The Jersey Village Police Department in Texas became Tyler’s first AWS-hosted public safety client. The agency switched to a suite of cloud-based public safety solutions from Tyler, including Tyler’s Enterprise Public Safety, Enterprise Computer Aided Dispatch, Enterprise Records, Enterprise Law Enforcement Field Mobile, and Enterprise Fire Field Mobile.

We reorganized our cloud-hosting team into a new Corporate Cloud Services team to meet client expectations while accelerating our transition to a cloud-first organization. By creating a central point of service for engineering and support, the Corporate Cloud Services team ensures that all our teams can access, enable, secure, and launch cloud services faster and with greater consistency.

Last but not least, we’re accelerating the process of shifting our clients from our proprietary data centers to AWS. In the near term, we are incurring significant “bubble costs” associated with operating our proprietary data centers while transitioning clients to AWS. Once the transition is complete, we will be able to fully leverage the capabilities of the AWS solution, enhance our approach to data security, and reduce our hosting costs.



Expanding our *best-in-class portfolio*

While our primary focus was the successful integration of NIC and other recent acquisitions, we continued to take advantage of strategic opportunities throughout 2022 to expand our product portfolio and strengthen our competitive position:

01 In February, we acquired U.S. eDirect, a market-leading provider of technology solutions for campground and outdoor recreation management. Its solution provides a large-scale, enterprise-grade cloud transaction management system focused on the government recreation and tourism industry, enabling agencies to manage transactions for everything from campground accommodations to licenses and parking.

02 In May, we acquired Quatred, a systems integrator and solution provider of advanced touchless technologies, allowing us to integrate a single barcoding solution into all our platforms for a unified client experience.

03 In October, we acquired Rapid Financial Solutions, a leading provider of reliable, scalable, and secure payment solutions that offers best-in-class card issuance and digital disbursement capabilities. With this acquisition, we accelerated our ability to offer payments disbursements for local, state, and federal government clients, significantly increasing the total addressable market for our payments solutions.





While these long-term investments will take time to fully incorporate into our offerings, we are confident they will follow the same path as similar past investments and deliver on the potential we see with every acquisition.

In 2018, we acquired CaseloadPRO for approximately \$9 million, which allowed us to integrate its comprehensive probation case management system (now Enterprise Supervision) into our suite of justice solutions. Since the acquisition, we significantly expanded our market share for Enterprise Supervision, leading to six key statewide contract wins, a 199% increase in average deal size, and a 480% increase in annual revenue over the past four years.

In August 2021, we acquired VendEngine for \$84 million, adding a robust solution to help the corrections market better meet its obligations to incarcerated individuals and their families. In just one year since the acquisition, we generated approximately \$3 million in new annual recurring revenue across 50 new clients for our Resident Resources solution. In late 2022, we broke ground on a new manufacturing facility that will eventually double the production of the specialized kiosks and equipment used to deliver services to incarcerated individuals, which will allow us to significantly expand our ability to sell the solution to clients in the coming years.

SOLUTION SNAPSHOT: PUBLIC ADMINISTRATION

Property appraisals without the wait

To appropriately value properties for property tax assessments, appraisers were required to drive to a specific location, take pictures, and then enter details into a system when they got back to the office. Thanks to the cloud, appraisers can do more of this work without leaving their desks.

Johnson County, Kansas, uses Tyler's Desktop Verification to analyze high-resolution, 360° street-level imagery automatically captured by camera-outfitted vehicles. Appraisers can then inspect and measure structures and assets down to sub-inch accuracy to ensure more accurate appraisals. All images are stored in the cloud, which allows employees to access imagery in the office or when working in the field. Additionally, the application helps the appraiser's office collaborate with other county departments like public works and public safety.

Unifying the *Tyler experience*

Our Connected Communities vision imagines a world where government services at local, regional, and state levels are connected within a healthy digital infrastructure. Connecting data, processes, and people makes communities safer, smarter, and more responsive to the needs of residents.

Many of our new clients, such as the City of Lima, Ohio, cite our Connected Communities vision as a key reason they selected Tyler. Seeking to leverage a comprehensive solution for all aspects of the city's police, court, and probation business, the city signed a single contract for Tyler's Enterprise Public Safety suite and Enterprise Justice suite, allowing it to replace legacy systems, improve workflows, and enable better coordination and communication across departments.

To continue to deliver on our vision, we launched several initiatives throughout 2022 to increase alignment and collaboration across the organization. For example, as Tyler makes progress toward delivering a single, unified payments experience across all our solutions, our clients can more easily enable payments and settlements for hundreds of applications from a single platform. At the same time, our Gov2Go platform provides a mobile-enabled solution that makes it easier for constituents to manage and pay for public sector interactions like vehicle tag renewals, property taxes, park permits, and professional licenses, all from a single account instead of separate services.

We now publish data to our Enterprise Data Platform from every flagship Tyler solution. By helping clients bring their data from across Tyler solutions into a single dashboard, we help the public sector uncover patterns and access insights that couldn't be seen or shared before. One success story is the San Diego Association of Governments in California, a consortium of the region's 19 local governments, which launched an Open Data portal to showcase the region's progress towards the United Nations' 17 Sustainable Development goals. Thanks to the portal, local leaders across the region can now make data-driven decisions when managing social issues while leveraging data as they evaluate grant applications for local projects.

Finally, we released Tyler Forge components for our software developers via GitHub, which enables developers to leverage a catalog of reusable controls and templates so they can focus on the functionality of their application instead of aesthetics. Forge components help ensure that every web application in the Tyler portfolio has a consistent look and feel, allowing us to deliver an enhanced user experience.





SOLUTION SNAPSHOT: **TRANSFORMATIVE TECHNOLOGY**

Using data to reduce homelessness

Homelessness is a crisis that no single agency can solve alone. Agencies spanning mental health, public safety, health care, and housing must work as one to get people the exact support they need to get off the streets for good.

Fulton County in Georgia leverages Tyler's Enterprise Data Platform to track housing, medical treatment, pre-arrest, court, and reentry data to better identify opportunities for connecting its homeless population with the right services. Because the data is in the cloud, it can be easily shared with county judges, department leaders, and nonprofits to give them unmatched insights into both local trends and an individual's treatment journey, resulting in more people being directed towards mental health support instead of jail.





SOLUTION SNAPSHOT:
COURTS & PUBLIC SAFETY

Breaking the recidivism cycle

Few people in incarceration remain there for life. However, too many incarcerated individuals lack the skills or resources necessary to successfully integrate into society upon release, turning what might have been a one-time offense into a recurring cycle.

The Nashville-Davidson County Sheriff's Office in Tennessee implemented Tyler's Community Readiness solution to help easily connect the county's 1,700 jail residents with housing resources, job opportunities, and counseling services upon release. By using the solution to teach inmates valuable social skills and connect them with local community organizations after their sentence is completed, the county can work towards its goal of significantly reducing its recidivism rates while putting incarcerated residents on a path to a better life.



9%

Recidivism rate for formerly incarcerated people who found employment shortly after their release

Source: Prison to Employment Connection



Strengthening the *Tyler brand*

Tyler has added more than 90 new products through internal R&D and acquisitions since 2009, allowing us to deliver the market's most comprehensive product portfolio to our public sector clients.

But because each product was marketed as a stand-alone brand, extensive third-party market research showed that our clients and prospects found our product names to be confusing.

For our brand to continue to scale and grow its top-of-mind awareness, it became clear that we needed to create stronger affiliation for our Tyler corporate brand while simplifying how we market our portfolio of solutions. This led to a significant brand evolution process that included a new product-naming architecture.

The new architecture uses functional, descriptive product names instead of individual product logos to help our clients and prospects easily understand our breadth of offerings across all solutions. In addition, we organized all our solutions into five portfolios: Enterprise Resource Planning (ERP); Justice; Health & Human Services (HHS); Schools; and Tyler One. Thanks to our new brand architecture and solution portfolios, we'll be able to more effectively grow the Tyler brand as a singular identity, increasing our visibility in the market.



Increasing
clarity *through*
consistent
branding

- > EnerGov *now: Enterprise Permitting & Licensing*
- > iasWorld *now: Enterprise Assessment & Tax*
- > Incode *now: ERP Pro*
- > Munis *now: Enterprise ERP*
- > New World Public Safety *now: Enterprise Public Safety*
- > Odyssey *now: Enterprise Justice*
- > Socrata *now: Data & Insights*

Routing made smarter

School buses transport the most precious cargo imaginable – our children. The more that drivers, routers, and transportation managers can leverage technology, the more they can focus on getting kids to school and back safely and efficiently.

Dubuque Community Schools provides transportation for one of the largest districts in Iowa. A longtime user of Tyler's legacy route planning solution, they migrated to our cloud-based Student Transportation solution to unlock new capabilities and reduce costs. Drivers and route managers can now pull up and adjust routing plans on the fly, allowing them to adapt quickly to real-world conditions. Meanwhile, the solution makes it simple to manage fleet maintenance, activity trips, and parent communications in one dashboard, enabling users to consolidate more of their operations into one application.



Balancing togetherness *with flexibility*

In January 2022, Tyler team members formally began working under new post-pandemic work arrangements.

For many, this meant a return to the office for three, four, or five days a week. Others continued to work remotely as they had before the pandemic.

We supported the transition by training managers how to design, assess, and manage hybrid work arrangements and distributed teams with a focus on bringing team members together when it is best for clients and the health of the team. Many teams took advantage of our new Volunteer Day in 2022 to gather in person and strengthen team connections while supporting our mission of building stronger, safer, and smarter communities.

To ensure all team members are welcomed and supported when they join Tyler, regardless of their work arrangement, we implemented consistent new team member orientation. We made a similar change to our Tyler Days onboarding program to ensure that employees across all divisions and work arrangements have an opportunity to meet senior leaders and gain a deeper understanding of our culture and values.

We expanded our internal engagement surveys as we transitioned back to the office to ensure that our team's concerns were understood and addressed. We also added or enhanced meals, snacks, and other amenities, such as providing breakfast and lunch at no cost to team members in our Yarmouth, Maine, office.

We modified some workspaces to better support new work arrangements while utilizing office space more effectively. Employees returning to our Lubbock, Texas, location were treated to a significant renovation, which provided a new state-of-the-art training classroom, vibrant cafe, open seating concept, sit-to-stand desks, and a game room, all in Lubbock's first LEED-certified sustainable building. We remain invested in providing welcoming, productive spaces where our people can come together to work and collaborate. At the same



time, we are rationalizing our office footprint to align with new flexible work arrangements by closing or consolidating underutilized facilities.

For the sixth year in a row, Tyler was included on the GovTech 100 list, which recognizes the top companies focused on making a difference in state and local government agencies in the U.S. To make critical employee information and processes more accessible, we implemented myTyler, a global employee platform that enables team members and managers to track everything from pay and benefits to time-off requests to the performance and merit process.

As Tyler grew in 2022, more than 1,500 new team members joined Tyler to fill new roles created to support our continued growth and open positions due to internal promotions and turnover. Turnover remained above pre-pandemic levels; however, it continued to remain below levels experienced by the technology industry overall and began to moderate by year-end.

We created a new chief information security officer role to ensure our approach to security is cohesive across our product lines. We also continued to build out a privacy program capable of meeting the stringent needs of state, federal, and global privacy legislation and regulations.

Our strong, caring culture and community at Tyler continues to be a strength in attracting and retaining team members. We celebrated this culture with a new ongoing “Value of the Month” series highlighting Tyler team members who exemplified our values, such as:

01 Ellen Reed, lead product manager for the Data Solutions team, displayed our core value of Growth by going the extra mile to help a client transform how data is used and analyzed across their entire jurisdiction.

02 Senior training specialist Andrew Bare modeled our core values of Inclusion and Community, serving as an active leader on the ERP Diversity, Equity, and Inclusion (DEI) Committee.

03 Mark Courtney and Levi Oswalt, senior implementation consultants in Tyler’s Property & Recording Division, epitomized our core values of Accountability, Integrity, and Focus by uncovering an issue for a client that required a complete reconversion of data and then working overtime to complete the reconversion so the project would stay on schedule without sacrificing quality.



Reconnecting *in person*

After two years of virtual gatherings, we were thrilled to host more than 4,100 public sector leaders in Indianapolis at Connect 2022, our annual client conference.

At this year's conference, clients had the chance to engage in more than 850 classes, product demos, hands-on labs, workshops, and roundtable forums across every facet of the public sector. To help participants make the most of the in-person experience, we offered a mobile app that provided access to their personalized schedule, guest speaker information, and a list of attendees for enhanced networking.

Connect 2022 also featured a new centralized Connect Solution Hub that provided participants with a single location to meet with Tyler staff, ask questions, share ideas, and formulate goals for maximizing their use of Tyler solutions. In addition, this centralized location enabled clients to gain new exposure to other Tyler products outside of their respective areas. As a result, we generated a record number of more than 600 leads for our sales teams.



SOLUTION SNAPSHOT: **HEALTH & HUMAN SERVICES**

Ensuring every veteran is honored

Veterans Day and Memorial Day are two of the most important holidays on the calendar for the Veterans Service office. The cloud makes it easier for administrators to track living and deceased veterans to ensure no service member's contribution is forgotten.

As part of their services, the Juneau County Veterans Service Office in Wisconsin uses Tyler's Veterans' Benefits solution to track the burial sites of deceased veterans. Using this data, they know exactly how many flags are needed at each cemetery, along with where to place them, so that organizations like the American Legion and Veterans of Foreign Wars can honor each vet.



Living our *values*

We work every day to ensure that our values – accountability, integrity, focus, inclusion, community, and growth – are embedded in everything we do.

As part of our commitment to be a responsible partner to our stakeholders, we continually strive to improve on our key environmental, social, and governance (ESG) priorities. We are also committed to operating with the highest level of integrity and transparent disclosure in these areas to reflect our corporate values.

This year, we released our third annual corporate responsibility report, detailing our progress in addressing our sustainability, diversity, community, and sound corporate governance commitments.

As part of their work creating a more inclusive Tyler, our DEI Council formalized a new Tyler Military Veterans Employee Resource Group to connect Tyler's veterans with opportunities to support peers and engage in volunteer opportunities. The council also connected local DEI committees across Tyler's divisions to share best practices, collaborate on initiatives, and support our collective DEI efforts.

The 2022 S&P Global Corporate Sustainability Assessment benchmarked Tyler in the 96th percentile against industry peers, up from the 93rd percentile in 2021. Notable gains in IT security, risk analysis, privacy protection, and human capital development supported Tyler's improved score.

Additionally, Tyler's inclusion in the Dow Jones Sustainability Index (DJSI) continues to recognize us as being in the top 20% of sustainability performers among the 600 largest U.S. and Canadian companies in the S&P Global Broad Market Index.

The Tyler Foundation continued to deliver support to nonprofits across the many communities where our employees and clients live and work, contributing more than \$376,000 to 85 organizations. Employees in our Lubbock, Texas, office also donated \$3,000 to the UMC Foundation in support of the Children's Miracle Network. In addition, our Maine App Challenge in support of STEM education awarded \$15,000 in college scholarships to three high school students. Now in its eighth year, the Maine App Challenge has awarded more than \$70,000 in 529 college savings plans to students in Maine since its inception.

Tyler remains committed to closely partnering with nonprofit organization BEB to help it deliver its state-of-the-art Children First software, which creates digital profiles that help accelerate the journey to match orphans with loving families. In addition to our technical support and resources, our employees donated \$154,000 to BEB during the Community Foundation of Texas' North Texas Giving Day, which the organization used to fund implementations of its software in governments and institutions around the world.

With the addition of a paid Volunteer Day, team members across Tyler took the opportunity to do good together, including:

01 The Marketing team worked with nonprofit Maggie's Sole Mission to donate and decorate 150 pairs of new sneakers for children in need at Fort Worth ISD in Texas.

02 The Corporate Finance team in Plano, Texas, worked with Feed My Starving Children to pack 108 cases equaling 22,000 meals for shipment to needy families in Chile, Haiti, and Kenya.

03 The Public Safety Education Services team volunteered at the Animal Shelter & Pet Adoption Center in Oakland County, Michigan, spending their day exercising and socializing the animals while decorating the center for the holidays.

150

Pairs of shoes donated

108

Cases packed

22K

Meals provided



Balancing performance with *potential*

As we look forward to 2023, we have never been better positioned to help the public sector unlock new value, optimize services, and improve engagement with constituents.

Thanks to our strategic acquisitions, commitment to the cloud, solid balance sheet, and diverse portfolio of solutions, Tyler is perfectly positioned to serve the needs of clients today while being ready for whatever the future holds.



Financial information

2022

Reconciliation of GAAP to NON-GAAP Financial Measures (Unaudited)

	2022	2021	2020
(In thousands, except per share data)			
RECONCILIATION OF NON-GAAP TOTAL REVENUES			
GAAP total revenues	\$1,850,204	\$1,592,287	\$1,116,663
Non-GAAP adjustments:			
Add: Write-downs of acquisition-related deferred revenue	—	2,678	478
Add: Amortization of acquired leases	—	—	313
Non-GAAP total revenues	\$1,850,204	\$1,594,965	\$1,117,454
RECONCILIATION OF NON-GAAP GROSS PROFIT AND MARGIN			
GAAP gross profit	\$ 783,863	\$ 709,644	\$ 542,512
Non-GAAP adjustments:			
Add: Write-downs of acquisition-related deferred revenue	—	2,678	478
Add: Amortization of acquired leases	—	—	313
Add: Share-based compensation expense included in cost of revenues	27,486	23,705	18,125
Add: Amortization of acquired software	52,192	45,601	31,962
Non-GAAP gross profit	\$ 863,541	\$ 781,628	\$ 593,390
GAAP gross margin	42.4%	44.6%	48.6%
Non-GAAP gross margin	46.7%	49.0%	53.1%
RECONCILIATION OF NON-GAAP OPERATING INCOME AND MARGIN			
GAAP operating income	\$ 214,249	\$ 180,735	\$ 172,926
Non-GAAP adjustments:			
Add: Write-downs of acquisition-related deferred revenue	—	2,678	478
Add: Amortization of acquired leases	—	—	313
Add: Share-based compensation expense	102,985	104,726	67,365
Add: Employer portion of payroll tax related to employee stock transactions	1,571	3,437	3,294
Add: Acquisition-related costs	1,971	23,495	—
Add: COVID-19 incremental costs	—	—	1,537
Add: Lease restructuring costs and other asset write-offs	2,782	—	—
Add: Amortization of acquired software	52,192	45,601	31,962
Add: Amortization of customer and trade name intangibles	61,363	44,849	21,662
Non-GAAP adjustments subtotal	\$ 222,864	\$ 224,786	\$ 126,611
Non-GAAP operating income	\$ 437,113	\$ 405,521	\$ 299,537
GAAP operating margin	11.6%	11.4%	15.5%
Non-GAAP operating margin	23.6%	25.4%	26.8%
RECONCILIATION OF NON-GAAP NET INCOME AND EARNINGS PER SHARE			
GAAP net income	\$ 164,240	\$ 161,458	\$ 194,820
Non-GAAP adjustments:			
Add: Total non-GAAP adjustments to operating income	222,864	224,786	126,611
Add: Acquisition-related costs in interest expense	—	6,407	—
Less: Tax impact related to non-GAAP adjustments	(68,999)	(96,119)	(92,175)
Non-GAAP net income	\$ 318,105	\$ 296,532	\$ 229,256
GAAP earnings per diluted share	\$ 3.87	\$ 3.82	\$ 4.69
Non-GAAP earnings per diluted share	\$ 7.50	\$ 7.02	\$ 5.52
DETAIL OF SHARE-BASED COMPENSATION EXPENSE			
Subscriptions, maintenance and professional services	\$ 27,486	\$ 23,705	\$ 18,125
Sales and marketing expense	8,800	8,834	7,904
General and administrative expense	66,699	72,187	41,336
Total share-based compensation expense	\$ 102,985	\$ 104,726	\$ 67,365
RECONCILIATION OF FREE CASH FLOW			
Net cash provided by operating activities	\$ 381,455	\$ 371,753	\$ 355,089
Less: additions to property and equipment	(22,529)	(33,919)	(22,690)
Less: investments in software development	(27,622)	(21,693)	(5,776)
Free cash flow	\$ 331,304	\$ 316,141	\$ 326,623

Stock Market Data

Our common stock is traded on the New York Stock Exchange under the symbol “TYL”. At December 31, 2022, we had approximately 1,065 stockholders of record. Most of our stockholders hold their shares in street name; therefore, there are substantially more than 1,065 beneficial owners of our common stock.

		High	Low
2021	First Quarter	\$ 479.79	\$372.80
	Second Quarter	457.30	384.38
	Third Quarter	498.98	450.20
	Fourth Quarter	557.55	452.26
2022	First Quarter	\$538.96	\$385.00
	Second Quarter	450.96	300.85
	Third Quarter	425.81	313.35
	Fourth Quarter	371.44	281.11

We did not pay any cash dividends in 2022 or 2021. Our bank credit agreement contains restrictions on the payment of cash dividends. We intend to retain earnings for use in the operation and expansion of our business and do not anticipate paying a cash dividend in the foreseeable future.

Selected Financial Data

	For the Years Ended December 31,		
	2022	2021	2020
(In thousands, except per share data)			
STATEMENT OF OPERATIONS DATA:			
Revenues	\$1,850,204	\$ 1,592,287	\$1,116,663
Cost and expenses:			
Cost of revenues	1,066,341	882,643	574,151
Sales and marketing expense	135,743	118,624	98,466
General and administrative expense	267,324	271,955	161,095
Research and development expense	105,184	93,481	88,363
Amortization of other intangibles	61,363	44,849	21,662
Operating income	214,249	180,735	172,926
Interest expense	(28,379)	(23,298)	(1,013)
Other income, net	1,723	1,544	3,129
Income before income taxes	187,593	158,981	175,042
Income tax provision (benefit)	23,353	(2,477)	(19,778)
Net income	164,240	161,458	194,820
Net earnings per diluted share	\$ 3.87	\$ 3.82	\$ 4.69
Weighted average diluted shares	42,399	42,244	41,526
STATEMENT OF CASH FLOWS DATA:			
Cash flows provided by operating activities	\$ 381,455	\$ 371,753	\$ 355,089
Cash flows used by investing activities	(172,530)	(2,090,935)	(98,320)
Cash flows (used) provided by financing activities	(344,239)	1,424,730	114,172
BALANCE SHEET DATA:			
Total assets	\$4,687,417	\$ 4,732,161	\$2,607,274
Revolving line of credit	—	—	—
Term loans, net	392,905	748,511	—
Convertible senior notes due 2026, net	594,484	592,765	—
Shareholders' equity	2,624,389	2,324,032	1,986,111

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included in this Annual Report. For a comparison of our Results of Operations for the years ended December 31, 2021, and 2020, and our Cash Flow discussion for the year ended December 2021, see Management's Discussion and Analysis of Financial Conditions and Results of Operations" of our Annual Report for the year ended December 31, 2021.

FORWARD-LOOKING STATEMENTS

In addition to historical information, this Annual Report contains forward-looking statements. The forward-looking statements are made in reliance upon safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinion only as of the date hereof. We undertake no obligation to revise or publicly release the results of any revisions to these forward-looking statements. Readers should carefully review the risk factors described in documents we file from time to time with the Securities and Exchange Commission.

When used in this Annual Report, the words "believes," "expects," "anticipates," "foresees," "forecasts," "estimates," "plans," "intends," "continues," "may," "will," "should," "projects," "might," "could" or other similar words or phrases are intended to identify forward-looking statements. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements.

OVERVIEW

General

We provide integrated information management solutions and services for the public sector. We develop and market a broad line of software products and services to address the IT needs of public sector entities. We provide subscription-based services such as software as a service ("SaaS"), transaction-based fees primarily related to digital government services and online payment processing, and electronic document filing solutions ("e-filing"), which simplify the filing and management of court related documents. In addition, we provide professional IT services to our clients, including software and hardware installation, data conversion, training, and for certain clients, product modifications, along with continuing maintenance and support for clients using our systems. Additionally, we provide property appraisal outsourcing services for taxing jurisdictions.

We provide our software systems and related professional services and appraisal services through seven business units, which focus on the following products:

- financial management, education and planning, regulatory, and maintenance software solutions;
- financial management, municipal courts, planning, regulatory, and maintenance software solutions;
- courts and justice and public safety software solutions;
- data and insights solutions;
- appraisal and tax software solutions, land and vital records management software solutions, and property appraisal services;
- development platform solutions including case management and business process management; and
- digital government and payments solutions.

Management's Discussion and Analysis of Financial Condition and Results of Operations

In accordance with ASC 280-10, *Segment Reporting*, we report our results in two reportable segments. The Enterprise Software ("ES") reportable segment provides public sector entities with software systems and services to meet their information technology and automation needs for mission-critical "back-office" functions such as: financial management and education; planning, regulatory and maintenance; courts and justice; public safety; data and insights; appraisal and tax software solutions; land and vital records management software solutions; and property appraisal services. The Platform Technologies ("PT") reportable segment provides public sector entities with software solutions to perform transaction processing, streamline data processing, and improve operations and workflows such as digital government and payments solutions and development platform solutions.

We evaluate performance based on several factors, of which the primary financial measure is business segment operating income. We define segment operating income for our business units as income before non-cash amortization of intangible assets associated with their acquisitions, interest expense, and income taxes. Segment operating income includes intercompany transactions. The majority of intercompany transactions relate to contracts involving more than one unit and are valued based on the contractual arrangement. Corporate segment operating loss primarily consists of compensation costs for the executive management team, certain shared services staff, and share-based compensation expense for the entire company. Corporate segment operating income also includes revenues and expenses related to a company-wide user conference.

As of January 1, 2022, the appraisal and tax software solutions, land and vital records management software solutions, and property appraisal service business unit, which was previously reported in the Appraisal & Tax ("A&T") reportable segment, was moved to the ES reportable segment. The digital government and payments solutions, which was previously reported in the NIC reportable segment, and development platform solutions moved to the PT reportable segment to reflect changes in the way in which management makes operating decisions, allocates resources, and manages the growth and profitability of the Company. As a result of the changes in our reportable segments, the former A&T and NIC reportable segments are no longer considered separate segments. Prior period amounts for the ES and PT reportable segments have been adjusted to reflect the segment change. See Note 17, "Segment and Related Information," in the notes to the consolidated financial statements for additional information.

Certain amounts for previous years have been reclassified to conform to the current year presentation. We have elected to present amortization of software development, previously included in the cost of revenues software licenses and royalties line item, in a separate category line item on the consolidated statements of income for all reporting periods presented. Previously disclosed as selling, general and administrative expense is now disclosed in separate line items: sales and marketing expense and general and administrative expense on the consolidated statements of income for all reporting periods presented.

Recent Acquisitions

2022

On October 31, 2022, we acquired Rapid Financial Solutions, LLC, a principal provider of reliable, scalable, and secure payments with best-in-class card issuance and digital disbursement capabilities. The total purchase price, net of cash acquired of \$2.2 million, was approximately \$67.7 million, consisting of \$51.2 million paid in cash, \$18.2 million of common stock, and \$500,000 related to working capital holdbacks, subject to certain post-closing adjustments.

On February 8, 2022, we acquired US eDirect Inc. (US eDirect), a leading provider of technology solutions for campground and outdoor recreation management. The total purchase price, net of cash acquired of \$6.4 million, was approximately \$116.5 million, consisting of \$118.8 million paid in cash and approximately \$4.1 million related to indemnity holdbacks.

2021

On September 9, 2021, we acquired all the equity interest of Ultimate Information Systems, Inc. (dba Arx). Arx is a cloud-based platform which creates accessible technology to enable a modern-day police force that is fully transparent, accountable, and a trusted resource to the community it serves. The total purchase price, net of cash acquired, was approximately \$12.8 million.

On September 1, 2021, we acquired VendEngine, Inc (VendEngine), a cloud-based software provider focused on financial technology for the corrections market. The total purchase price, net of cash acquired of \$1.7 million, was approximately \$83.6 million, consisting of \$81.6 million paid in cash, and approximately \$3.8 million related to indemnity holdbacks.

Management's Discussion and Analysis of Financial Condition and Results of Operations

On April 21, 2021, we acquired NIC, a leading digital government solutions and payment company that primarily serves federal and state government agencies. The total purchase price, net of cash acquired of \$331.8 million, was approximately \$2.0 billion, consisting of cash paid of \$2.3 billion and \$1.9 million of purchase consideration related to the conversion of unvested restricted stock awards.

On March 31, 2021, we completed two acquisitions, Glass Arc, Inc. (dba ReadySub) and DataSpec, Inc. (DataSpec), for the combined purchase price of \$12.1 million.

2022 Operating Results

For the twelve months ended December 31, 2022, total revenues increased 16% compared to the prior period. Excluding the 2022 impact of recent acquisitions¹, total revenues increased 4% compared to prior period. Revenues from acquisitions contributed 12.4% of growth for the twelve months ended December 31, 2022.

Subscriptions revenue grew 29.0% for the twelve months ended December 31, 2022, due to an ongoing shift toward a cloud-based, software as a service business model, as well as the inclusion of transaction-based revenue from NIC's digital government and payments processing businesses. Excluding the 2022 impact of recent acquisitions¹, subscriptions revenue increased 6.3% for the twelve months ended December 31, 2022.

The majority of our revenues are comprised of revenues from subscriptions and maintenance, which we consider to be recurring revenues. Annualized recurring revenues ("ARR") is calculated based on quarter-to-date end total recurring revenues multiplied by four. ARR was \$1.50 billion and \$1.39 billion as of December 31, 2022, and 2021, respectively. ARR increased 8% compared to the prior period, due to an increase in subscriptions revenue due to an ongoing shift toward SaaS arrangements.

For the twelve months ended December 31, 2022, total revenues include COVID-related subscriptions revenue of \$10.8 million from NIC's Tour Health offering and professional services revenue of \$40.2 million from pandemic unemployment and Virginia rent relief offerings. These programs all ended in 2022 and we do not expect to generate COVID-related subscriptions revenue and professional services revenue in future periods.

We monitor and analyze several key performance indicators in order to manage our business and evaluate our financial and operating performance. These indicators include the following:

Revenues – We derive our revenues from five primary sources: subscription-based arrangements; maintenance; professional services; sale of software licenses and royalties; and appraisal services. Subscriptions and maintenance are considered recurring revenue sources and comprised approximately 80% of our revenues in 2022. The number of new SaaS clients and the number of existing clients who convert from our traditional software arrangements to our SaaS model are a significant driver of our revenue growth, together with new software license sales and maintenance rate increases. We monitor ARR which is calculated based on quarter-to-date end total recurring revenues multiplied by four. As of December 31, 2022, ARR was \$1.50 billion. In addition, we also monitor our customer base and turnover, which historically is very low. During 2022, based on our number of customers, turnover was approximately 2%.

Cost of Revenues and Gross Margins – Our primary cost component is personnel expenses in connection with providing software implementation, subscription-based services, maintenance and support, and appraisal services to our clients. We can improve gross margins by controlling headcount and related costs and by expanding our revenue base, especially from those products and services that produce incremental revenue with minimal incremental cost, such as software licenses and royalties, subscription-based services, and maintenance and support. Our appraisal projects are cyclical in nature, and we often employ appraisal personnel on a short-term basis to coincide with the life of a project. As of December 31, 2022, our total employee count included in cost of revenues increased to 5,021 from 4,746 at December 31, 2021, including 56 employees who joined us through acquisitions completed since December 31, 2021.

Sales and Marketing ("S&M") Expense – The primary components of S&M expense include sales personnel salaries and share-based compensation expense, sales commissions, travel-related expenses, advertising and marketing materials, and allocated depreciation, facilities, and IT support. Sales commissions typically fluctuate with revenues and share-based compensation expense generally increases based increased level of awards issues during the period and as the market price of our stock increases. Other administrative expenses tend to grow at a slower rate than revenues.

¹ Excludes the 2022 incremental impact as a result of not having the recent acquisition for a full fiscal year.

Management's Discussion and Analysis of Financial Condition and Results of Operations

General and Administrative (“G&A”) Expense – The primary components of G&A expense include personnel salaries and share-based compensation expense for general corporate functions, including senior management, finance, accounting, legal, human resources and corporate development, third party professional fees, travel-related expenses, insurance, allocation of depreciation, facilities and IT support costs, acquisition-related expenses and other administrative expenses. Share-based compensation expense generally increases as the market price of our stock increases. Other administrative expenses tend to grow at a slower rate than revenues.

Liquidity and Cash Flows – The primary driver of our cash flows is net income. Uses of cash include acquisitions, capital investments in property and equipment and discretionary purchases of treasury stock. Our working capital needs are fairly stable throughout the year with the significant components of cash outflows being payment of personnel expenses offset by cash inflows representing collection of accounts receivable and cash receipts from clients in advance of revenue being earned. In recent years, we have also received significant amounts of cash from employees exercising stock options and contributing to our Employee Stock Purchase Plan.

Balance Sheet – Cash, accounts receivable and days sales outstanding and deferred revenue balances are important indicators of our business.

Outlook

The local government software market continues to be active with sales activity trending at or near pre-pandemic levels in most sectors of our business, and our backlog at December 31, 2022 reached \$1.89 billion, a 5% increase from the prior period. We expect to continue to achieve solid growth in revenues and earnings. With our strong financial position and cash flow, we plan to continue to make significant investments in product development and accelerating our move to the cloud to better position us to continue to expand our addressable market and strengthen our competitive position over the long term. The expenses associated with the cloud transition are expected to pressure operating margins in 2023 and 2024.

CRITICAL ACCOUNTING ESTIMATES

Our discussion and analysis of financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues, cost of revenues and expenses during the reporting period, and related disclosure of contingencies. The Notes to the Financial Statements included as part of this Annual Report describe our significant accounting policies used in the preparation of the financial statements. Significant items subject to such estimates and assumptions include the application of the progress toward completion methods of revenue recognition, estimated standalone selling price (“SSP”) for distinct performance obligations, the fair value amount and estimated useful lives of intangible assets, determination of share-based compensation expense and allowance for losses and sales adjustments. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies require significant judgments and estimates used in the preparation of our financial statements.

Revenue Recognition. We earn revenues from software licenses, royalties, subscription-based services, professional services, post-contract customer support (“PCS” or “maintenance”), hardware, and appraisal services. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract

Management's Discussion and Analysis of Financial Condition and Results of Operations

- Recognition of revenue when, or as, we satisfy a performance obligation

Our software arrangements with customers contain multiple performance obligations that range from software licenses and SaaS arrangements, installation, training, and consulting to software modification and customization to meet specific customer needs (services), hosting, and PCS. For these contracts, we account for individual performance obligations separately when they are distinct. We evaluate whether separate performance obligations can be distinct or should be accounted for as one performance obligation. Arrangements that include professional services, such as training or installation, are evaluated to determine whether the customer can benefit from the services either on their own or together with other resources readily available to the customer and whether the services are separately identifiable from other promises in the contract. Many of our software arrangements involve "off-the-shelf" software. We recognize the revenue allocable to "off-the-shelf" software licenses and specified upgrades at a point in time when control of the software license transfers to the customer, unless the software is not considered distinct. We consider off-the-shelf software to be distinct when it can be added to an arrangement with minor changes in the underlying code, it can be used by the customer for the customer's purpose upon installation, and remaining services such as training are not considered highly interdependent or highly interrelated to the product's functionality.

For arrangements that involve significant production, modification or customization of the software, or where professional services are otherwise not considered distinct, we recognize revenue over time by measuring progress-to-completion. We measure progress-to-completion primarily using labor hours incurred as it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. These arrangements are often implemented over an extended period and occasionally require us to revise total cost estimates. Amounts recognized in revenue are calculated using the progress-to-completion measurement after giving effect to any changes in our cost estimates. Changes to total estimated contract costs, if any, are recorded in the period they are determined. Estimated losses on uncompleted contracts are recorded in the period in which we first determine that a loss is apparent. When professional services are distinct, the fee allocable to the service element is recognized over the time we perform the services and is billed on a time and material or milestones basis.

Subscription-based services consist of revenues derived from SaaS arrangements, transaction and payment processing, electronic filing transactions, and digital government services. Revenue from subscription-based services is generally recognized over time on a ratable basis over the contract term, beginning on the date that our service is made available to the customer. For SaaS arrangements, we evaluate whether the customer has the contractual right to take possession of our software at any time during the hosting period without significant penalty and whether the customer can feasibly maintain the software on the customer's hardware or enter into another arrangement with a third-party to host the software. We allocate contract value to each performance obligation of the arrangement that qualifies for treatment as a distinct element based on estimated SSP. We recognize SaaS arrangements ratably over the terms of the arrangements, which range from one to ten years, but are typically for periods of three to five years. For professional services associated with certain SaaS arrangements, we have concluded that the services are not distinct, and we recognize the revenue ratably over the remaining contractual period once we have provided the customer access to the software. We record amounts that have been invoiced in accounts receivable and in deferred revenue or revenues, depending on whether the revenue recognition criteria have been met.

For transaction and payments revenue and e-filing transaction fees, we have the right to charge the customer an amount that directly corresponds with the value to the customer of our performance to date. Therefore, we recognize revenue for these services over time based on the amount billable to the customer in accordance with the 'as invoiced' practical expedient in ASC 606-10-55-18. In some cases, we are paid on a fixed fee basis and recognize the revenue ratably over the contractual period. Typically, the structure of our arrangements does not give rise to variable consideration. However, in those instances whereby variable consideration exists, we include in our estimates, additional revenue for variable consideration when we believe we have an enforceable right, the amount can be estimated reliably and its realization is probable.

The transaction price is allocated to the separate performance obligations on a relative SSP basis. We determine the SSP based on our overall pricing objectives, taking into consideration market conditions and other factors, including the value of our contracts, the applications sold, customer demographics, and the number and types of users within our contracts. We use a range of amounts to estimate SSP when we sell each of the products and services separately and need to determine whether there is a discount to be allocated based on the relative SSP of the various products and services. In instances where SSP is not directly observable, such as when we do not sell the product or service separately, we determine SSP using the expected cost-plus margin approach. Revenue is recognized net of allowances for sales adjustments and any taxes collected from customers, which are subsequently remitted to governmental authorities.

Management's Discussion and Analysis of Financial Condition and Results of Operations

We maintain allowances for losses and sales adjustments, which losses are recorded against revenues at the time the loss is incurred. Since most of our clients are domestic governmental entities, we rarely incur a credit loss resulting from the inability of a client to make required payments. Events or changes in circumstances that indicate the carrying amount for the allowances for losses and sales adjustments may require revision, include, but are not limited to, managing our client's expectations regarding the scope of the services to be delivered and defects or errors in new versions or enhancements of our software products. Our allowance for losses and sales adjustments of \$14.8 million and \$12.1 million at December 31, 2022, and December 31, 2021, respectively, does not include provisions for credit losses. As of January 1, 2020, we adopted ASU 2016-13, *Financial Instruments — Credit Losses*, and primarily evaluated our historical experience with credit losses related to trade and other receivables. Because we rarely experience credit losses with our clients, we have not recorded a material reserve for credit losses.

In connection with certain of our contracts, we have recorded retentions receivable or unbilled receivables consisting of costs and estimated profit in excess of billings as of the balance sheet date. Many of the contracts which give rise to unbilled receivables at a given balance sheet date are subject to billings in the subsequent accounting period. We review unbilled receivables and related contract provisions to ensure we are justified in recognizing revenue prior to billing the customer and that we have objective evidence which allows us to recognize such revenue. In addition, we have a sizable amount of deferred revenue, which represents billings in excess of revenue earned. The majority of this liability consists of subscriptions and maintenance billings for which payments are made in advance and the revenue is ratably earned over the subscription or maintenance billing period, generally one year. We also have deferred revenue for those contracts in which we receive a deposit and the conditions in which to record revenue for the service or product have not been met. On a periodic basis, we review by customer the detail components of our deferred revenue to ensure our accounting remains appropriate.

Business Combinations. Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets acquired and liabilities assumed at their respective fair values. The determination of fair value requires the use of significant estimates and assumptions, and in making these determinations, management uses all available information.

For tangible and identifiable intangible assets acquired in a business combination, management estimates the fair value of assets acquired and liabilities assumed based on quoted market prices, the carrying value of the acquired assets and widely accepted valuation techniques, including discounted cash flows and market multiple analyses. The assumptions made in performing these valuations include, but are not limited to, discount rates, future revenues and operating costs, projections of capital costs, and other assumptions believed to be consistent with those used by principal market participants.

Due to the specialized nature of these calculations, we engage third-party specialists to assist management in evaluating our assumptions as well as appropriately measuring the fair value of assets acquired and liabilities assumed. We adjust the preliminary purchase price allocation, as necessary, up to one year after the acquisition closing date as we obtain new information about facts and circumstances that existed as of the closing date. If actual results are materially different than the assumptions we used to determine fair value of the assets acquired and liabilities assumed through a business combination as well as the estimated useful lives of the acquired intangible assets, it is possible that adjustments to the carrying values of such assets and liabilities will have a material impact on our financial position and results of operations.

Intangible Assets and Goodwill. Our business acquisitions typically result in the creation of goodwill and other intangible asset balances, and these balances affect the amount and timing of future period amortization expense, as well as expense we could possibly incur as a result of an impairment charge. The cost of acquired companies is allocated to identifiable tangible and intangible assets based on estimated fair value, with the excess allocated to goodwill. Accordingly, we have a significant balance of acquisition date intangible assets, including software, customer related intangibles, trade name, leases and goodwill. These intangible assets (other than goodwill) are amortized over their estimated useful lives. We currently have no intangible assets with indefinite lives other than goodwill.

Management's Discussion and Analysis of Financial Condition and Results of Operations

We assess goodwill for impairment annually, or more frequently whenever events or changes in circumstances indicate its carrying value may not be recoverable. We begin with the qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before applying the quantitative assessment described below. When testing goodwill for impairment quantitatively, we first compare the fair value of each reporting unit with its carrying amount. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized. The fair values calculated in our impairment tests are determined using discounted cash flow models involving several assumptions (Level 3 inputs). The assumptions that are used are based upon what we believe a hypothetical marketplace participant would use in estimating fair value. We base our fair value estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain. We evaluate the reasonableness of the fair value calculations of our reporting units by comparing the total of the fair value of all of our reporting units to our total market capitalization.

During the fourth quarter, as part of our annual impairment test as of October 1, we performed qualitative assessments for the reporting units containing the recently acquired data and insights, digital government and payments solutions, and development platform solutions, and concluded no impairment existed as of our annual assessment date. Approximately \$1.7 billion, or 70%, of total goodwill as of December 31, 2022, relates to these reporting units, which as a result of these recent acquisitions, do not have significant excess fair values over carrying values. We performed qualitative assessments for the remaining reporting units in which we determined that it not more likely than not that the fair value exceeded the carrying value; therefore, we did not perform a Step 1 quantitative impairment test. Our annual goodwill impairment analysis did not result in an impairment charge. During 2022, we have recorded no impairment to goodwill as no triggering events or change in circumstances indicating a potential impairment has occurred as of period-end.

Determining the fair value of our reporting units involves the use of significant estimates and assumptions and considerable management judgment. We base our fair value estimates on assumptions we believe to be reasonable at the time, but such assumptions are subject to inherent uncertainty. Changes in market conditions or other factors outside of our control, such as the COVID-19 pandemic, could cause us to change key assumptions and our judgment about a reporting unit's prospects. Similarly, in a specific period, a reporting unit could significantly underperform relative to its historical or projected future operating results. Either situation could result in a meaningfully different estimate of the fair value of our reporting units, and a consequent future impairment charge.

All intangible assets (other than goodwill) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of other intangible assets is measured by comparison of the carrying amount to estimated undiscounted future cash flows. The assessment of recoverability or of the estimated useful life for amortization purposes will be affected if the timing or the amount of estimated future operating cash flows is not achieved. Such indicators may include, among others: a significant decline in expected future cash flows; a sustained, significant decline in stock price and market capitalization; a significant adverse change in legal factors or in the business climate; unanticipated competition; and reductions in growth rates. In addition, products, capabilities, or technologies developed by others may render our software products obsolete or non-competitive. Any adverse change in these factors could have a significant impact on the recoverability of goodwill or other intangible assets. During 2022, we did not identify any triggering events that would indicate that the carrying amount of our intangible assets may not be recoverable.

Recent adoption of new accounting pronouncements

In October 2021, the FASB issued ASU 2021-08 — *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* (ASC 805) ("ASU 2021-08"). ASU 2021-08 requires an acquirer in a business combination to recognize and measure contract assets and contract liabilities (deferred revenue) from acquired contracts using the revenue recognition guidance in Topic 606. Under this "Topic 606 approach," the acquirer applies the revenue model as if it had originated the contracts. This is a departure from the current requirement to measure contract assets and contract liabilities at fair value. ASU 2021-08 is effective for all public business entities in annual and interim periods starting after December 15, 2022, and early adoption is permitted. An entity that early adopts should apply the amendments (1) retrospectively to all business combinations for which the acquisition date occurs on or after the beginning of the fiscal year that includes the interim period of early application and (2) prospectively to all business combinations that occur on or after the date of initial application. We early adopted as of January 1, 2022. The adoption of ASU 2021-08 resulted in no adjustments to the fair value of the deferred revenue balances assumed in our 2022 acquisitions. See Note 2, "Acquisitions," to the consolidated financial statements for further discussion.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Recent Accounting Guidance not yet Adopted

There were no new not yet adopted accounting pronouncements currently issued that would affect the Company or have a material impact on its consolidated financial position or results of operations in future periods.

ANALYSIS OF RESULTS OF OPERATIONS AND OTHER

The following discussion compares the historical results of operations on a basis consistent with GAAP for the years ended December 31, 2022, 2021 and 2020.

Years Ended December 31,	Percentage of Total Revenues		
	2022	2021	2020
Revenues:			
Subscriptions	54.7%	49.3%	31.4%
Maintenance	25.3	29.8	41.9
Professional services	13.1	13.2	16.7
Software licenses and royalties	3.2	4.6	6.5
Appraisal services	1.9	1.7	1.9
Hardware and other	1.8	1.4	1.6
Total revenues	100.0	100.0	100.0
Cost of revenues:			
Subscriptions, maintenance, and professional services	51.6	50.3	45.8
Software licenses, royalties, and amortization of acquired software	3.1	3.1	3.2
Amortization of software development	0.4	0.1	—
Appraisal services	1.3	1.2	1.4
Hardware and other	1.3	0.8	1.1
Sales and marketing expense	7.3	7.4	8.8
General and administrative expense	14.4	17.1	14.4
Research and development expense	5.7	5.9	7.9
Amortization of customer and trade name intangibles	3.3	2.8	1.9
Operating income	11.6	11.3	15.5
Interest expense	(1.5)	(1.5)	(0.1)
Other income, net	0.1	0.1	0.3
Income before income taxes	10.2	9.9	15.7
Income tax provision (benefit)	1.3	(0.2)	(1.8)
Net income	8.9%	10.1%	17.5%

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2022 Compared to 2021

Revenues

Recent Acquisitions

On October 31, 2022, we acquired Rapid Financial Solutions, LLC (Rapid), a provider of reliable, scalable, and secure payments with best-in-class card issuance and digital disbursement capabilities. On February 8, 2022, we acquired US eDirect Inc. (US eDirect), a leading provider of technology solutions for campground and outdoor recreation management. On April 21, 2021, we acquired NIC, Inc., a leading digital government solutions and payment company that serves federal, state and local government agencies. US eDirect and Rapid are operated as a part of the digital government and payment solutions business unit (also known as the NIC division) and the results of NIC, US eDirect, and Rapid from their respective dates of acquisition, are included with the operating results of the PT segment.

The following table details revenues for the NIC division for the period from acquisition through December 31, 2022 and 2021, which are presented in our consolidated statements of income from the date of acquisition and included in the operating results of the PT reportable segment (in thousands).

	2022	2021
Revenues:		
Subscriptions	\$470,904	\$344,692
Maintenance	810	560
Professional services	50,006	23,665
Software licenses and royalties	—	—
Appraisal services	—	—
Hardware and other	—	—
Total revenues	\$521,720	\$368,917

Subscriptions.

The following table sets forth a comparison of our subscriptions revenue for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
ES	\$ 526,323	\$425,078	\$ 101,245	24%
PT	485,981	359,357	126,624	35
Total subscriptions revenue	\$1,012,304	\$784,435	\$ 227,869	29%
Less: Revenue from recent acquisitions ²	(178,363)	—	(178,363)	
Total subscriptions revenue excluding acquisitions	\$ 833,941	\$784,435	\$ 49,506	6%

Subscriptions revenue consists of revenue derived from our SaaS arrangements and transaction-based fees primarily related to digital government services and payment processing. We also provide electronic document filing solutions (“e-filing”) that simplify the filing and management of court related documents for courts and law offices. E-filing revenue is derived from transaction fees and fixed fee arrangements.

Subscriptions revenue grew 29% compared to 2021, primarily due to the inclusion of transaction-based revenues from NIC including Rapid and US eDirect from the respective dates of acquisition. Excluding the incremental impact of recent acquisitions, subscriptions revenue increased 6%. New SaaS clients as well as existing clients who converted to our SaaS model provided the majority of the subscriptions revenue increase. In 2022, we added 609 new SaaS clients and 336 existing clients elected to convert to our SaaS model. Our mix of new software contracts in 2022 was approximately 23% perpetual software license arrangements and approximately 77% subscription-based arrangements compared to total new client mix in 2021 of approximately 33% perpetual software license arrangements and approximately 67% subscription-based arrangements.

² Excludes the 2022 incremental impact as a result of not having the recent acquisition for a full fiscal year.

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Total subscriptions revenue derived from transaction-based fees was \$600.8 million and \$454.8 million for the twelve months ended December 31, 2022, and 2021, respectively. The increase of \$146.0 million or 32% is attributable to inclusion of the NIC division, including Rapid and US eDirect transaction-based revenues from the respective dates of acquisition. Transaction-based revenue from the NIC division was \$470.9 million and \$344.7 million for the twelve months ended December 31, 2022, and 2021, respectively. Excluding NIC, transaction-based fees contributed \$19.8 million to the increase in subscriptions revenue due to the increased volumes of online payments and e-filing services in 2022.

Maintenance.

The following table sets forth a comparison of our maintenance revenue for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
ES	\$444,143	\$439,589	\$ 4,554	1%
PT	24,312	34,698	(10,386)	(30)
Total maintenance revenue	\$468,455	\$474,287	\$ (5,832)	(1)%
Less: Revenue from recent acquisitions ²	(689)	—	(689)	
Total maintenance revenue excluding acquisitions	\$467,766	\$474,287	\$ (6,521)	(1)%

We provide maintenance and support services for our software products and certain third-party software. Maintenance revenue decreased 1% compared to the prior period. Maintenance revenue declined mainly due to attrition related to a legacy case management solution and clients converting from on-premises license arrangements to SaaS, partially offset by annual maintenance rate increases and maintenance associated with new software license sales.

Annualized Recurring Revenues

Subscriptions and maintenance are considered recurring revenue sources. Annualized recurring revenues ("ARR") is calculated based on quarter-end total recurring revenues multiplied by four. ARR was \$1.50 billion and \$1.39 billion as of December 31, 2022, and 2021, respectively. ARR increased 8% compared to the prior period due to an increase in subscriptions revenue resulting from an ongoing shift toward SaaS arrangements.

Professional services.

The following table sets forth a comparison of our professional services revenue for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
ES	\$170,462	\$165,396	\$ 5,066	3%
PT	72,655	43,995	28,660	65
Total professional services revenue	\$243,117	\$209,391	\$ 33,726	16%
Less: Revenue from recent acquisitions ²	(17,073)	—	(17,073)	
Total professional services revenue excluding acquisitions	\$226,044	\$209,391	\$ 16,653	8%

Professional services revenue primarily consists of professional services billed in connection with implementing our software, converting client data, training client personnel, custom development activities and consulting. New clients who purchase our proprietary software licenses or subscriptions generally also contract with us to provide the related professional services. Existing clients also periodically purchase additional training, consulting and minor programming services.

² Excludes the 2022 incremental impact as a result of not having the recent acquisition for a full fiscal year.

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Professional services revenue increased 16% compared to the prior year, primarily due to the inclusion of revenues from recent acquisitions from the date of acquisition. Excluding the incremental impact of recent acquisitions, professional services revenue increased 8%. The increase in professional services revenue is primarily attributed to higher revenues generated by the continued COVID pandemic-related rent relief services and the return of billable travel revenue as onsite services have increased since 2021. The increases are partially offset by more clients selecting our cloud solutions instead of our on-premises license arrangements which typically require more professional services.

Software licenses and royalties.

The following table sets forth a comparison of our software licenses and royalties revenue for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
ES	\$55,158	\$66,816	\$(11,658)	(17)%
PT	4,248	7,636	(3,388)	(44)
Total software licenses and royalties revenue	\$59,406	\$74,452	\$(15,046)	(20)%
Less: Revenue from recent acquisitions ²	—	—	—	
Total software licenses and royalties revenue excluding acquisitions	\$59,406	\$74,452	\$(15,046)	(20)%

Software licenses and royalties revenue decreased 20% compared to the prior period. The decline is primarily attributed to the shift in the mix of new software contracts toward more subscription-based agreements compared to the prior period.

Although the mix of new contracts between subscription-based and perpetual license arrangements may vary from quarter to quarter and year to year, we expect the decline in software license revenues will accelerate as we continue to shift our model away from perpetual licenses to SaaS. Subscription-based arrangements result in lower software license revenue in the initial year as compared to perpetual software license arrangements but generate higher overall revenue over the term of the contract.

Appraisal services.

The following table sets forth a comparison of our appraisal services revenue for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
ES	\$34,508	\$27,788	\$6,720	24%
PT	—	—	—	—
Total appraisal services revenue	\$34,508	\$27,788	\$6,720	24%
Less: Revenue from recent acquisitions ²	—	—	—	
Total appraisal services revenue excluding acquisitions	\$34,508	\$27,788	\$6,720	24%

In 2022, appraisal services revenue grew 24% compared to the prior period primarily due to relaxed travel restrictions allowing for the ramp-up of appraisal services for several new revaluation contracts which started in recent quarters. The appraisal services business is somewhat cyclical and driven in part by statutory revaluation cycles in various states.

² Excludes the 2022 incremental impact as a result of not having the recent acquisition for a full fiscal year.

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Cost of revenues and gross margins

The following table sets forth a comparison of the key components of our cost of revenues for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
Subscriptions, maintenance, and professional services	\$953,897	\$799,158	\$154,739	19%
Software licenses and royalties	6,083	3,552	2,531	71
Amortization of software development	6,507	2,325	4,182	180
Amortization of acquired software	52,192	45,601	6,591	14
Appraisal services	23,988	19,061	4,927	26
Hardware and other	23,674	12,946	10,728	83
Total cost of revenues	\$1,066,341	\$882,643	\$183,698	21%

The following table sets forth a comparison of gross margin percentage by revenue type for the years ended December 31:

	2022	2021	Change
Subscriptions, maintenance, and professional services	44.7%	45.6%	(0.9)%
Software licenses, royalties, software development, and acquired software	(9.0)	30.9	(39.9)
Appraisal services	30.5	31.4	(0.9)
Hardware and other	27.0	41.0	(14.0)
Overall gross margin	42.4%	44.6%	(2.2)%

Gross margin percentage by revenue type, excluding the incremental impact of recent acquisitions², for the years ended December 31:

	2022	2021	Change
Subscriptions, maintenance, and professional services	45.8%	45.6%	0.2%
Software licenses, royalties, software development, and acquired software	7.1	30.9	(23.8)
Appraisal services	30.5	31.4	(0.9)
Hardware and other	27.9	41.0	(13.1)
Overall gross margin	43.8%	44.6%	(0.8)%

Subscriptions, maintenance, and professional services. Cost of subscriptions, maintenance and professional services primarily consists of personnel costs related to installation of our software, conversion of client data, training client personnel and support activities and various other services such as custom client development, on-going operation of SaaS, digital government, and other transaction-based services such as e-filing. Other costs included are interchange fees required to process credit/debit card transactions and bank fees to process automated clearinghouse transactions related to our payments business. In 2022, the subscriptions, maintenance and professional services gross margin declined 0.9% compared to the prior period primarily due to several factors, including lower maintenance revenue resulting from attrition related to a legacy case management solution; a post-COVID return of low-margin revenues such as billable travel; higher personnel costs related to inflation, as well as costs related to onboarding new professional services employees who are not yet billable; and higher hosting costs related to our accelerated shift to the cloud. Our implementation and support staff grew by 225 employees since December 31, 2021, as we increased hiring to ensure that we are well-positioned to deliver our current backlog and anticipated new business. Excluding the incremental impact from recent acquisitions of \$70 million, gross margin was 45.8% in 2022, a slight increase of 0.2% which is attributable to an increase in SaaS arrangements and the decline in low margin COVID-related transaction-based revenues compared to the prior period.

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Software licenses, royalties, software development, and acquired software. Amortization expense for acquired software comprises the majority of costs of software licenses, royalties, software development, and acquired software. We do not have any direct costs associated with royalties. The gross margin for software licenses, royalties, software development, and acquired software was negative 9.0% in 2022 and 30.9% in 2021. Excluding the impact of amortization expense of acquired software, the margin was 78.8% in 2022 and 92.1% in 2021. The decline in software licenses, royalties, software development, and acquired software gross margin compared to the prior period is due to lower revenue from software licenses.

Appraisal services. Appraisal services revenue comprised approximately 1.9% of total revenues. The appraisal services gross margin decrease of 0.9% compared to 2021 is primarily due to higher personnel costs related to inflation, as well as increased low margin billable travel revenue. The appraisal services business is somewhat cyclical and driven in part by statutory revaluation cycles in various states.

Overall gross margin. Our 2022 blended gross margin decreased 2.2% compared to 2021, principally due to the inclusion of NIC's revenues (including lower margin COVID related revenues), which historically have lower margins than Tyler's software-related revenues. Excluding the incremental impact from recent acquisitions of \$60 million, overall gross margin was 43.8% in 2022. The decrease of 0.8% in overall gross margin compared to the prior period is due to lower revenue from software licenses and maintenance, higher hosting costs related to our accelerated shift to the cloud, and higher personnel costs. Excluding employees from recent acquisitions, our implementation and support, and appraisal staff grew by 219 employees since December 31, 2021, as we increased hiring to ensure that we are well-positioned to deliver our current backlog and anticipated new business.

Sales and marketing expense

Sales and Marketing expense ("S&M") consists primarily of salaries, employee benefits, travel, share-based compensation expense, commissions and related overhead costs for sales and marketing employees, as well as professional fees, trade show activities, advertising costs and other marketing costs. The following table sets forth a comparison of our S&M expenses for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
Sales and marketing expense	\$135,743	\$118,624	\$17,119	14%

S&M as a percentage of revenue was 7.3% in 2022 compared to 7.4% in 2021. S&M expense increased approximately 14% compared to the prior period, primarily due to the inclusion of recent acquisitions' S&M expense. Excluding the incremental impact of S&M expense from recent acquisitions of \$5.6 million, S&M increased 10% compared to the prior period. Higher S&M expense is due to higher bonus and commission expense relating to improved operating results, increase in road show and user conference expenses, increase in travel-related expenses, and higher sales and marketing personnel costs from increased employee headcount.

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General and administrative expense

General and administrative (“G&A”) expense consists primarily of personnel salaries and share-based compensation expense for general corporate functions, including senior management, finance, accounting, legal, human resources and corporate development, third party professional fees, travel-related expenses, insurance, allocation of depreciation, facilities and IT support costs, acquisition-related expenses and other administrative expenses. The following table sets forth a comparison of our G&A expense for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
General and administrative expense	\$267,324	\$271,955	\$(4,631)	(2)%

G&A as a percentage of revenue was 14.4% in 2022 compared to 17.1% in 2021. G&A expense decreased approximately 2% compared to the prior period. The decrease in G&A is primarily attributed to lower transaction costs related to recent acquisitions and lower share-based compensation expense. G&A includes \$2.0 million of transaction expenses related to acquisitions completed in 2022 compared to \$23.5 million of transaction expense related to acquisitions completed in 2021. During 2022, stock compensation expense declined \$5.5 million compared to 2021, generally due to a lower fair value of each share-based award resulting from the decline in our stock price. The decreases are offset by inclusion of G&A expense from acquisitions of \$21.5 million, higher bonus expense due to improved operating results, increases in amortization of software development for internal use, increases in travel-related expenses and other administrative costs, and higher personnel costs from increased employee headcount. In 2022, G&A expense also included \$2.8 million related to lease restructuring and other asset write-offs.

Research and development expense

Research and development expense consists primarily of salaries, employee benefits and related overhead costs associated with new product development. The following table sets forth a comparison of our research and development expense for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
Research and development expense	\$105,184	\$93,481	\$11,703	13%

Research and development expense consists mainly of costs associated with development of new products and technologies from which we do not currently generate significant revenue.

Research and development expense as a percent of total revenue was 5.7% in 2022 compared to 5.9% in 2021. Research and development expense increased 13% in 2022 compared to the prior period, mainly due to a number of new Tyler product development initiatives across our product suites, including increased investments in research and development at recently acquired businesses.

Amortization of other intangibles

Other intangibles are comprised of the excess of the purchase price over the fair value of net tangible assets acquired that are allocated to acquired software and customer related, trade name, and leases acquired intangibles. The remaining excess purchase price is allocated to goodwill that is not subject to amortization. Amortization expense related to acquired software is included with cost of revenues while

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amortization expense of customer and trade name intangibles is recorded as operating expense. The estimated useful lives of other intangibles range from one to 25 years. The following table sets forth a comparison of our amortization of other intangibles for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
Amortization of other intangibles	\$61,363	\$44,849	\$16,514	37%

Amortization of other intangibles increased due to the impact of intangibles added with several acquisitions completed in 2022 and 2021.

Estimated annual amortization expense relating to customer related, trade name, and acquired lease intangibles, excluding acquired software for which the amortization expense is recorded as cost of revenues, for the next five years and thereafter is as follows (in thousands):

2023	\$ 70,233
2024	54,141
2025	53,404
2026	52,586
2027	52,143
Thereafter	524,162

Interest expense

The following table sets forth a comparison of our interest expense for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
Interest expense	\$(28,379)	\$(23,298)	\$(5,081)	22%

Interest expense is comprised of interest expense and non-usage and other fees associated with our borrowings. The change in interest expense compared to the prior period is attributable to an increase in amortization expense related to debt issuance costs, resulting from our accelerated repayment of the term loans, coupled with an increase in interest rates compared to the prior period.

Other income, net

The following table sets forth a comparison of our other income, net for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
Other income, net	\$1,723	\$1,544	\$179	12%

Other income, net, is primarily comprised of interest income from invested cash. The change in other income, net, compared to the prior period is due to increased interest income generated from invested cash as a result of higher interest rates in 2022 compared to 2021.

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Income tax provision

The following table sets forth a comparison of our income tax provision for the years ended December 31 (\$ in thousands):

	2022	2021	Change	
			\$	%
Income tax provision (benefit)	\$23,353	\$(2,477)	\$25,830	(1,043)%
Effective income tax rate	12.4%	(1.6)%		

The increase in the income tax provision and the effective income tax rate in 2022 compared to the prior period is principally driven by a decrease in excess tax benefits from share-based compensation and an increase in liabilities for uncertain tax positions, offset by an increase in research tax credit benefits. The share-based exercise and vesting activity in 2022 generated \$7.8 million of excess tax benefits, while exercise and vesting activity in 2021 generated \$47.7 million of excess tax benefits. The tax benefits related to research tax credits totaled \$31.3 million in 2022 compared to \$5.0 million in 2021, as a result of completing a multiyear research and development tax credit study during 2022.

The effective income tax rates for the periods presented were different from the statutory United States federal income tax rate of 21% primarily due to excess tax benefits from share-based compensation and the tax benefits of research tax credits, offset by an increase in liabilities for uncertain tax positions, state income taxes, and non-deductible business expenses. Excluding the impact of the excess tax benefits, uncertain tax positions and research credits, our income tax provision and effective tax rate in 2022 would have been \$54.1 million and 28.8%, respectively, and in 2021, would have been \$50.6 million and 31.8%, respectively.

FINANCIAL CONDITION AND LIQUIDITY

As of December 31, 2022, we had cash and cash equivalents of \$173.9 million compared to \$309.2 million at December 31, 2021. We also had \$55.5 million invested in investment grade corporate bonds, municipal bonds and asset-backed securities as of December 31, 2022, compared to \$98.7 million at December 31, 2021. These investments have varying maturity dates through 2027 and are held as available-for-sale. As of December 31, 2022, we had \$395.0 million outstanding borrowings under our 2021 Credit Agreement and one outstanding letter of credit totaling \$1.5 million in favor of a client contract. We believe our cash on hand, cash from operating activities, availability under our revolving line of credit, and access to the credit markets provide us with sufficient flexibility to meet our long-term financial needs.

The following table sets forth a summary of cash flows for the years ended December 31 (in thousands):

	2022	2021	Change
Cash flows provided (used) by:			
Operating activities	\$ 381,455	\$ 371,753	\$355,089
Investing activities	(172,530)	(2,090,935)	(98,320)
Financing activities	(344,239)	1,424,730	114,172
Net (decrease) increase in cash and cash equivalents	\$(135,314)	\$ (294,452)	\$370,941

Net cash provided by operating activities continues to be our primary source of funds to finance operating needs and capital expenditures. Other potential capital resources include cash on hand, public and private issuances of debt or equity securities, and bank borrowings. It is possible that our ability to access the capital and credit markets in the future may be limited by economic conditions or other factors. We currently believe that our cash on hand, cash provided by operating activities, and available credit are sufficient to fund our working capital requirements, capital expenditures, income tax obligations, and share repurchases for at least the next twelve months.

In 2022, operating activities provided cash of \$381.5 million compared to \$371.8 million in 2021. Operating activities that provided cash were primarily comprised of net income of \$164.2 million, non-cash depreciation and amortization charges of \$159.1 million, non-cash share-based compensation expense of \$103.0 million and non-cash amortization of operating lease right-of-use assets of \$13.0 million. Working capital, excluding cash, decreased approximately \$60.6 million mainly due to timing of payments to and receipts

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from our government partners, timing of payments of payroll related taxes and vendor invoices, and deferred taxes associated with tax research credits and stock option activity during the period. These decreases were offset by the timing of tax payments, prepaid expenses, and increase in deferred revenue during the period. In general, changes in deferred revenue are cyclical and primarily driven by the timing of our maintenance renewal billings. Our renewal dates occur throughout the year, but our largest renewal billing cycles occur in the second and fourth quarters. Subscription renewals are billed throughout the year.

Days sales outstanding (DSO) in accounts receivable were 115 days at December 31, 2022, compared to 108 days at December 31, 2021. DSO is calculated based on quarter-end accounts receivable divided by the quotient of annualized quarterly revenues divided by 360 days. The increase in DSO compared to December 31, 2021, is attributed to slower payments from certain large clients and timing of receipts from our government partners.

Investing activities used cash of \$172.5 million in 2022 compared to \$2.1 billion in 2021. On October 31, 2022, we acquired Rapid Financial Solutions, LLC, for the total purchase price, net of cash acquired of \$2.2 million, of approximately \$67.7 million, consisting of \$51.2 million paid in cash, \$18.2 million of common stock, and \$500,000 related to working capital holdbacks, subject to certain post-closing adjustments. On May 31, 2022, we completed the acquisition of Quatred, LLC for the total cash price of approximately \$637,000. On February 8, 2022, we acquired US eDirect Inc, for the total purchase price, net of cash acquired of \$6.4 million, of approximately \$116.5 million, consisting of \$118.8 million paid in cash and approximately \$4.1 million related to indemnity holdbacks. During 2022, we also paid approximately \$1.9 million in indemnity and working capital holdbacks related to acquisitions completed in late 2021. In addition, approximately \$27.6 million of software development costs were capitalized. Approximately \$22.5 million was invested in property and equipment, including \$4.5 million related to real estate. The remaining additions were for computer equipment and furniture and fixtures in support of growth, particularly with respect to data centers supporting growth in our cloud-based offerings.

Investing activities used cash of \$2.1 billion in 2021. We invested \$77.5 million and received \$131.4 million in proceeds from investment grade corporate bonds, municipal bonds and asset-backed securities with maturity dates ranging from 2022 through 2027. On March 31, 2021, we completed two acquisitions with the total purchase price, net of cash acquired, of \$12.1 million paid in cash. On April 21, 2021, we completed the acquisition of NIC for the total purchase price of \$2.0 billion, net of cash acquired of \$331.8 million, including cash paid of \$2.3 billion and \$1.9 million of purchase consideration related to the conversion of unvested restricted stock awards. On September 1, 2021, we acquired VendEngine for the total purchase price, net of cash acquired of \$1.7 million, of approximately \$83.8 million consisting of \$80.2 million paid in cash and approximately \$5.4 million related to indemnity holdbacks, subject to certain post-closing adjustments. On September 9, 2021, we acquired all of the equity interest of Arx for the total purchase price, net of cash acquired, of approximately \$12.8 million, of which \$12.3 million was paid in cash and approximately \$500,000 was accrued for indemnity holdbacks. Approximately \$33.9 million was invested in property and equipment, including \$12.8 million related to real estate. In addition, approximately \$21.7 million of software development was capitalized in 2021. The remaining additions were for computer equipment and furniture and fixtures in support of internal growth, with the majority associated with our data centers supporting growth in our cloud-based offerings. These expenditures were funded from cash generated from operations.

Financing activities used cash of \$344.2 million in 2022 compared to cash provided of \$1.4 billion in 2021, primarily attributable to repayment of \$360.0 million of term debt, partially offset by payments received from stock option exercises, net of withheld shares for taxes upon equity award and employee stock purchase plan activity.

Financing activities provided cash of \$1.4 billion in 2021. Financing activities in 2021 were primarily comprised of proceeds from the issuance of the Convertible Senior Notes and the 2021 Credit Agreement. On March 9, 2021, we issued \$600.0 million aggregate principal amount of Convertible Senior Notes. The net proceeds from the issuance of the Convertible Senior Notes were \$591.4 million, net of initial purchasers' discounts of \$6.0 million and debt issuance costs of \$2.6 million. On April 21, 2021, in connection with the completion of the NIC acquisition, the Company, as borrower, entered into a new 2021 Credit Agreement with various lenders consisting of an unsecured revolving credit facility of up to \$500.0 million and unsecured term loans totaling \$900.0 million. The net proceeds from the borrowings under the 2021 Credit Agreement were \$1.1 billion, net of debt discounts of \$7.2 million and debt issuance costs of \$4.9 million and \$6.4 million of commitment fees paid related to the terminated \$1.6 billion unsecured bridge loan facility. During the twelve months ended December 31, 2021, we repaid \$250.0 million of the unsecured revolving credit facility and \$145.0 million of the term debt. The remainder of the financing activities was comprised of receipts of \$109.9 million from stock option exercises and employee stock purchase plan activity. We also purchased approximately 33,000 shares of our common stock for an aggregate purchase price of \$13.0 million.

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In February 2019, our board of directors authorized the repurchase of an additional 1.5 million shares of our common stock. The repurchase program, which was approved by our board of directors, was originally announced in October 2002 and was amended at various times from 2003 through 2019. As of February 22, 2023, we have authorization from our board of directors to repurchase up to 2.3 million additional shares of our common stock. Our share repurchase program allows us to repurchase shares at our discretion. Market conditions influence the timing of the buybacks and the number of shares repurchased, as well as the volume of employee stock option exercises. Share repurchases are generally funded using our existing cash balances and borrowings under our credit facility and may occur through open market purchases and transactions structured through investment banking institutions, privately negotiated transactions and/or other mechanisms. There is no expiration date specified for the authorization and we intend to repurchase stock under the plan from time to time.

As of December 31, 2022, we had \$600 million in outstanding principal for the Convertible Senior Notes due 2026. Under our 2021 Credit Agreement, we had \$395 million in outstanding principal for the Term Loans, no outstanding borrowings under the 2021 Revolving Credit Facility, and an available borrowing capacity of \$500 million as of December 31, 2022. As of December 31, 2022, we had one outstanding letter of credit totaling \$1.5 million. The letter of credit, which guarantees our performance under a client contract, renews automatically annually unless canceled in writing and expires in the third quarter of 2026. For the twelve months ended December 31, 2022, we repaid \$360 million of the Term Loans under 2021 Credit Agreement.

We paid interest of \$21.3 million in 2022, \$17.7 million in 2021, including \$6.4 million related to the senior unsecured bridge loan facility commitment fee in 2021, and \$610,000 in 2020. See Note 6, "Debt," to the consolidated financial statements for discussions of the Convertible Senior Notes and the 2021 Credit Agreement.

We paid income taxes, net of refunds received, of \$38.5 million in 2022, \$2.2 million in 2021, and \$3.3 million in 2020. In 2022, stock option exercise activity generated net tax benefits of \$7.8 million and reduced tax payments accordingly, as compared to \$47.7 million and \$60.2 million in 2021 and 2020, respectively.

For tax years beginning on or after January 1, 2022, the Tax Cuts and Jobs Act of 2017 ("TCJA") eliminates the option to currently deduct research and development expenses and requires taxpayers to capitalize and amortize them over five years for research activities performed in the United States and 15 years for research activities performed outside the United States pursuant to IRC Section 174. Although Congress is considering legislation that would repeal or defer this capitalization and amortization requirement, it is not certain that this provision will be repealed or otherwise modified. If the requirement is not repealed or replaced, it will increase our U.S. federal and state cash tax payments and reduce cash flows in fiscal year 2023 and future years.

We anticipate that 2023 capital spending will be between \$68 million and \$70 million, including approximately \$16 million related to real estate and approximately \$37 million of software development. We expect the majority of the other capital spending will consist of computer equipment and software for infrastructure replacements and expansion. We also expect cash tax payments to be higher as a result of IRC Section 174. Capital spending and cash tax payments are expected to be funded from existing cash balances and cash flows from operations.

From time to time we engage in discussions with potential acquisition candidates. In order to pursue such opportunities, which could require significant commitments of capital, we may be required to incur debt or to issue additional potentially dilutive securities in the future. No assurance can be given as to our future acquisition opportunities and how such opportunities will be financed.

We lease office facilities for use in our operations, as well as transportation and other equipment. Most of our leases are non-cancelable operating lease agreements and they expire from one to 12 years. Some of these leases include options to extend for up to six years.

Our estimated future obligations consist of debt, uncertain tax positions, leases, and purchase commitments as of December 31, 2022. Refer to Note 6, "Debt," Note 10, "Income Tax," Note 14, "Leases," and Note 16, "Commitment and Contingencies," to the consolidated financial statements for related discussions.

CAPITALIZATION

At December 31, 2022, our capitalization consisted of \$987.4 million of outstanding debt and \$2.6 billion of shareholders' equity.

Management's Discussion and Analysis of Financial Condition and Results of Operations

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk represents the risk of loss that may affect us due to adverse changes in financial market prices and interest rates.

As of December 31, 2022, we had \$395.0 million of outstanding borrowings under our 2021 Credit Agreement and available borrowing capacity under the 2021 Credit Agreement was \$500.0 million.

Borrowings under the Revolving Credit Facility and the Term Loan A-1 bear interest, at the Company's option, at a per annum rate of either (1) the Administrative Agent's prime commercial lending rate (subject to certain higher rate determinations) (the "Base Rate") plus a margin of 0.125% to 0.75% or (2) the one-, three-, six-, or, subject to approval by all lenders, twelve-month LIBOR rate plus a margin of 1.125% to 1.75%. The Term Loan A-2 bears interest, at the Company's option, at a per annum rate of either (1) the Base Rate plus a margin of 0% to 0.5% or (2) the one-, three-, six-, or, subject to approval by all lenders, twelve-month LIBOR rate plus a margin of 0.875% to 1.5%.

During the twelve months ended December 31, 2022, the effective interest rate for our borrowings was 3.79%. Based on the aggregate outstanding principal balance under the 2021 Credit Agreement as of December 31, 2022, of \$395.0 million, each quarter point change in interest rates would result in a \$1.0 million change in annual interest expense.

In January 2023, we amended our 2021 Credit Agreement to replace the LIBOR reference rate with the SOFR reference rate. Assuming that SOFR replaces LIBOR and is appropriately adjusted to equate to one-month LIBOR, we expect that there should be minimal impact on our operations.

CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures — We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act) designed to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. These include controls and procedures designed to ensure that this information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosures. Management, with the participation of the chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2022. Based on this evaluation, the chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective as of December 31, 2022.

Management's Report on Internal Control Over Financial Reporting — Tyler's management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Securities Exchange Act Rule 13a-15(f). Tyler's internal control over financial reporting is designed to provide reasonable assurance to Tyler's management and board of directors regarding the preparation and fair presentation of published financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of Tyler's internal control over financial reporting as of December 31, 2022. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Based on our assessment, we concluded that, as of December 31, 2022, Tyler's internal control over financial reporting was effective based on those criteria.

Tyler's internal control over financial reporting as of December 31, 2022 has been audited by Ernst & Young LLP, the independent registered public accounting firm who also audited Tyler's financial statements. Ernst & Young's attestation report on Tyler's internal control over financial reporting appears on page 54 hereof.

Changes in Internal Control over Financial Reporting — During the quarter ended December 31, 2022, there were no changes in our internal control over financial reporting, as defined in Securities Exchange Act Rule 13a-15(f), that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Tyler Technologies, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Tyler Technologies, Inc. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 22, 2023, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Report of Independent Registered Public Accounting Firm

Goodwill impairment tests

**Description
of the Matter**

As of December 31, 2022, the Company's goodwill balance of \$2.5 billion was attributable to multiple reporting units. As disclosed in Note 1 to the consolidated financial statements, goodwill is assessed for impairment annually, or more frequently whenever events or changes in circumstances indicate its carrying value may not be recoverable. The Company begins with a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before applying a quantitative assessment. During the fourth quarter of 2022, the Company performed a quantitative assessment for goodwill associated with reporting units comprised of more recently acquired businesses, which do not have significant excess fair values over carrying values.

Auditing management's quantitative analyses for goodwill impairment was complex and highly judgmental due to the significant judgement required to determine the fair value of these reporting units. In particular, the Company's fair value estimates for these reporting units were sensitive to significant assumptions, such as weighted average cost of capital and revenue growth rates which are forward looking and affected by expectations about future market or economic conditions.

**How We
Addressed
the Matter in
Our Audit**

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's review process for quantitative goodwill impairment assessments, including controls over management's review of the significant assumptions described above.

To test the estimated fair value of the applicable reporting units, we performed audit procedures that included, among others, assessing the methodologies and testing the significant assumptions discussed above and the underlying data used by the Company in its analyses. We evaluated management's forecasted revenue to identify, understand and evaluate changes as compared to historical results and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting units that would result from changes in the assumptions. We also involved internal valuation specialists to assist in evaluating management's methodologies and significant assumptions applied in developing the fair value estimates.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style font.

We have served as the Company's auditor since 1966.

Dallas, Texas
February 22, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Tyler Technologies, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Tyler Technologies, Inc.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Tyler Technologies, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and our report dated February 22, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style font.

Dallas, Texas
February 22, 2023

Consolidated Statements of Income

For the years ended December 31,	2022	2021	2020
(In thousands, except per share amounts)			
Revenues:			
Subscriptions	\$ 1,012,304	\$ 784,435	\$ 350,648
Maintenance	468,455	474,287	467,513
Professional services	243,117	209,391	186,409
Software licenses and royalties	59,406	74,452	73,164
Appraisal services	34,508	27,788	21,127
Hardware and other	32,414	21,934	17,802
Total revenues	1,850,204	1,592,287	1,116,663
Cost of revenues:			
Subscriptions, maintenance and professional services	953,897	799,158	510,504
Software licenses and royalties	6,083	3,552	3,339
Amortization of software development	6,507	2,325	—
Amortization of acquired software	52,192	45,601	31,962
Appraisal services	23,988	19,061	15,945
Hardware and other	23,674	12,946	12,401
Total cost of revenues	1,066,341	882,643	574,151
Gross profit	783,863	709,644	542,512
Sales and marketing expense	135,743	118,624	98,466
General and administrative expense	267,324	271,955	161,095
Research and development expense	105,184	93,481	88,363
Amortization of other intangibles	61,363	44,849	21,662
Operating income	214,249	180,735	172,926
Interest expense	(28,379)	(23,298)	(1,013)
Other income, net	1,723	1,544	3,129
Income before income taxes	187,593	158,981	175,042
Income tax provision (benefit)	23,353	(2,477)	(19,778)
Net income	\$ 164,240	\$ 161,458	\$ 194,820
Earnings per common share:			
Basic	\$ 3.95	\$ 3.95	\$ 4.87
Diluted	\$ 3.87	\$ 3.82	\$ 4.69

See accompanying notes.

Consolidated Statements of Comprehensive Income

For the years ended December 31,	2022	2021	2020
(In thousands)			
Net income	\$164,240	\$161,458	\$194,820
Other comprehensive loss, net of tax:			
Securities available-for-sale and transferred securities:			
Change in net unrealized holding losses on available for sale securities during the period	(850)	—	—
Reclassification adjustment of unrealized losses on securities transferred from held-to-maturity	(27)	—	—
Reclassification adjustment for net loss on sale of available for sale securities, included in net income	79	—	—
Other comprehensive loss, net of tax	(798)	—	—
Comprehensive income	\$163,442	\$161,458	\$194,820

See accompanying notes.

Consolidated Balance Sheets

December 31,	2022	2021
(In thousands, except par value and share amounts)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 173,857	\$ 309,171
Accounts receivable (less allowance for losses and sales adjustments of \$14,761 in 2022 and \$12,086 in 2021)	577,257	521,059
Short-term investments	37,030	52,300
Prepaid expenses	50,859	55,513
Income tax receivable	—	18,137
Other current assets	8,239	8,151
Total current assets	847,242	964,331
Accounts receivable, long-term	8,271	13,937
Operating lease right-of-use assets	50,989	39,720
Property and equipment, net	172,786	181,193
Other assets:		
Software development costs, net	48,189	28,489
Goodwill	2,489,308	2,359,674
Other intangibles, net	1,002,164	1,052,493
Non-current investments	18,508	46,353
Other non-current assets	49,960	45,971
	\$4,687,417	\$4,732,161
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 104,813	\$ 119,988
Accrued liabilities	131,941	158,424
Operating lease liabilities	10,736	10,560
Income tax payable	43,667	—
Deferred revenue	568,538	510,529
Current portion of term loans	30,000	30,000
Total current liabilities	889,695	829,501
Revolving line of credit	—	—
Term loans, net	362,905	718,511
Convertible senior notes due 2026, net	594,484	592,765
Deferred revenue, long-term	2,037	38
Deferred income taxes	148,891	228,085
Operating lease liabilities, long-term	48,049	36,336
Other long-term liabilities	16,967	2,893
Total liabilities	2,063,028	2,408,129
Commitments and contingencies	—	—
Shareholders' equity:		
Preferred stock, \$10.00 par value; 1,000,000 shares authorized; none issued	—	—
Common stock, \$0.01 par value; 100,000,000 shares authorized; 48,147,969 shares issued in 2022 and 2021	481	481
Additional paid-in capital	1,209,725	1,075,650
Accumulated other comprehensive loss, net of tax	(844)	(46)
Retained earnings	1,437,854	1,273,614
Treasury stock, at cost; 6,364,991 and 6,832,640 shares in 2022 and 2021, respectively	(22,827)	(25,667)
Total shareholders' equity	2,624,389	2,324,032
	\$4,687,417	\$4,732,161

See accompanying notes

Consolidated Statements of Cash Flows

For the years ended December 31,	2022	2021	2020
(In thousands)			
Cash flows from operating activities:			
Net income	\$ 164,240	\$ 161,458	\$ 194,820
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	159,072	135,624	81,657
Losses from sale of investments	45	—	—
Share-based compensation expense	102,985	104,726	67,365
Provision for losses and sales adjustments – accounts receivable	2,781	2,831	3,517
Amortization of operating lease right-of-use assets	12,969	10,216	5,782
Deferred income tax benefit	(87,192)	(13,271)	(7,936)
Changes in operating assets and liabilities, exclusive of effects of acquired companies:			
Accounts receivable	(51,410)	17,608	(10,733)
Income tax receivable	61,940	10,258	(15,117)
Prepaid expenses and other current assets	910	(23,863)	(8,304)
Accounts payable	(17,537)	(44,947)	(967)
Operating lease liabilities	(12,396)	(6,952)	(6,549)
Accrued liabilities	(24,344)	(24,822)	2,870
Deferred revenue	59,460	44,874	48,684
Other long-term liabilities	9,932	(1,987)	—
Net cash provided by operating activities	381,455	371,753	355,089
Cash flows from investing activities:			
Additions to property and equipment	(22,529)	(33,919)	(22,690)
Purchase of marketable security investments	(29,935)	(77,450)	(156,618)
Proceeds and maturities from marketable security investments	71,034	131,449	82,742
Purchase of investment in common shares	—	—	(10,000)
Proceeds from the sale of investment in preferred shares	—	—	15,000
Investment in software development	(27,622)	(21,693)	(5,776)
Cost of acquisitions, net of cash acquired	(163,921)	(2,089,706)	(1,292)
Other	443	384	314
Net cash used by investing activities	(172,530)	(2,090,935)	(98,320)
Cash flows from financing activities:			
Net borrowings on revolving credit facility	—	—	—
Payment on term loans	(360,000)	(145,000)	—
Proceeds from term loans	—	900,000	—
Proceeds from issuance of convertible senior notes	—	600,000	—
Payment of debt issuance costs	—	(27,165)	—
Purchase of treasury shares	—	(12,977)	(15,484)
Payment of contingent consideration	—	—	(5,619)
Proceeds from exercise of stock options, net of withheld shares for taxes upon equity award	(890)	96,714	124,363
Contributions from employee stock purchase plan	16,651	13,158	10,912
Net cash (used) provided by financing activities	(344,239)	1,424,730	114,172
Net (decrease) increase in cash and cash equivalents	(135,314)	(294,452)	370,941
Cash and cash equivalents at beginning of period	309,171	603,623	232,682
Cash and cash equivalents at end of period	\$ 173,857	\$ 309,171	\$ 603,623

See accompanying notes.

Consolidated Statements of Cash Flows

For the years ended December 31,	2022	2021	2020
(In thousands)			
Supplemental cash flow information:			
Cash paid for interest	\$ 21,256	\$ 17,728	\$ 610
Cash paid for income taxes, net	38,490	2,212	3,263
Non-cash investing and financing activities:			
Non-cash additions to property and equipment	\$ 169	\$ 233	\$ 189
Issuance of shares for acquisitions	18,169	—	—
Purchase consideration for conversion of unvested restricted stock awards	—	1,872	—

See accompanying notes.

Consolidated Statements of Shareholders' Equity

For the years ended December 31, 2022, 2021, and 2020

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock		Total Shareholders' Equity
	Shares	Amount				Shares	Amount	
(In thousands)								
Balance at December 31, 2019	48,148	\$481	\$ 739,478	\$ (46)	\$ 917,336	(8,839)	\$(40,191)	\$1,617,058
Net income	—	—	—	—	194,820	—	—	194,820
Issuance of shares pursuant to stock compensation plan	—	—	90,636	—	—	1,283	33,727	124,363
Employee taxes paid for withheld shares upon equity award settlement	—	—	—	—	—	(34)	(12,923)	(12,923)
Stock compensation	—	—	67,365	—	—	—	—	67,365
Issuance of shares pursuant to employee stock purchase plan	—	—	7,853	—	—	40	3,059	10,912
Treasury stock purchases	—	—	—	—	—	(59)	(15,484)	(15,484)
Balance at December 31, 2020	48,148	481	905,332	(46)	1,112,156	(7,609)	(31,812)	1,986,111
Net income	—	—	—	—	161,458	—	—	161,458
Exercise of stock options and vesting of restricted stock units	—	—	50,831	—	—	832	45,883	96,714
Employee taxes paid for withheld shares upon equity award settlement	—	—	—	—	—	(58)	(27,030)	(27,030)
Stock compensation	—	—	104,726	—	—	—	—	104,726
Issuance of shares pursuant to employee stock purchase plan	—	—	12,889	—	—	35	269	13,158
Treasury stock purchases	—	—	—	—	—	(33)	(12,977)	(12,977)
Purchase consideration for conversion of unvested restricted stock awards	—	—	1,872	—	—	—	—	1,872
Balance at December 31, 2021	48,148	481	1,075,650	(46)	1,273,614	(6,833)	(25,667)	2,324,032
Net income	—	—	—	—	164,240	—	—	164,240
Other comprehensive loss, net of tax	—	—	—	(798)	—	—	—	(798)
Exercise of stock options and vesting of restricted stock units	—	—	(3,218)	—	—	433	29,547	26,329
Employee taxes paid for withheld shares upon equity award settlement	—	—	—	—	—	(70)	(27,219)	(27,219)
Stock compensation	—	—	102,985	—	—	—	—	102,985
Issuance of shares pursuant to employee stock purchase plan	—	—	16,365	—	—	49	286	16,651
Treasury stock purchases	—	—	—	—	—	—	—	—
Issuance of shares for acquisitions	—	—	17,943	—	—	56	226	18,169
Balance at December 31, 2022	48,148	\$481	\$1,209,725	\$(844)	\$1,437,854	(6,365)	\$(22,827)	\$2,624,389

See accompanying notes.

Notes to Consolidated Financial Statements

(Tables in thousands, except per share data)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS

We provide integrated software systems and related services for the public sector. We develop and market a broad line of software solutions and services to address the information technology (“IT”) needs primarily of cities, counties, states, schools, federal agencies, and other government entities. We provide subscription-based services such as software as a service (“SaaS”), transaction-based fees primarily related to digital government services and online payment processing, and electronic document filing solutions (“e-filing”), which simplify the filing and management of court related documents. In addition, we provide professional IT services, including software and hardware installation, data conversion, training, and for certain customers, product modifications, along with continuing maintenance and support for customers using our systems. Additionally, we provide property appraisal outsourcing services for taxing jurisdictions.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include our parent company and 62 subsidiaries, which are wholly-owned. All significant intercompany balances and transactions have been eliminated in consolidation. Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources and includes all components of net income (loss) and other comprehensive income (loss). During the twelve months ended December 31, 2022, we had approximately \$798,000 of other comprehensive loss, net of taxes, from our available-for-sale investment holdings. We did not have material items of other comprehensive income during the years ended December 31, 2021, and 2020.

RECLASSIFICATIONS

Certain amounts for previous years have been reclassified to conform to the current year presentation. We have elected to present amortization of software development, previously included in the cost of revenues software licenses and royalties line item, in a separate category line item on the consolidated statements of income for all reporting periods presented. We also have elected to present sales and marketing expense and general and administrative expense, previously disclosed as selling, general, and administrative expense, as separate category line items on the consolidated statements of income for all reporting periods presented.

CASH AND CASH EQUIVALENTS

Cash in excess of that necessary for operating requirements is invested in short-term, highly liquid, income-producing investments. Investments with original maturities of three months or less are classified as cash and cash equivalents, which primarily consist of cash on deposit with several banks and money market funds. Cash and cash equivalents are stated at cost, which approximates market value.

REVENUE RECOGNITION

Nature of Products and Services

We earn revenues from subscription-based services, post-contract customer support (“PCS” or “maintenance”), professional services, software licenses and royalties, appraisal services, and hardware and other. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, we satisfy a performance obligation

Notes to Consolidated Financial Statements

Our software arrangements with customers contain multiple performance obligations that range from software licenses, installation, training, and consulting to software modification and customization to meet specific customer needs (services), hosting, and PCS. For these contracts, we account for individual performance obligations separately when they are distinct. We evaluate whether separate performance obligations can be distinct or should be accounted for as one performance obligation. Arrangements that include professional services, such as training or installation, are evaluated to determine whether those services are highly interdependent or interrelated to the product's functionality. The transaction price is allocated to the distinct performance obligations on a relative standalone selling price ("SSP") basis. We determine the SSP based on our overall pricing objectives, taking into consideration market conditions and other factors, including the value of our contracts, the applications sold, customer demographics, and the number and types of users within our contracts. Revenue is recognized net of allowances for sales adjustments and any taxes collected from customers, which are subsequently remitted to governmental authorities.

Subscription-Based Services:

Subscription-based services consist primarily of revenue derived from SaaS arrangements, digital government services, payment processing, and e-filing. For SaaS arrangements, we evaluate whether the customer has the contractual right to take possession of our software at any time during the hosting period without significant penalty and whether the customer can feasibly maintain the software on the customer's hardware or enter into another arrangement with a third-party to host the software. We allocate contract value to each performance obligation of the arrangement that qualifies for treatment as a distinct element based on estimated SSP. We recognize SaaS services ratably over the term of the arrangement, which range from one to 10 years, but are typically for a period of three to five years. For professional services associated with certain SaaS arrangements, we have concluded that the services are not distinct, and we recognize the revenue ratably over the remaining contractual period once we have provided the customer access to the software. We record amounts that have been invoiced in accounts receivable and in deferred revenue or revenues, depending on whether the revenue recognition criteria have been met.

Transaction-based fees primarily relate to digital government services and online payment services, which are sometimes offered with the assistance of third-party vendors. In general, when we are the principal in a transaction, we record the revenue and related costs on a gross basis. Otherwise, we net the cost of revenue associated with the service against the gross revenue (amount billed to the customer) and record the net amount as revenue.

E-filing transaction fees primarily pertain to documents filed with the courts by attorneys and other third-parties via our e-filing services and retrieval of filed documents via our access services. For each document filed with a court, the filer generally pays a transaction fee and a court filing fee to us and we remit a portion of the transaction fee and the filing fee to the court. We record as revenue the transaction fee, while the portion of the transaction fee remitted to the courts is recorded as cost of revenues as we are acting as an agent in the arrangement. Court filing fees collected on behalf of the courts and remitted to the courts are recorded on a net basis and thus do not affect our consolidated statements of income.

For e-filing transaction fees and transaction-based revenues from digital government services and online payments, we have the right to charge the customer an amount that directly corresponds with the value to the customer of our performance to date. Therefore, we recognize revenues for these services over time based on the amount billable to the customer. In some cases, we are paid on a fixed fee basis and recognize the revenue ratably over the contractual period. Typically, the structure of our arrangements does not give rise to variable consideration. However, in those instances whereby variable consideration exists, we include in our estimates, additional revenues for variable consideration when we believe we have an enforceable right, the amount can be estimated reliably and its realization is probable.

Costs of performing services under subscription-based arrangements are expensed as incurred, except for certain direct and incremental contract origination and set-up costs associated with SaaS arrangements. Such direct and incremental costs are capitalized and amortized ratably over the period of benefit.

Notes to Consolidated Financial Statements

Software Arrangements:

Software Licenses and Royalties

Many of our software arrangements involve “off-the-shelf” software. We recognize the revenue allocable to “off-the-shelf” software licenses and specified upgrades at a point in time when control of the software license transfers to the customer, unless the software is not considered distinct. We consider “off-the-shelf” software to be distinct when it can be added to an arrangement with minor changes in the underlying code, it can be used by the customer for the customer’s purpose upon installation, and remaining services such as training are not considered highly interdependent or interrelated to the product’s functionality.

For arrangements that involve significant production, modification or customization of the software, or where professional services are otherwise not considered distinct, we recognize revenue over time by measuring progress-to-completion. We measure progress-to-completion primarily using labor hours incurred as it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. These arrangements are often implemented over an extended period and occasionally require us to revise total cost estimates. Amounts recognized in revenue are calculated using the progress-to-completion measurement after giving effect to any changes in our cost estimates. Changes to total estimated contract costs, if any, are recorded in the period they are determined. Estimated losses on uncompleted contracts are recorded in the period in which we first determine that a loss is apparent.

Software license fees are billed in accordance with the contract terms. Typically, a majority of the fee is due when access to the software license is made available to the customer and the remainder of the fee due over a passage of time stipulated by the contract. We record amounts that have been invoiced in accounts receivable and in deferred revenue or revenues, depending on whether the revenue recognition criteria have been met.

We recognize royalty revenue when the sale occurs under the terms of our third-party royalty arrangements. Currently, our third-party royalties are recognized on an estimated basis and adjusted if needed, when we receive notice of amounts we are entitled to receive. We typically receive notice of royalty revenue we are entitled to and amounts are billed on a quarterly basis in the quarter immediately following the royalty reporting period, and adjustments have not been significant.

Professional Services

As noted above, some of our software arrangements include services considered highly interdependent or highly interrelated or require significant customization to meet the customer’s desired functionality. For these software arrangements, both the software licenses and related professional services revenue are not distinct and are recognized over time using the progress-to-completion method. We measure progress-to-completion primarily using labor hours incurred as it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Contract fees are typically billed on a milestone basis as defined within contract terms. We record amounts that have been invoiced in accounts receivable and in deferred revenue or revenues, depending on whether the revenue recognition criteria have been met. When professional services are distinct, the fee allocable to the service element is recognized over the time we perform the services and is billed on a time and material basis.

Post-Contract Customer Support

Our customers generally enter into PCS agreements when they purchase our software licenses. PCS includes telephone support, bug fixes, and rights to upgrades on a when-and-if available basis. PCS is considered distinct when purchased with our software licenses. Our PCS agreements are typically renewable annually. PCS is recognized over time on a straight-line basis over the period the PCS is provided. All significant costs and expenses associated with PCS are expensed as incurred.

Computer Hardware Equipment

Revenue allocable to computer hardware equipment is recognized at a point in time when control of the equipment is transferred to the customer.

Notes to Consolidated Financial Statements

Appraisal Services:

For our property appraisal projects, we recognize revenue using the progress-to-completion method since many of these projects are executed over one to three-year periods and consist of various unique activities. Appraisal services require a significant level of integration and interdependency with various individual service components; therefore, the service components are not considered distinct. Appraisal services are recognized over time by measuring progress-to-completion primarily using labor hours incurred as it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. These arrangements are often executed over an extended period and occasionally require us to revise total cost estimates. Amounts recognized in revenue are calculated using the progress-to-completion measurement after giving effect to any changes in our cost estimates. Changes to total estimated contract costs, if any, are recorded in the period they are determined. Estimated losses on uncompleted contracts are recorded in the period in which we first determine that a loss is apparent. Contract fees are typically billed on a milestone basis as defined within contract terms. We record amounts that have been invoiced in accounts receivable and in deferred revenue or revenues, depending on whether the revenue recognition criteria have been met.

Significant Judgments:

Our contracts with customers often include multiple performance obligations to a customer. When a software arrangement (license or subscription) includes both software licenses and professional services, judgment is required to determine whether the software license is considered distinct and accounted for separately, or not distinct and accounted for together with the professional services and recognized over time.

The transaction price is allocated to the separate performance obligations on a relative SSP basis. We determine the SSP based on our overall pricing objectives, taking into consideration market conditions and other factors, including the value of our contracts, the applications sold, customer demographics, and the number and types of users within our contracts. We use a range of amounts to estimate SSP when we sell each of the products and services separately and need to determine whether there is a discount to be allocated based on the relative SSP of the various products and services. In instances where SSP is not directly observable, such as when we do not sell the product or service separately, we determine SSP using the expected cost-plus margin approach.

For arrangements that involve significant production, modification, or customization of the software, or where professional services otherwise cannot be considered distinct, we recognize revenue as control is transferred to the customer over time using progress-to-completion methods. Depending on the contract, we measure progress-to-completion primarily using labor hours incurred, or value added. The progress-to-completion method generally results in the recognition of reasonably consistent profit margins over the life of a contract because we can provide reasonably dependable estimates of contract billings and contract costs. These arrangements are often implemented over an extended time period and occasionally require us to revise total cost estimates. Amounts recognized in revenue are calculated using the progress-to-completion measurement after giving effect to any changes in our cost estimates. Changes to total estimated contract costs, if any, are recorded in the period they are determined. Estimated losses on uncompleted contracts are recorded in the period in which we first determine that a loss is apparent.

Refer to Note 18, "Disaggregation of Revenue," for further information, including the economic factors that affect the nature, amount, timing, and uncertainty of revenues and cash flows of our various revenue categories.

Notes to Consolidated Financial Statements

Contract Balances:

Accounts receivable and allowance for losses and sales adjustments

Timing of revenue recognition may differ from the timing of invoicing to customers. We record an unbilled receivable when revenue is recognized prior to invoicing, or deferred revenue when invoicing occurs prior to revenue recognition. For multi-year agreements, we generally invoice customers annually at the beginning of each annual coverage period. We record an unbilled receivable related to revenue recognized for on-premises licenses as we have an unconditional right to invoice and receive payment in the future related to those licenses.

In connection with our appraisal services contracts and certain professional services contracts, we may perform work prior to when the software and services are billable and/or payable pursuant to the contract. Unbilled revenue is not billable at the balance sheet date but is recoverable over the remaining life of the contract through billings made in accordance with contractual agreements. The termination clauses in most of our contracts provide for the payment for the value of products delivered or services performed in the event of early termination. We have historically recorded such unbilled receivables (costs and estimated profit in excess of billings) in connection with (1) property appraisal services contracts accounted for using progress-to-completion method of revenue recognition using labor hours as a measure of progress towards completion in which the services are performed in one accounting period but the billing normally occurs subsequently and may span another accounting period; (2) professional services contracts accounted for using progress-to-completion method of revenue recognition using labor hours as a measure of progress towards completion in which the services are performed in one accounting period but the billing for the software element of the arrangement may be based upon the specific phase of the implementation; (3) software revenue for which we have recognized revenue at the point in time when the software is made available to the customer but the billing has not yet been submitted to the customer; (4) some of our contracts which provide for an amount to be withheld from a progress billing (generally between 5% and 15% retention) until final and satisfactory project completion is achieved; and (5) in a limited number of cases, extended payment terms, which may be granted to customers with whom we generally have a long-term relationship and favorable collection history.

As of December 31, 2022, and December 31, 2021, total current and long-term accounts receivable, net of allowance for losses and sales adjustments, was \$585.5 million and \$535.0 million, respectively. We have recorded unbilled receivables of \$135.4 million and \$140.3 million at December 31, 2022, and December 31, 2021, respectively. Included in unbilled receivables are retention receivables of \$8.6 million and \$7.7 million at December 31, 2022, and December 31, 2021, respectively, which become payable upon the completion of the contract or completion of our fieldwork and formal hearings. Unbilled receivables expected to be collected within one year have been included with accounts receivable, current portion in the accompanying consolidated balance sheets. Unbilled receivables and retention receivables expected to be collected past one year have been included with accounts receivable, long-term portion in the accompanying consolidated balance sheets.

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 to 90 days. In instances where the timing of revenue recognition differs from the timing of invoicing, we have determined our contracts generally do not include a significant financing component. The primary purpose of our invoicing terms is to provide customers with simplified and predictable ways of purchasing our products and services, not to receive financing from our customers or to provide customers with financing. Examples include invoicing at the beginning of a subscription term with revenue recognized ratably over the contract period, and multi-year on-premises term licenses that are invoiced annually with revenue recognized upfront.

We maintain allowances for losses and sales adjustments, which losses are recorded against revenue at the time the loss is incurred. Since most of our clients are domestic governmental entities, we rarely incur a credit loss resulting from the inability of a client to make required payments. Events or changes in circumstances that indicate the carrying amount for the allowances for losses and sales adjustments may require revision, include, but are not limited to, managing our client's expectations regarding the scope of the services to be delivered and defects or errors in new versions or enhancements of our software products. Our allowance for losses and sales adjustments of \$14.8 million and \$12.1 million at December 31, 2022, and December 31, 2021, respectively. Because we rarely experience credit losses with our clients, we have not recorded a material reserve for credit losses.

Notes to Consolidated Financial Statements

The following table summarizes the changes in the allowance for losses and sales adjustments:

Years Ended December 31,	2022	2021
Balance at beginning of year	\$12,086	\$ 9,255
Provisions for losses and sales adjustments – accounts receivable	2,781	2,831
Collections of accounts previously written off	(106)	—
Balance at end of year	\$14,761	\$12,086

Deferred Revenue

The majority of deferred revenue consists of deferred subscription-based services revenue that has been billed based on contractual terms in the underlying arrangement, with the remaining balance consisting of payments received in advance of revenue being earned under maintenance, software licensing, software and appraisal services, and hardware installation. Refer to Note 19, Deferred Revenue and Performance Obligations, for further information, including deferred revenue by segment and changes in deferred revenue during the period.

Deferred Commissions

Sales commissions earned by our sales force are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions for initial contracts are deferred and then amortized commensurate with the recognition of associated revenue over a period of benefit that we have determined to be three to seven years. We utilized the “portfolio approach” practical expedient, which allows entities to apply the guidance to a portfolio of contracts with similar characteristics because the effects on the financial statements of this approach would not differ materially from applying the guidance to individual contracts. Using the “portfolio approach”, we determined the period of benefit by taking into consideration our customer contracts, our technology life-cycle and other factors. Sales commissions for renewal contracts are generally not paid in connection with the renewal of a contract. In the small number of instances where a commission is paid on a renewal, it is not commensurate with the commission paid on the initial sale and is recognized over the term of renewal, which is generally one year. Amortization expense related to deferred commissions is included in sales and marketing expense in the accompanying consolidated statements of income. Refer to Note 20, “Deferred Commissions,” for further information.

Prepaid expenses and other current assets include direct and incremental costs such as commissions associated with arrangements for which revenue recognition has been deferred. Such costs are expensed at the time the related revenue is recognized.

USE OF ESTIMATES

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include revenue recognition, determining the nature and timing of satisfaction of performance obligations, determining the SSP of performance obligations, variable consideration, and other obligations such as returns and refunds; loss contingencies; the estimated useful life of deferred commissions; the fair value amount and estimated useful lives of intangible assets; the carrying amount of operating lease right-of-use assets and operating lease liabilities; determining share-based compensation expense; the allowance for losses and sales adjustments; and determining the potential outcome of future tax consequences of events that have been recognized on our consolidated financial statements or tax returns. Actual results could differ from estimates.

Notes to Consolidated Financial Statements

PROPERTY AND EQUIPMENT, NET

Property, equipment and purchased software are recorded at original cost and increased by the cost of any significant improvements after purchase. We expense maintenance and repairs when incurred. Depreciation and amortization is calculated using the straight-line method over the shorter of the asset's estimated useful life or the term of the lease in the case of leasehold improvements. For income tax purposes, we use accelerated depreciation methods as allowed by tax laws.

RESEARCH AND DEVELOPMENT COSTS

We expensed research and development expense of \$105.2 million in 2022, \$93.5 million in 2021, and \$88.4 million in 2020.

INCOME TAXES

Income taxes are accounted for under the asset and liability method. Deferred taxes arise because of different treatment between financial statement accounting and tax accounting, known as "temporary differences". We record the tax effect of these temporary differences as "deferred tax assets" (generally items that can be used as a tax deduction or credit in the future periods) and "deferred tax liabilities" (generally items that we received a tax deduction for, which have not yet been recorded in the income statement). The deferred tax assets and liabilities are measured using enacted tax rules and laws that are expected to be in effect when the temporary differences are expected to be recovered or settled. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that a deferred tax asset will not be "realized."

We do not recognize a tax benefit for uncertain tax positions unless management's assessment concludes that it is "more likely than not" that the position is sustainable based on its technical merits. If the recognition threshold is met, we recognize a tax benefit based upon the largest amount of the tax benefit that is more likely than not probable, determined by cumulative probability, of being realized upon settlement with the taxing authority. We recognize interest and penalties, if any, related to unrecognized tax benefits in income tax expense in the consolidated statements of income.

Internal Revenue Code ("IRC") Section 174

For the tax years beginning on or after January 1, 2022, the Tax Cuts and Jobs Act of 2017 ("TCJA") eliminates the option to currently deduct research and development expenses and requires taxpayers to capitalize and amortize them over five years for research activities performed in the United States and 15 years for research activities performed outside the United States pursuant to IRC Section 174. Although Congress is considering legislation that would repeal or defer this capitalization and amortization requirement, it is not certain that this provision will be repealed or otherwise modified. If the requirement is not repealed or replaced, it will increase our U.S. federal and state cash tax payments and reduce cash flows in fiscal year 2023 and future years.

SHARE-BASED COMPENSATION

We have a share-based award plan that provides for the grant of stock options, restricted stock units, and performance share units to key employees, directors and non-employee consultants. Stock options generally vest after three to six years of continuous service from the date of grant and have a contractual term of 10 years. Restricted stock unit grants generally vest ratably over three to five years of continuous service from the date of grant. Each performance share unit represents the right to receive one share of our common stock based on our achievement of certain financial performance targets during applicable performance periods, which generally cliff vest in one or three years. We account for share-based compensation utilizing the fair value recognition pursuant to ASC 718, *Stock Compensation*. See Note 12, "Share-Based Compensation," for further information.

BUSINESS COMBINATIONS

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets acquired and liabilities assumed at their respective fair values. The determination of fair value requires the use of significant estimates and assumptions, and in making these determinations, management uses all available information.

Notes to Consolidated Financial Statements

For tangible and identifiable intangible assets acquired in a business combination, management estimates the fair value of assets acquired and liabilities assumed based on quoted market prices, the carrying value of the acquired assets and widely accepted valuation techniques, including discounted cash flows and market multiple analyses. The assumptions made in performing these valuations include, but are not limited to, discount rates, future revenues and operating costs, projections of capital costs, and other assumptions believed to be consistent with those used by principal market participants.

Due to the specialized nature of these calculations, we engage third-party specialists to assist management in evaluating our assumptions as well as appropriately measuring the fair value of assets acquired and liabilities assumed. We adjust the preliminary purchase price allocation, as necessary, up to one year after the acquisition closing date as we obtain new information about facts and circumstances that existed as of the closing date. If actual results are materially different than the assumptions we used to determine fair value of the assets acquired and liabilities assumed through a business combination as well as the estimated useful lives of the acquired intangible assets, it is possible that adjustments to the carrying values of such assets and liabilities will have a material impact on our financial position and results of operations. See Note 2, "Acquisitions," for further information.

GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

We assess goodwill for impairment annually, or more frequently whenever events or changes in circumstances indicate its carrying value may not be recoverable. We begin with the qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before applying the quantitative assessment described below. When testing goodwill for impairment quantitatively, we first compare the fair value of each reporting unit with its carrying amount. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized. The fair values calculated in our impairment tests are determined using discounted cash flow models involving several assumptions (Level 3 inputs). The assumptions that are used are based upon what we believe a hypothetical marketplace participant would use in estimating fair value. We base our fair value estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain. We evaluate the reasonableness of the fair value calculations of our reporting units by comparing the total of the fair value of all of our reporting units to our total market capitalization.

During the fourth quarter, as part of our annual impairment test as of October 1, we performed qualitative assessments for the reporting units containing the recently acquired data and insights, digital government and payments solutions, and development platform solutions, and concluded no impairment existed as of our annual assessment date. Approximately \$1.7 billion, or 70%, of total goodwill as of December 31, 2022, relates to these reporting units, which as a result of these recent acquisitions, do not have significant excess fair values over carrying values. We performed qualitative assessments for the remaining reporting units in which we determined that it not more likely than not that the fair value exceeded the carrying value; therefore, we did not perform a Step 1 quantitative impairment test. Our annual goodwill impairment analysis did not result in an impairment charge. During 2022, we have recorded no impairment to goodwill as no triggering events or change in circumstances indicating a potential impairment has occurred as of period-end.

Determining the fair value of our reporting units involves the use of significant estimates and assumptions and considerable management judgment. We base our fair value estimates on assumptions we believe to be reasonable at the time, but such assumptions are subject to inherent uncertainty. Changes in market conditions or other factors outside of our control could cause us to change key assumptions and our judgment about a reporting unit's prospects. Similarly, in a specific period, a reporting unit could significantly underperform relative to its historical or projected future operating results. Either situation could result in a meaningfully different estimate of the fair value of our reporting units, and a consequent future impairment charge.

There have been no impairments to goodwill in any of the periods presented. See Note 4, "Goodwill and Other Intangible Assets," for additional information.

Notes to Consolidated Financial Statements

Other Intangible Assets

We make judgments about the recoverability of purchased intangible assets other than goodwill whenever events or changes in circumstances indicate that an impairment may exist. Customer base and acquired software each comprise approximately half of our purchased intangible assets other than goodwill. We review our customer turnover each year for indications of impairment. Our customer turnover has historically been very low. If indications of impairment are determined to exist, we measure the recoverability of assets by a comparison of the carrying amount of the asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the assets exceeds their estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the assets exceeds the fair value of the assets. There have been no impairments of intangible assets in any of the periods presented.

IMPAIRMENT OF LONG-LIVED ASSETS

We periodically evaluate whether current facts or circumstances indicate that the carrying value of our property and equipment or other long-lived assets to be held and used may not be recoverable. If such circumstances are determined to exist, we measure the recoverability of assets to be held and used by a comparison of the carrying amount of the asset or appropriate grouping of assets and the estimated undiscounted future cash flows expected to be generated by the assets. If the carrying amount of the assets exceeds their estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the assets exceeds the fair value of the assets. There was no impairment of long-lived assets in any of the periods presented.

COSTS OF COMPUTER SOFTWARE

We capitalize software development costs upon the establishment of technological feasibility and prior to the availability of the product for general release to customers for software sold to third parties and for application development costs of software developed for internal use. Software development costs primarily consist of personnel costs. During the twelve months period ended December 31, 2022, and 2021, respectively, we capitalized approximately \$27.6 million and \$21.7 million of software development costs. We begin to amortize capitalized costs when a product is available for general release to customers and internal use software is ready for its intended use. Amortization expense is determined on a product-by-product basis at a rate not less than straight-line basis over the software's remaining estimated economic life of, generally, three to five years.

CONTINGENT PURCHASE CONSIDERATION

Contingent future cash payments related to acquisitions are recognized at fair value as of the acquisition date and included in the determination of the acquisition date purchase price. Subsequent changes in the fair value of the contingent future cash payments are recognized in earnings in the period that the change occurs. We have no contingent consideration outstanding as of December 31, 2022.

CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable from trade customers, and investments in marketable securities. Our cash and cash equivalents primarily consist of operating account balances and money market funds, which are maintained at several major domestic financial institutions and the balances often exceed insured amounts. As of December 31, 2022, we had cash and cash equivalents of \$173.9 million. We perform periodic evaluations of the credit standing of these financial institutions.

Concentrations of credit risk with respect to receivables are limited due to the size and geographical diversity of our customer base. As a result, we do not believe we have any significant concentrations of credit risk as of December 31, 2022.

We maintain allowances for losses and sales adjustments, which losses are recorded against revenues at the time the loss is incurred. Since most of our customers are domestic governmental entities, we rarely incur a loss resulting from the inability of a customer to make required payments. Events or changes in circumstances that indicate the carrying amount for the allowances for losses and sales adjustments may require revision include, but are not limited to, failure to manage our customer's expectations regarding the scope of the services to be delivered, and defects or errors in new versions or enhancements of our software products. Historically, our credit losses have not been significant.

Notes to Consolidated Financial Statements

LEASES

We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) assets, and operating lease liabilities, current and long-term, on our consolidated balance sheets. We currently do not have any finance lease arrangements.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date of the lease in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term. We have lease agreements with lease and non-lease components, which are generally accounted for as a single lease component.

INDEMNIFICATION

Most of our software license agreements indemnify our customers in the event that the software sold infringes upon the intellectual property rights of a third-party. These agreements typically provide that in such event we will either modify or replace the software so that it becomes non-infringing or procure for the customer the right to use the software. We have not recorded a liability associated with these indemnifications, as we are not aware of any pending or threatened infringement actions that are possible losses. We believe the estimated fair value of these intellectual property indemnification clauses is minimal.

We have also agreed to indemnify certain officers and our board members if they are named or threatened to be named as a party to any proceeding by reason of the fact that they acted in such capacity. We maintain directors’ and officers’ liability insurance coverage to protect against any such losses. We have not recorded a liability associated with these indemnifications. Because of our insurance coverage, we believe the estimated fair value of these indemnification agreements is minimal.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In October 2021, the FASB issued ASU 2021-08 — *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* (ASC 805) (“ASU 2021-08”). ASU 2021-08 requires an acquirer in a business combination to recognize and measure contract assets and contract liabilities (deferred revenue) from acquired contracts using the revenue recognition guidance in Topic 606. Under this “Topic 606 approach,” the acquirer applies the revenue model as if it had originated the contracts. This is a departure from the current requirement to measure contract assets and contract liabilities at fair value. ASU 2021-08 is effective for all public business entities in annual and interim periods starting after December 15, 2022, and early adoption is permitted. An entity that early adopts should apply the amendments (1) retrospectively to all business combinations for which the acquisition date occurs on or after the beginning of the fiscal year that includes the interim period of early application and (2) prospectively to all business combinations that occur on or after the date of initial application. We early adopted as of January 1, 2022. The adoption of ASU 2021-08 did not result in an adjustment to the fair value of the deferred revenue balances assumed in our 2022 acquisitions. See Note 2, “Acquisitions,” for further discussion.

NEW ACCOUNTING PRONOUNCEMENTS

There were no new not yet adopted accounting pronouncements currently issued that would affect the Company or have a material impact on its consolidated financial position or results of operations in future periods.

Notes to Consolidated Financial Statements

(2) ACQUISITIONS

2022

On October 31, 2022, we acquired Rapid Financial Solutions, LLC (Rapid), a provider of reliable, scalable, and secure payments with best-in-class card issuance and digital disbursement capabilities. The total purchase price, net of cash acquired of \$2.2 million, was approximately \$67.7 million, consisting of \$51.2 million paid in cash, \$18.2 million of common stock, and \$500,000 related to working capital holdbacks, subject to certain post-closing adjustments.

We have performed a preliminary valuation analysis of the fair market value of Rapid's assets and liabilities. In connection with this transaction, we acquired total tangible assets of \$2.9 million and assumed liabilities of approximately \$635,000. We recorded goodwill of approximately \$40.0 million, all of which is expected to be deductible for tax purposes, and other identifiable intangible assets of approximately \$27.6 million. The goodwill arising from this acquisition is primarily attributed to our ability to generate increased revenues, earnings and cash flow by expanding our addressable market and client base. The \$27.6 million of intangible assets are attributable to customer relationships, acquired software, and trade name and will be amortized over a weighted average period of approximately 10 years.

On May 31, 2022, we completed the acquisition of Quatred, LLC (Quatred), a systems integrator and barcode technology solutions provider. The total cash price was approximately \$637,000.

On February 8, 2022, we acquired US eDirect Inc. (US eDirect), a leading provider of technology solutions for campground and outdoor recreation management. The total purchase price, net of cash acquired of \$6.4 million, was approximately \$116.5 million, consisting of \$118.8 million paid in cash and approximately \$4.1 million related to indemnity holdbacks.

We have performed a valuation analysis of the fair market value of US eDirect's assets and liabilities. The following table summarizes the preliminary allocation of the purchase price as of the acquisition date:

Cash	\$ 6,361
Accounts receivable	1,730
Other current assets	594
Other noncurrent assets	698
Goodwill and identifiable intangible assets	125,541
Accounts payable	(1,881)
Accrued expenses	(357)
Other noncurrent liabilities	(742)
Deferred revenue	(688)
Deferred tax liabilities, net	(8,326)
Total consideration	\$122,930

In connection with this transaction, we acquired total tangible assets of \$9.4 million and assumed liabilities of approximately \$3.7 million. We recorded goodwill of approximately \$91.4 million, none of which is expected to be deductible for tax purposes, and other identifiable intangible assets of approximately \$34.1 million. The goodwill arising from this acquisition is primarily attributed to our ability to generate increased revenues, earnings, and cash flow by expanding our addressable market and client base. The identifiable intangible assets are attributable to customer relationships, acquired software, and trade name and will be amortized over a weighted average period of approximately 13 years. We recorded net deferred tax liabilities of \$8.3 million related to the tax effect of our estimated fair value allocations. Since the acquisition date, we recorded adjustments to the preliminary opening balance sheet attributed to decreases in other current assets, other noncurrent assets, identifiable intangible assets, accrued expenses, and deferred revenue, and increases in accounts receivable, accounts payable, and deferred tax liabilities, resulting in a net increase to goodwill of approximately \$10.3 million.

Notes to Consolidated Financial Statements

As of December 31, 2022, the purchase price allocations for US eDirect and Quatred are complete, while the purchase price allocation for Rapid is not final; therefore, certain preliminary valuation estimates of fair value assumed at the acquisition date for intangible assets, receivables, and related deferred taxes are subject to change as valuations are finalized. Our balance sheet as of December 31, 2022, reflects the allocation of the purchase price to the net assets acquired based on their estimated fair value at the date of the acquisition. The fair value of the assets and liabilities acquired are based on valuations using Level 3 unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Rapid and US eDirect are operated as a part of the digital government and payments solutions business unit (also known as the NIC division), therefore the following unaudited pro forma consolidated operating results information has been prepared as if the acquisitions of Rapid and US eDirect had occurred on January 1, 2021, and NIC had occurred on January 1, 2020, after giving effect to certain adjustments, including amortization of intangibles, transaction costs, and tax effects.

Years Ended December 31,	2022	2021	2020
Revenues	\$1,867,011	\$1,785,623	\$1,577,117
Net income	147,028	157,765	183,994
Basic earnings per share	\$ 3.54	\$ 3.86	\$ 4.60
Diluted earnings per share	\$ 3.47	\$ 3.73	\$ 4.43

The pro forma information above does not include acquisitions that are not considered material to our results of operations. The pro forma information does not purport to represent what our results of operations actually would have been had such transaction occurred on the date specified or to project our results of operations for any future period.

The actual operating results of Rapid, US eDirect, and NIC from their respective dates of acquisition are included with the operating results of the Platform Technologies segment. The operating results of Quatred are included in the operating results of the Enterprise Software segment since the date of acquisition. The impact of the 2022 acquisitions on our operating results, assets, and liabilities is not material. In the twelve months ended December 31, 2022, we incurred fees of approximately \$2.0 million for financial advisory, legal, accounting, due diligence, valuation, and other various services necessary to complete acquisitions. These costs were expensed in 2022 and are included in general and administrative expense in the accompanying consolidated statements of income.

2021

On September 9, 2021, we acquired all the equity interest of Ultimate Information Systems, Inc. (dba Arx). Arx is a cloud-based platform which creates accessible technology to enable a modern-day police force that is fully transparent, accountable, and a trusted resource to the community it serves. The total purchase price, net of cash acquired, was approximately \$12.8 million.

On September 1, 2021, we acquired VendEngine, Inc., a cloud-based software provider focused on financial technology for the corrections market. The total purchase price, net of cash acquired of \$1.7 million, was approximately \$83.6 million, consisting of \$81.6 million paid in cash, and approximately \$3.8 million related to indemnity holdbacks.

In connection with this transaction, we acquired total tangible assets of \$5.8 million and assumed liabilities of approximately \$3.0 million. We recorded goodwill of approximately \$54.3 million, none of which is expected to be deductible for tax purposes, and other identifiable intangible assets of approximately \$37.9 million. The \$37.9 million of intangible assets are attributable to customer relationships, acquired software, and trade name and will be amortized over a weighted average period of approximately 13 years. We recorded net deferred tax liabilities of \$9.6 million related to the tax effect of our estimated fair value allocations. In the twelve months ended December 31, we recorded adjustments to the preliminary opening balance sheet attributed to a decrease to accounts receivable, accounts payable, deferred income taxes, and an adjustment to the accrual for indemnity holdbacks and increases in identifiable intangible assets and accrued expenses resulting in a net decrease to goodwill of approximately \$4.4 million.

On April 21, 2021, we acquired NIC, Inc., a leading digital government solutions and payment company that primarily serves federal and state government agencies. The total purchase price, net of cash acquired of \$331.8 million, was approximately \$2.0 billion, consisting of cash paid of \$2.3 billion and \$1.9 million of purchase consideration related to the conversion of unvested restricted stock awards.

Notes to Consolidated Financial Statements

We have performed the valuation analysis of the fair market value of NIC's assets and liabilities. The following table summarizes the allocation of the purchase price as of the acquisition date:

Cash	\$ 331,783
Accounts receivable	149,515
Other current assets	12,988
Other noncurrent assets	20,974
Identifiable intangible assets	777,000
Goodwill	1,446,868
Accounts payable	(150,099)
Accrued expenses	(63,154)
Other noncurrent liabilities	(11,493)
Deferred revenue	(3,294)
Deferred tax liabilities, net	(190,596)
Total consideration	\$2,320,492

In connection with this transaction, we acquired total tangible assets of \$515.3 million and assumed liabilities of approximately \$228.0 million. We recorded goodwill of approximately \$1.4 billion, none of which is expected to be deductible for tax purposes, and other identifiable intangible assets of approximately \$777.0 million. The \$777.0 million of intangible assets are attributable to customer relationships, acquired software, and trade name and will be amortized over a weighted average period of approximately 17 years. We recorded net deferred tax liabilities of \$190.6 million related to the tax effect of our estimated fair value allocations. In the twelve months ended December 31, 2021, we recorded adjustments to the preliminary opening balance sheet attributed to a decrease to accounts receivable and increases in identifiable intangible assets, deferred revenue and related deferred taxes resulting in a net decrease to goodwill of approximately \$17.2 million.

NIC delivers user-friendly digital services that make it easier and more efficient for citizens and businesses to interact with government-providing valuable conveniences like applying for unemployment insurance, submitting business filings, renewing licenses, accessing information and making secure payments without visiting a government office. In addition, NIC has extensive expertise and scale in the government payments arena which will accelerate our strategic payments initiatives. Therefore, the goodwill of approximately \$1.4 billion arising from this acquisition is primarily attributed to our ability to generate increased revenues, earnings and cash flow by expanding our addressable market and client base.

On March 31, 2021, we acquired all the equity interest of Glass Arc, Inc. (dba ReadySub), a cloud-based platform that assists school districts with absence tracking, filling substitute teacher assignments, and automating essential payroll processes. The total cash price was approximately \$6.2 million, net of cash acquired.

On March 31, 2021, we acquired substantially all assets of DataSpec, Inc. (DataSpec), a provider of a SaaS solution that allows for secure electronic claims submission to the federal Department of Veterans Affairs and reporting capabilities, in addition to scheduling, calendaring, and payments. The total cash purchase price was approximately \$5.8 million.

The operating results of Arx, DataSpec, ReadySub, and VendEngine are included with the operating results of the Enterprise Software segment since their date of acquisition. The impact of the Arx, DataSpec, ReadySub, and VendEngine acquisitions, individually and in the aggregate, on our operating results, assets and liabilities is not material. The operating results of NIC are included in the Platform Technologies Segment. Revenues from NIC included in Tyler's results of operations totaled approximately \$368.9 million and net income was approximately \$37.2 million from the date of acquisition through December 31, 2021. In 2021, we incurred fees of approximately \$23.5 million for financial advisory, legal, accounting, due diligence, valuation and other various services necessary to complete these acquisitions. The Company also incurred \$1.6 million of expense related to a separation agreement with NIC's former Chief Executive Officer. These costs were expensed in 2021 and are included in general and administrative expense in the accompanying consolidated statements of income. As of December 31, 2022, the purchase price allocations for 2021 acquisitions are complete.

Notes to Consolidated Financial Statements

(3) PROPERTY AND EQUIPMENT, NET AND SOFTWARE DEVELOPMENT COSTS, NET

Property and equipment, net consists of the following at December 31:

	Useful Lives (years)	2022	2021
Land	—	\$ 22,908	\$ 22,523
Building and leasehold improvements	5-39	159,059	154,222
Computer equipment and purchased software	3-5	121,968	109,691
Furniture and fixtures	5	39,373	35,932
Transportation equipment	5	200	207
		343,508	322,575
Accumulated depreciation and amortization		(170,722)	(141,382)
Property and equipment, net		\$ 172,786	\$ 181,193

Depreciation expense was \$29.5 million in 2022, \$29.4 million in 2021, and \$25.5 million in 2020.

We paid \$4.5 million and \$12.8 million for real estate and the expansion of existing facilities in 2022 and 2021, respectively.

Software development costs, net consists of the following at December 31:

	Useful Lives (years)	2022	2021
Software development costs	3-5	\$ 59,904	\$32,274
Accumulated amortization		(11,715)	(3,785)
Software development costs, net		\$ 48,189	\$28,489

Amortization expense for software development costs is recorded to cost of revenues and general and administrative expense. Amortization expense for software development costs recorded to cost of revenues was \$6.5 million in 2022, \$2.3 million in 2021, and no expense in 2020. Amortization expense for software development costs recorded to general and administrative expense was \$1.4 million in 2022, no expense in 2021, and \$1.2 million in 2020.

Estimated annual amortization expense related to software development costs:

2023	\$11,038
2024	12,440
2025	11,236
2026	8,247
2027	3,924
Thereafter	1,304
	<u>\$48,189</u>

Notes to Consolidated Financial Statements

(4) GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for the two years ended December 31, 2022 are as follows:

	Enterprise Software	Platform Technologies	Total
Balance as of 12/31/2020	\$762,127	\$ 76,301	\$ 838,428
Goodwill acquired related to the purchase of NIC	—	1,446,868	1,446,868
Goodwill acquired related to the purchase of VendEngine	54,456	—	54,456
Goodwill acquired related to the purchase of other acquisitions	19,922	—	19,922
Balance as of 12/31/2021	836,505	1,523,169	2,359,674
Goodwill acquired related to the purchase of US eDirect	—	91,441	91,441
Goodwill acquired related to the purchase of Rapid	—	40,005	40,005
Purchase price adjustments related to the purchase of VendEngine	(204)	—	(204)
Purchase price adjustments related to the purchase of other acquisitions	(1,608)	—	(1,608)
Balance as of 12/31/2022	\$834,693	\$1,654,615	\$2,489,308

Other intangible assets and related accumulated amortization consists of the following at December 31:

	2022	2021
Gross carrying amount of other intangibles:		
Customer related intangibles	\$ 990,545	\$ 949,844
Acquired software	456,137	433,800
Trade names	45,293	45,353
Leases acquired	5,037	5,037
	1,497,012	1,434,034
Accumulated amortization	(494,848)	(381,541)
Total other intangibles, net	\$1,002,164	\$1,052,493

Amortization expense for acquired software is recorded to cost of revenues. Amortization expense for customer related intangibles, trade names and leases acquired is recorded to amortization of other intangibles. Total amortization expense for other intangibles was \$113.9 million in 2022, \$90.8 million in 2021, and \$53.9 million in 2020.

The amortization periods of other intangible assets are summarized in the following table:

	December 31, 2022			December 31, 2021		
	Gross Carrying Amount	Weighted Average Amortization Period	Accumulated Amortization	Gross Carrying Amount	Weighted Average Amortization Period	Accumulated Amortization
Non-amortizable intangibles:						
Goodwill	\$2,489,308	—	\$ —	\$2,359,674	—	\$ —
Amortizable intangibles:						
Customer related intangibles	\$ 990,545	20 years	\$209,501	\$ 949,844	21 years	\$157,077
Acquired software	456,137	5 years	260,642	433,800	7 years	208,451
Trade names	45,293	5 years	21,059	45,353	10 years	13,064
Leases acquired	5,037	9 years	3,646	5,037	9 years	2,949

Notes to Consolidated Financial Statements

Estimated annual amortization expense related to other intangibles:

2023	\$ 105,284
2024	89,192
2025	88,423
2026	80,722
2027	78,626
Thereafter	559,917
	<u>\$1,002,164</u>

(5) ACCRUED LIABILITIES

Accrued liabilities consist of the following at December 31:

	2022	2021
Accrued wages, bonuses and commissions	\$ 73,745	\$ 88,696
Other accrued liabilities	58,196	69,728
	<u>\$131,941</u>	<u>\$158,424</u>

(6) DEBT

The following table summarizes our total outstanding borrowings related to the 2021 Credit Agreement and Convertible Senior Notes:

	Rate	Maturity Date	December 31, 2022	December 31, 2021
2021 Credit Agreement				
Revolving credit facility	L + 1.50%	April 2026	\$ —	\$ —
Term Loan A-1	L + 1.50%	April 2026	290,000	585,000
Term Loan A-2	L + 1.25%	April 2024	105,000	170,000
Convertible Senior Notes due 2026	0.25%	March 2026	600,000	600,000
Total borrowings			995,000	1,355,000
Less: unamortized debt discount and debt issuance costs			(7,611)	(13,724)
Total borrowings, net			987,389	1,341,276
Less: current portion of debt			(30,000)	(30,000)
Carrying value			<u>\$957,389</u>	<u>\$1,311,276</u>

Notes to Consolidated Financial Statements

2021 CREDIT AGREEMENT

In connection with the completion of the acquisition of NIC on April 21, 2021, we, as borrower, entered into a new \$1.4 billion Credit Agreement (the “2021 Credit Agreement”) with the various lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender, and Issuing Lender. The 2021 Credit Agreement provides for (1) a senior unsecured revolving credit facility in an aggregate principal amount of up to \$500 million, including sub-facilities for standby letters of credit and swingline loans (the “Revolving Credit Facility”), (2) an amortizing five-year term loan in the aggregate amount of \$600 million (the “Term Loan A-1”), and (3) a non-amortizing three-year term loan in the aggregate amount of \$300 million (the “Term Loan A-2”) and, together (the “Term Loans”). The 2021 Credit Agreement matures on April 20, 2026, and the loans may be prepaid at any time, without premium or penalty, subject to certain minimum amounts and payment of any LIBOR breakage costs. In addition to the required amortization payments on the Term Loan A-1 of 5% annually, certain mandatory quarterly prepayments of the Term Loans and the Revolving Credit Facility will be required (i) upon the issuance or incurrence of additional debt not otherwise permitted under the 2021 Credit Agreement and (ii) upon the occurrence of certain asset sales and insurance and condemnation recoveries, subject to certain thresholds, baskets, and reinvestment provisions as provided in the 2021 Credit Agreement.

Borrowings under the Revolving Credit Facility and the Term Loan A-1 bear interest, at the Company’s option, at a per annum rate of either (1) the Administrative Agent’s prime commercial lending rate (subject to certain higher rate determinations) (the “Base Rate”) plus a margin of 0.125% to 0.75% or (2) the one-, three-, six-, or, subject to approval by all lenders, twelve-month LIBOR rate plus a margin of 1.125% to 1.75%. The Term Loan A-2 bears interest, at the Company’s option, at a per annum rate of either (1) the Base Rate plus a margin of 0% to 0.5% or (2) the one-, three-, six-, or, subject to approval by all lenders, twelve-month LIBOR rate plus a margin of 0.875% to 1.5%. The margin in each case is based upon the Company’s total net leverage ratio, as determined pursuant to the 2021 Credit Agreement. The 2021 Credit Agreement has customary benchmark replacement language with respect to the replacement of LIBOR once LIBOR becomes unavailable. In addition to paying interest on the outstanding principal of loans under the Revolving Credit Facility, the Company is required to pay a commitment fee on the average daily unused portion of the Revolving Credit Facility, currently 0.25% per annum, ranging from 0.15% to 0.3% based upon the Company’s total net leverage ratio.

LIBOR, the London Inter-Bank Offered Rate, is currently anticipated to be phased out in June 2023 and is expected to transition to a new standard rate, the Secured Overnight Financing Rate (“SOFR”), which will incorporate certain overnight repo market data collected from multiple data sets. In January 2023, we amended³ our 2021 Credit Agreement to replace the LIBOR reference rate with the SOFR reference rate. Assuming that SOFR replaces LIBOR and is appropriately adjusted to equate to one-month LIBOR, we expect that there should be minimal impact on our operations.

The net proceeds from the borrowings under the 2021 Credit Agreement were \$1.1 billion, net of debt discounts of \$7.2 million and debt issuance costs of \$4.9 million and \$6.4 million of commitment fees paid related to the terminated \$1.6 billion unsecured bridge loan facility. On the Closing Date, the Company paid approximately \$2.3 billion in cash for the purchase of NIC. The Term Loans of \$900 million and a portion of the proceeds of the Revolving Credit Facility, in the amount of \$250 million, together with cash available to the Company of \$609 million and the net proceeds of its Convertible Senior Notes of \$594 million, were used to complete the acquisition and pay fees and expenses in connection with the acquisition and the 2021 Credit Agreement. The remaining portion of the Revolving Credit Facility may be used for working capital requirements, acquisitions, and capital expenditures of the Company and its subsidiaries.

The 2021 Credit Agreement requires us to maintain certain financial ratios and other financial conditions and prohibits us from making certain investments, advances, cash dividends or loans, and limits incurrence of additional indebtedness and liens. As of December 31, 2022, we were in compliance with those covenants.

The carrying amount is the par value of the Revolving Credit Facility and Term Loans less the debt discount and debt issuance costs that are amortized to interest expense using the effective interest method over the terms of the Term Loans. Interest expense is included in the accompanying consolidated statements of income.

³ The foregoing is a summary of the amended terms and conditions of the 2021 Credit Agreement and not a complete description of the Third Amendment to Credit Agreement, dated January 27, 2023. Accordingly, the foregoing is qualified in its entirety by reference to the full text of the Third Amendment to Credit Agreement attached to this Current Report on Form 10-K as Exhibit 4.2, which is incorporated by reference.

Notes to Consolidated Financial Statements

Convertible Senior Notes due 2026

On March 9, 2021, we issued 0.25% Convertible Senior Notes due 2026 in the aggregate principal amount of \$600.0 million (“the Convertible Senior Notes” or “the Notes”). The Convertible Senior Notes were issued pursuant to, and are governed by, an indenture (the “Indenture”), dated as of March 9, 2021, with U.S. Bank National Association, as trustee. The net proceeds from the issuance of the Convertible Senior Notes were \$591.4 million, net of initial purchasers’ discounts of \$6.0 million and debt issuance costs of \$2.6 million.

The Convertible Senior Notes are senior, unsecured obligations and are (i) equal in right of payment with our future senior, unsecured indebtedness; (ii) senior in right of payment to our future indebtedness that is expressly subordinated to the Notes; (iii) effectively subordinated to our future secured indebtedness, to the extent of the value of the collateral securing that indebtedness; and (iv) structurally subordinated to all future indebtedness and other liabilities, including trade payables, and (to the extent we are not a holder thereof) preferred equity, if any, of our subsidiaries.

The Convertible Senior Notes accrue interest at a rate of 0.25% per annum, payable semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2021. The Convertible Senior Notes mature on March 15, 2026, unless earlier repurchased, redeemed, or converted.

Before September 15, 2025, holders of the Convertible Senior Notes have the right to convert their Convertible Senior Notes only upon the occurrence of certain events. Under the terms of the Indenture, the Convertible Senior Notes are convertible into common stock of Tyler Technologies, Inc. (referred to as “our common stock” herein) at the following times or circumstances:

- during any calendar quarter commencing after the calendar quarter ended June 30, 2021, if the last reported sale price per share of our common stock exceeds 130% of the conversion price for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter;
- during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the “Measurement Period”) if the trading price per \$1,000 principal amount of Convertible Senior Notes, as determined following a request by their holder in accordance with the procedures in the Indenture, for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day;
- upon the occurrence of certain corporate events or distributions on our common stock, including but not limited to a “Fundamental Change” (as defined in the Indenture);
- upon the occurrence of specified corporate events; or
- on or after September 15, 2025, until the close of business on the second scheduled trading day immediately preceding the maturity date, March 15, 2026.

With certain exceptions, upon a change of control or other fundamental change (both as defined in the Indenture governing the Convertible Senior Notes), the holders of the Convertible Senior Notes may require us to repurchase all or part of the principal amount of the Convertible Senior Notes at a repurchase price equal to 100% of the principal amount of the Convertible Senior Notes, plus any accrued and unpaid interest to, but excluding, the redemption date.

As of December 31, 2022, none of the conditions allowing holders of the Convertible Senior Notes to convert have been met.

From and including September 15, 2025, holders of the Convertible Senior Notes may convert their Convertible Senior Notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date. We will settle any conversions of the Convertible Senior Notes either entirely in cash or in a combination of cash and shares of our common stock, at our election. However, upon conversion of any Convertible Senior Notes, the conversion value, which will be determined over an “Observation Period” (as defined in the Indenture) consisting of 30 trading days, will be paid in cash up to at least the principal amount of the Notes being converted.

Notes to Consolidated Financial Statements

The initial conversion rate is 2.0266 shares of common stock per \$1,000 principal amount of Convertible Senior Notes, which represents an initial conversion price of approximately \$493.44 per share of common stock. The conversion rate and conversion price will be subject to adjustment upon the occurrence of certain events. In addition, if certain corporate events that constitute a “Make-Whole Fundamental Change” (as defined in the Indenture) occur, then the conversion rate will, in certain circumstances, be increased for a specified period of time.

The Convertible Senior Notes are redeemable, in whole or in part, at our option at any time, and from time to time, on or after March 15, 2024 and on or before the 30th scheduled trading day immediately before the maturity date, at a cash redemption price equal to the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, up to, but excluding, the redemption date, but only if the last reported sale price per share of our common stock exceeds 130% of the conversion price of the Notes on (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date we send the related redemption notice; and (ii) the trading day immediately before the date we send such notice. In addition, calling any Note for redemption constitutes a Make-Whole Fundamental Change with respect to that Note, in which case the conversion rate applicable to the conversion of that Note will be increased in certain circumstances if it is converted after it is called for redemption.

Effective Interest

The weighted average interest rates for the borrowings under the 2021 Credit Agreement and Convertible Senior Notes due 2026 were 5.82% and 0.25%, as of December 31, 2022, respectively. During the twelve months ended December 31, 2022, the effective interest rates for our borrowings were 3.79% and 0.54% for the 2021 Credit Agreement and the Convertible Senior Notes, respectively. The following sets forth the interest expense recognized related to the borrowings under the 2021 Credit Agreement and Convertible Senior Notes and is included in interest expense in the accompanying consolidated statements of income:

Years Ended December 31,	2022	2021	2020
Contractual interest expense – Revolving Credit Facility	\$ (1,267)	\$ (1,244)	\$ —
Contractual interest expense – Term Loans	(18,583)	(9,341)	—
Contractual interest expense – Convertible Senior Notes	(1,500)	(1,213)	—
Amortization of debt discount and debt issuance costs	(7,029)	(3,297)	—
Interest expense and amortization of debt issuance costs – terminated 2019 Credit Agreement and Senior Unsecured Bridge loan facility	—	(8,203)	(1,013)
Total	\$(28,379)	\$(23,298)	\$(1,013)

As of December 31, 2022, we had one outstanding standalone letter of credit totaling \$1.5 million. The letter of credit, which guarantees our performance under a client contract, renews automatically annually unless canceled in writing, and expires in the third quarter of 2026. For the twelve months ended December 31, 2022, we repaid \$360 million of the Term Loans under the 2021 Credit Agreement.

As of December 31, 2022, the required annual maturities related to the 2021 Credit Agreement and the Convertible Senior Notes due 2026 were as follows:

Year ending December 31,	Annual Maturities
2023	\$ 30,000
2024	135,000
2025	30,000
2026	800,000
2027	—
Total required maturities	\$995,000

Notes to Consolidated Financial Statements

(7) FINANCIAL INSTRUMENTS

The following table presents our financial instruments:

December 31,	2022	2021
Cash and cash equivalents	\$173,857	\$309,171
Held-to-maturity investments	—	98,653
Available-for-sale investments	55,538	—
Equity investments	10,000	10,000
Total	\$239,395	\$417,824

Cash and cash equivalents consist primarily of money market funds with original maturity dates of three months or less, for which we determine fair value through quoted market prices.

Our available-for-sale securities were historically classified as held-to-maturity. Management determined that our investment portfolio would be transferred from held-to-maturity to available-for-sale, in order to have the flexibility to buy and sell investments and maximize cash liquidity for potential acquisitions or for debt repayments. Accordingly, our investment portfolio is now classified as available-for-sale as of December 31, 2022. Our available-for-sale investments primarily consist of investment grade corporate bonds, municipal bonds, and asset-backed securities with maturity dates through 2027. These investments are presented at fair value and are included in short-term investments and non-current investments in the accompanying consolidated balance sheets. Unrealized gains or losses associated with the investments are included in accumulated other comprehensive loss, net of tax in the accompanying consolidated balance sheets and statements of comprehensive income. For our available-for-sale investments, we do not have the intent to sell, nor is it more likely than not that we would be required to sell before recovery of their cost basis.

As of December 31, 2022, we have an accrued interest receivable balance of approximately \$200,000 which is included in accounts receivable, net. We do not measure an allowance for credit losses for accrued interest receivables. We record any losses within the maturity period or at the time of sale of the investment and any write-offs to accrued interest receivables are recorded as a reduction to interest income in the period of the loss. During the twelve months ended December 31, 2022, we have recorded no credit losses for accrued interest receivables. Interest income and amortization of discounts and premiums are included in other income, net in the accompanying consolidated statements of income.

The following table presents the components of our available-for-sale investments:

December 31,	2022	2021
Amortized cost	\$56,670	\$ —
Unrealized gains	16	—
Unrealized losses	(1,148)	—
Estimated fair value	\$55,538	\$ —

As of December 31, 2022, we have \$37.0 million of available-for-sale debt securities with contractual maturities of one year or less and \$18.5 million with contractual maturities great than one year. As of December 31, 2022, 24 available-for-sale debt securities with a fair value of \$25.8 million have been in a loss position for one year or less and 28 securities with a fair value of \$23.1 million have been in a loss position for greater than one year.

Notes to Consolidated Financial Statements

The following table presents the activity on our available-for-sale or held-to-maturity investments:

Years Ended December 31,	2022	2021	2020
Proceeds from sales and maturities	\$71,034	\$131,449	\$82,742
Realized losses on sales, net of tax	(79)	—	—

Our equity investments consist of an 18% interest in BFTR, LLC., a wholly owned subsidiary of Bison Capital Partners V L.P. BFTR, LLC, a privately held Australian company specializing in digitizing the spoken word in court and legal proceedings. The investment in common stock is accounted for under the equity method because we do not have the ability to exercise significant influence over the investee; and as the securities do not have readily determinable fair values, our investment is carried at cost less any impairment write-downs.

(8) OTHER COMPREHENSIVE LOSS

The following tables present the changes in the balances of accumulated other comprehensive loss, net of tax by component:

	Unrealized Loss On Available-for-Sales Securities	Other	Accumulated Other Comprehensive Loss
Balance as of December 31, 2020	\$ (46)	\$ —	\$ (46)
Other comprehensive income before reclassifications	—	—	—
Amounts reclassified to net income	—	—	—
Other comprehensive income (loss)	—	—	—
Balance as of December 31, 2021	\$ (46)	\$ —	\$ (46)
Other comprehensive loss before reclassifications	(850)	—	(850)
Reclassification adjustment of unrealized losses on securities transferred from held-to-maturity	(27)	—	(27)
Reclassification adjustment for net loss on sale of available for sale securities, included in net income	79	—	79
Other comprehensive loss	(798)	—	(798)
Balance as of December 31, 2022	\$(844)	\$ —	\$(844)

(9) FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability. Guidance on fair value measurements and disclosures establishes a valuation hierarchy for disclosure of inputs used in measuring fair value defined as follows:

- Level 1—Inputs are unadjusted quoted prices that are available in active markets for identical assets or liabilities.
- Level 2—Inputs include quoted prices for similar assets and liabilities in active markets and quoted prices in non-active markets, inputs other than quoted prices that are observable, and inputs that are not directly observable, but are corroborated by observable market data.
- Level 3—Inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment.

Notes to Consolidated Financial Statements

The classification of a financial asset or liability within the hierarchy is determined based on the least reliable level of input that is significant to the fair value measurement. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. We also consider the counterparty and our own non-performance risk in our assessment of fair value.

The following table presents fair values of our financial and debt instruments categorized by their fair value hierarchy as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Available-for-sale investments	\$ —	\$ 55,538	\$ —	\$ 55,538
Equity investments	—	—	10,000	10,000
2021 Credit Agreement				
Revolving Credit Facility	—	—	—	—
Term Loan A-1	—	288,302	—	288,302
Term Loan A-2	—	104,603	—	104,603
Convertible Senior Notes due 2026	—	560,910	—	560,910

Assets that are Measured at Fair Value on a Recurring Basis

Cash and cash equivalents, accounts receivables, accounts payables, short-term obligations and certain other assets at cost approximate fair value because of the short maturity of these instruments.

As of December 31, 2022, we have \$55.5 million in investment grade corporate bonds, municipal bonds, and asset-backed securities with maturity dates through 2027. The fair values of these securities are considered Level 2 as they are based on inputs from quoted prices in markets that are not active or other observable market data.

Assets that are Measured at Fair Value on a Nonrecurring Basis

As of December 31, 2022, we have an 18% interest in BFTR, LLC. The investment in common stock is accounted under the equity method because we do not have the ability to exercise significant influence over the investee and the securities do not have readily determinable fair values. Our investment is carried at cost less any impairment write-downs. Periodically, our equity method investments are assessed for impairment. We do not reassess the fair value of equity method investments if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investments. No events or changes in circumstances have occurred during the period that require reassessment. There has been no impairment of our equity method investment for the periods presented. This investment is included in other non-current assets in the accompanying consolidated balance sheets.

We assess goodwill for impairment annually on October 1. In addition, we review goodwill, property and equipment, and other intangibles for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. During the fourth quarter of 2022, we completed our annual assessment of goodwill which did not result in an impairment charge. Further, we identified no indicators of impairment to long-lived and other assets and therefore, no impairment was recorded as of and for the period ended December 31, 2022.

Financial instruments measured at fair value only for disclosure purposes

The fair value of our borrowing under our 2021 Credit Agreement would approximate book value as of December 31, 2022, because our interest rates reset approximately every 30 days or less.

The carrying amount of the Revolving Credit Facility and Term Loans is the par value less the debt discount and debt issuance costs that are amortized to interest expense using the effective interest method over the terms of the Term Loans. Interest expense is included in the accompanying consolidated statements of income.

Notes to Consolidated Financial Statements

The fair value of our Convertible Senior Notes due 2026 is determined based on quoted market prices for a similar liability when traded as an asset in an active market, a Level 2 input. See Note 6, “Debt,” for further discussion.

The carrying amount of the Convertible Senior Notes is the par value less the debt discount and debt issuance costs that are amortized to interest expense using the effective interest method over the term of the Convertible Senior Notes. Interest expense is included in the accompanying consolidated statements of income.

The following table presents the fair value and carrying value, net, of the 2021 Credit Agreement and our Convertible Notes due 2026):

	Fair Value at December 31,		Fair Value at December 31,	
	2022	2021	2022	2021
2021 Credit Agreement				
Revolving Credit Facility	\$ —	\$ —	\$ —	\$ —
Term Loan A-1	288,302	580,515	288,302	580,515
Term Loan A-2	104,603	167,997	104,603	167,996
Convertible Notes due 2026	560,910	736,662	594,484	592,765
	<u>\$953,815</u>	<u>\$1,485,174</u>	<u>\$987,389</u>	<u>\$1,341,276</u>

(10) INCOME TAX

Income tax provision (benefit) on income from operations consists of the following:

Years Ended December 31,	2022	2021	2020
Current:			
Federal	\$ 84,570	\$ 7,591	\$(10,538)
State	25,975	3,203	(1,304)
	110,545	10,794	(11,842)
Deferred	(87,192)	(13,271)	(7,936)
	<u>\$ 23,353</u>	<u>\$ (2,477)</u>	<u>\$(19,778)</u>

Reconciliation of the U.S. statutory income tax rate to our effective income tax expense rate for operations follows:

Years Ended December 31,	2022	2021	2020
Federal income tax expense at statutory rate	\$ 39,395	\$ 33,386	\$ 36,759
State income tax, net of federal income tax benefit	9,197	5,594	6,677
Net operating loss carryback	(261)	3,391	(3,445)
Excess tax benefits of share-based compensation	(7,752)	(47,675)	(60,190)
Tax credits	(31,334)	(4,999)	(3,867)
Non-deductible business expenses	5,425	7,542	4,199
Uncertain tax positions	8,338	(425)	—
Other, net	345	709	89
	<u>\$ 23,353</u>	<u>\$ (2,477)</u>	<u>\$(19,778)</u>

In 2022, we completed a multi-year research and development tax credit study, which resulted in a \$31.3 million research tax credit benefit.

Notes to Consolidated Financial Statements

The tax effects of the major items recorded as deferred tax assets and liabilities as of December 31 are:

	2022	2021
Deferred income tax assets:		
Capitalized research and experimental expenditures	\$ 76,731	\$ —
Operating expenses not currently deductible	17,263	16,639
Stock option and other employee benefit plans	21,373	19,596
Loss and credit carryforwards	8,589	18,604
Deferred revenue	4,405	4,717
Other	289	—
Total deferred income tax assets	128,650	59,556
Valuation allowance	—	—
Total deferred income tax assets, net of valuation allowance	128,650	59,556
Deferred income tax liabilities:		
Intangible assets	(256,818)	(266,827)
Property and equipment	(11,220)	(12,272)
Prepaid expenses	(9,503)	(8,542)
Total deferred income tax liabilities	(277,541)	(287,641)
Net deferred income tax liabilities	\$(148,891)	\$(228,085)

As of December 31, 2022, the capitalization and amortization requirements of research and experimental expenditures pursuant to the TCJA changes to Internal Revenue Code Section 174 resulted in a deferred tax asset of \$76.7 million.

As of December 31, 2022, we had federal net operating loss carryforwards of approximately \$22.9 million, after-tax state net operating loss carryforwards of approximately \$1.6 million, and tax credit carryforwards of approximately \$4.1 million. The federal net operating loss carryforward will begin to expire in 2037, if not utilized, and a portion of the state net operating loss and tax credit carryforwards begin expiring in 2033, if not utilized.

The acquired carryforwards are subject to an annual limitation but are expected to be realized. We believe it is more likely than not that all other deferred tax assets will be realized. However, the amount of the deferred tax asset considered realizable could be adjusted in the future if estimates of reversing taxable temporary differences are revised.

The following table provides a reconciliation of the gross unrecognized tax benefits from uncertain tax positions for the years ended December 31:

	2022	2021
Balance at beginning of period	\$ 4,635	\$ 1,929
Additions for tax positions of prior period	5,522	4,508
Reductions for tax positions of prior period	(170)	(10)
Additions for tax positions of current period	5,804	212
Settlements	—	—
Expiration of statutes of limitations	(1,160)	(2,004)
Balance at end of period	\$14,631	\$ 4,635

As of December 31, 2022, \$1.9 million of the unrecognized tax benefits are reflected as a decrease in deferred income taxes and \$12.7 million are included in other long-term liabilities in our consolidated balance sheets. The total amount of unrecognized tax benefits, net of federal income tax benefit of state taxes, if recognized, that would affect the effective tax rate is \$13.9 million as of December 31, 2022, and \$4.3 million and \$1.9 million as of December 31, 2021, and 2020, respectively. It is reasonably possible that events will occur during the next 12 months that would cause the total amount of unrecognized tax benefits to increase or decrease. However, we do not expect such increases or decreases to be material to the financial condition or results of operations.

Notes to Consolidated Financial Statements

We are subject to U.S. federal income tax, as well as income tax of multiple state, local and foreign jurisdictions. We are routinely subject to income tax examinations by these taxing jurisdictions, but we do not have a history of, nor do we expect any material adjustments as a result of these examinations. With few exceptions, major U.S. federal, state, local and foreign jurisdictions are no longer subject to examination for years before 2018. As of February 22, 2023, no significant adjustments have been proposed by any taxing jurisdiction.

We recognize interest and penalties related to uncertain tax positions as a component of income tax expense in the consolidated statements of income. Accrued interest and penalty amounts were not significant at December 31, 2022.

(11) SHAREHOLDERS' EQUITY

The following table details activity in our common stock:

	Years Ended December 31,					
	2022		2021		2020	
	Shares	Amount	Shares	Amount	Shares	Amount
Purchases of treasury shares	—	\$ —	(33)	\$(12,977)	(59)	\$(15,484)
Stock option exercises	186	26,329	627	96,714	1,174	124,363
Employee stock plan purchases	49	16,651	35	13,158	40	10,912
Restricted stock units vested, net of withheld shares						
upon award settlement	176	(27,219)	147	(25,158)	76	(12,923)
Shares issued for acquisition	56	18,169	—	—	—	—

As of February 22, 2023, we had authorization from our board of directors to repurchase up to 2.3 million additional shares of our common stock.

(12) SHARE-BASED COMPENSATION

Share-Based Compensation Plan

In May 2018, stockholders approved the Tyler Technologies, Inc. 2018 Stock Incentive Plan ("the 2018 Plan") which amended and restated the existing Tyler Technologies, Inc. 2010 Stock Option Plan ("the 2010 Plan"). Upon stockholder approval of the 2018 Plan, the remaining shares available for grant under the 2010 Plan were added to the shares authorized for grant under the 2018 Plan. Additionally, any awards previously granted under the 2010 Plan that expire unexercised or are forfeited are added to the shares authorized for grant under the 2018 Plan.

During fiscal year 2022, we granted stock awards under the 2018 Plan in the form of stock options, restricted stock units and performance share units. Stock options generally vest after three to six years of continuous service from the date of grant and have a contractual term of 10 years. Once options become exercisable, the employee can purchase shares of our common stock at the market price on the date we granted the option. Restricted stock unit grants generally vest ratably over three to five years of continuous service from the date of grant. Each performance share unit represents the right to receive one share of our common stock based on our achievement of certain financial performance targets during applicable performance periods. We account for share-based compensation utilizing the fair value recognition pursuant to ASC 718, *Stock Compensation*.

As of December 31, 2022, there were 1.3 million shares available for future grants under the 2018 Plan from the 22.9 million shares previously approved by the shareholders.

Notes to Consolidated Financial Statements

Determining Fair Value of Stock Compensation

Valuation and Amortization Method. We estimate the fair value of stock option awards granted using the Black-Scholes option valuation model. For restricted stock unit and performance stock unit awards, we estimate fair value as market value on the date of grant. We amortize the fair value of all awards on a straight-line basis over the requisite service periods, which are generally the vesting periods.

Expected Life. The expected life of awards granted represents the period of time that they are expected to be outstanding. The expected life represents the weighted-average period the stock options are expected to be outstanding based primarily on the options' vesting terms, remaining contractual life and the employees' expected exercise based on historical patterns.

Expected Volatility. Using the Black-Scholes option valuation model, we estimate the volatility of our common stock at the date of grant based on the historical volatility of our common stock.

Risk-Free Interest Rate. We base the risk-free interest rate used in the Black-Scholes option valuation model on the implied yield currently available on U.S. Treasury zero-coupon issues with an equivalent remaining term equal to the expected life of the award.

Expected Dividend Yield. We have not paid any cash dividends on our common stock in more than ten years and we do not anticipate paying any cash dividends in the foreseeable future. Consequently, we use an expected dividend yield of zero in the Black-Scholes option valuation model.

Expected Forfeitures. We use historical data to estimate pre-vesting option forfeitures. We record share-based compensation only for those awards that are expected to vest.

The following weighted average assumptions were used for options granted:

Years Ended December 31,	2022	2021	2020
Expected life (in years)	5.0	5.0	5.0
Expected volatility	28.3%	26.1%	27.0%
Risk-free interest rate	3.3%	1.0%	0.4%
Expected forfeiture rate	—%	—%	—%

Share-Based Award Activity

The following table summarizes restricted stock unit and performance stock unit activity during the periods presented (shares in thousands):

	Number of Shares	Weighted Average Grant Date Fair Value per Share
Unvested at December 31, 2021	600	\$355.43
Granted	240	374.16
Conversion of Unvested Restricted Stock Awards	—	—
Vested	(246)	316.10
Forfeited	(26)	392.35
Unvested at December 31, 2022	568	\$376.07

Notes to Consolidated Financial Statements

Options granted, exercised, forfeited and expired are summarized as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2021	1,620	206.06		
Granted	90	349.05		
Exercised	(186)	141.54		
Forfeited	(13)	292.50		
Outstanding at December 31, 2022	1,511	\$221.38	5	\$175,246
Exercisable at December 31, 2022	1,249	\$195.54	5	\$167,620

We had unvested options to purchase approximately 267,000 shares with a weighted average grant date exercise price of \$346.14 as of December 31, 2022, and unvested options to purchase approximately 445,000 shares with a weighted average grant date exercise price of \$293.84 as of December 31, 2021.

Other information pertaining to option activity was as follows during the twelve months ended December 31:

	2022	2021	2020
Weighted average grant-date fair value of stock options granted	\$108.99	\$ 113.18	\$ 98.69
Total intrinsic value of stock options exercised	\$43,160	\$215,062	\$292,394

Share-Based Compensation Expense

The following table summarizes share-based compensation expense related to share-based awards which is recorded in the consolidated statements of income:

Years Ended December 31,	2022	2021	2020
Subscriptions, maintenance and professional services	\$ 27,486	\$ 23,705	\$ 18,125
Sales and marketing expense	8,800	8,834	7,904
General and administrative expense	66,699	72,187	41,336
Total share-based compensation expense	102,985	104,726	67,365
Total tax benefit	(27,599)	(63,456)	(66,241)
Net decrease in net income	\$ 75,386	\$ 41,270	\$ 1,124

As of December 31, 2022, we had \$175.6 million of total unrecognized compensation cost related to unvested options and restricted stock units, net of expected forfeitures, which is expected to be amortized over a weighted average amortization period of 2.7 years.

Employee Stock Purchase Plan

Under our Employee Stock Purchase Plan ("ESPP") participants may contribute up to 15% of their annual compensation to purchase common shares of Tyler. The purchase price of the shares is equal to 85% of the closing price of Tyler shares on the last day of each quarterly offering period. As of December 31, 2022, there were 576,000 shares available for future issuances under the ESPP from the 2.0 million shares previously approved by the stockholders.

Notes to Consolidated Financial Statements

(13) EARNINGS PER SHARE

The following table details the reconciliation of basic earnings per share to diluted earnings per share:

Years Ended December 31,	2022	2021	2020
Numerator for basic and diluted earnings per share:			
Net income	\$164,240	\$161,458	\$194,820
Denominator:			
Weighted-average basic common shares outstanding	41,544	40,848	40,035
Assumed conversion of dilutive securities:			
Stock awards	855	1,382	1,491
Convertible Senior Notes	—	14	—
Denominator for diluted earnings per share – Adjusted weighted-average shares	42,399	42,244	41,526
Earnings per common share:			
Basic	\$ 3.95	\$ 3.95	\$ 4.87
Diluted	\$ 3.87	\$ 3.82	\$ 4.69

Share-based awards representing the right to purchase common stock of 372,000 shares in 2022, 117,000 shares in 2021, and 132,000 shares in 2020, were not included in the computation of diluted earnings per share because their inclusion would have had an antidilutive effect.

We have used the if-converted method for calculating any potential dilutive effect of the Convertible Senior Notes due 2026 on our diluted net income per share. Under the if-converted method, the Notes are assumed to be converted at the beginning of the period and the resulting common shares are included in the denominator of the diluted earnings per share calculation for the entire period being presented and interest expense, net of tax, recorded in connection with the Convertible Senior Notes is not added back to the numerator, only in the periods in which such effect is dilutive. The approximately 1.2 million remaining resulting common shares related to the Notes are not included in the dilutive weighted-average common shares outstanding calculation for the twelve months ended December 31, 2022, as their effect would be antidilutive given none of the conversion features have been triggered. See Note 6, “Debt,” for discussion on the conversion features related to the Convertible Senior Notes.

(14) LEASES

We lease office facilities for use in our operations, as well as transportation and other equipment. Most of our leases are non-cancelable operating lease agreements with original maturities between one to 12 years. Some of these leases include options to extend for up to six years. We have no finance leases and no related party lease agreements as of December 31, 2022. Right-of-use lease assets and lease liabilities for our operating leases are recorded in the consolidated balance sheets. During 2022, we incurred lease restructuring costs, resulting in an additional \$1.7 million of operating lease costs.

The components of operating lease expense were as follows:

Lease Costs	Years ended December 31,		
	2022	2021	2020
Operating lease cost	\$14,743	\$11,095	\$ 6,524
Short-term lease cost	2,166	2,308	1,940
Variable lease cost	1,047	1,659	1,760
Net lease cost	\$17,956	\$15,062	\$10,224

Notes to Consolidated Financial Statements

Supplemental information related to leases is as follows:

Other Information	Years ended December 31,	
	2022	2021
Cash flows:		
Cash paid amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	\$ 13,562	\$ 11,432
Right-of-use assets obtained in exchange for lease obligations (non-cash):		
Operating leases	\$ 25,171	\$ 20,140
Lease term and discount rate:		
Weighted average remaining lease term (years)	7	6
Weighted average discount rate	1.57%	1.81%

As of December 31, 2022, maturities of lease liabilities were as follows:

Year ending December 31,	Amount
2023	\$11,054
2024	10,878
2025	8,942
2026	7,022
2027	5,943
Thereafter	17,876
Total lease payments	61,715
Less: Interest	(2,930)
Present value of operating lease liabilities	\$58,785

Rental Income from third parties

We own office buildings in Bangor, Falmouth and Yarmouth, Maine; Lubbock and Plano, Texas; Troy, Michigan; Latham, New York; and Moraine, Ohio. We lease space in some of these buildings to third-party tenants. The property we lease to others under operating leases consists primarily of specific facilities where one tenant obtains substantially all of the economic benefit from the asset and has the right to direct the use of the asset. These non-cancelable leases expire between 2023 and 2027, and some have options to extend the lease for up to 10 years. We determine if an arrangement is a lease at inception. None of our leases allow the lessee to purchase the leased asset.

Rental income from third-party tenants was \$1.7 million in 2022, \$1.2 million in 2021, and \$1.1 million in 2020. Rental income is included in hardware and other revenue on the consolidated statements of income. Future minimum operating rental income based on contractual agreements is as follows:

Year ending December 31,	Amount
2023	\$ 1,881
2024	1,904
2025	1,363
2026	408
2027	131
Thereafter	—
Total	\$ 5,687

As of December 31, 2022, we had no additional significant operating or finance leases that had not yet commenced.

Notes to Consolidated Financial Statements

(15) EMPLOYEE BENEFIT PLANS

We provide a defined contribution plan for the majority of our employees meeting minimum service requirements. Eligible employees can contribute up to 30% of their current compensation to the plan subject to certain statutory limitations. We contribute up to a maximum of 3% of an employee's compensation to the plan. We made contributions to the plan and charged operating results \$17.5 million in 2022, \$15.6 million in 2021, and \$12.7 million in 2020.

(16) COMMITMENTS AND CONTINGENCIES

Litigation

During the first quarter 2022, the Company received a notice of termination for convenience for professional services under a contractual arrangement with a state client. Upon receipt of the termination notice, we ceased performing services under the contractual arrangement and sought payment of contractually owed fees of approximately \$15 million in connection with the termination for convenience. As of December 31, the total exposure in our financial statements included the remaining balance of net billed accounts receivable for licenses and services rendered under the contract of approximately \$12 million.

The client was unresponsive to company outreach for several months. On August 23, 2022, the Company filed a lawsuit to enforce our rights and remedies under the applicable contractual arrangement. The client has not filed responsive pleadings and no other significant activity has occurred in the lawsuit. Although we believe our products and services were delivered in accordance with the terms of our contract and that we are entitled to payment in connection with the termination for convenience, at this time the matter remains unresolved. We are unable to estimate the probability of a favorable or unfavorable outcome with respect to the dispute or estimate the amount of potential loss, if any, related to this matter. We can provide no assurances that we will not incur additional costs as we pursue our rights and remedies under the contract.

Purchase Commitments

We have contractual obligations for third-party technology used in our solutions and for other services we purchase as part of our normal operations. In certain cases, these arrangements require a minimum annual purchase commitment by us. As of December 31, 2022, the remaining aggregate minimum purchase commitment under these arrangements was approximately \$264 million through 2028. Future minimum payments related to purchase commitments based on contractual agreements is as follows:

Year ending December 31,	Amount
2023	\$ 41,210
2024	41,862
2025	39,730
2026	42,681
2027	42,734
Thereafter	56,245
Total	\$264,462

Notes to Consolidated Financial Statements

(17) SEGMENT AND RELATED INFORMATION

We provide integrated information management solutions and services for the public sector.

We provide our software systems and related professional services and appraisal services through seven business units, which focus on the following products:

- financial management, education and planning, regulatory, and maintenance software solutions;
- financial management, municipal courts, planning, regulatory, and maintenance software solutions;
- courts and justice and public safety software solutions;
- data and insights solutions;
- appraisal and tax software solutions, land and vital records management software solutions, and property appraisal services;
- development platform solutions including case management and business process management; and
- digital government and payments solutions.

In accordance with ASC 280-10, *Segment Reporting*, we report our results in two reportable segments. The Enterprise Software (“ES”) reportable segment provides public sector entities with software systems and services to meet their information technology and automation needs for mission-critical “back-office” functions such as: financial management and education; planning, regulatory and maintenance; courts and justice; public safety; data and insights; appraisal and tax software solutions; land and vital records management software solutions; and property appraisal services. The Platform Technologies (“PT”) reportable segment provides public sector entities with software solutions to perform transaction processing, streamline data processing, and improve operations and workflows such as digital government and payments solutions and development platform solutions.

We evaluate performance based on several factors, of which the primary financial measure is business segment operating income. We define segment operating income for our business units as income before non-cash amortization of intangible assets associated with their acquisitions, interest expense, and income taxes. Segment operating income includes intercompany transactions. The majority of intercompany transactions relate to contracts involving more than one unit and are valued based on the contractual arrangement. Corporate segment operating loss primarily consists of compensation costs for the executive management team, certain shared services staff, and share-based compensation expense for the entire company. Corporate segment operating income also includes revenues and expenses related to a company-wide user conference. The accounting policies of the reportable segments are the same as those described in Note 1, “Summary of Significant Accounting Policies.”

As of January 1, 2022, the appraisal and tax software solutions, land and vital records management software solutions, and property appraisal service business unit, which was previously reported in the Appraisal & Tax (“A&T”) reportable segment, was moved to the ES reportable segment. The digital government and payments solutions, which was previously reported in the NIC reportable segment, and development platform solutions moved to the PT reportable segment to reflect changes in the way in which management makes operating decisions, allocates resources, and manages the growth and profitability of the Company. As a result of the changes in our reportable segments, the former A&T and NIC reportable segments are no longer considered separate segments. Prior periods amounts for the ES and PT reportable segments have been adjusted to reflect the segment change.

Segment assets primarily consist of net accounts receivable, prepaid expenses and other current assets and net property and equipment, and software development costs. Corporate assets primarily consist of cash and investments, prepaid insurance, intangibles associated with acquisitions, deferred income taxes and net property and equipment mainly related to unallocated information and technology assets.

The ES segment capital expenditures included \$3.6 million in 2022 and \$12.8 million in 2021 for the expansion of existing buildings and purchases of buildings. The PT segment had \$863,000 capital expenditures in 2022 and had no capital expenditures in 2021 for the expansion of existing buildings.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022	Enterprise Software	Platform Technologies	Corporate	Totals
Subscriptions	\$ 526,323	\$485,981	\$ —	\$1,012,304
Maintenance	444,143	24,312	—	468,455
Professional services	170,462	72,655	—	243,117
Software licenses and royalties	55,158	4,248	—	59,406
Appraisal services	34,508	—	—	34,508
Hardware and other	26,592	—	5,822	32,414
Intercompany	21,636	—	(21,636)	—
Total revenues	\$1,278,822	\$587,196	\$ (15,814)	\$1,850,204
Depreciation and amortization expense	55,389	84,609	19,074	159,072
Segment operating income	418,776	123,291	(214,263)	327,804
Software development expenditures	3,790	14,581	9,251	27,622
Capital expenditures	8,972	6,845	6,712	22,529
Segment assets	\$ 636,377	\$362,610	\$3,688,430	\$4,687,417

For the year ended December 31, 2021	Enterprise Software	Platform Technologies	Corporate	Totals
Revenues				
Subscriptions	\$ 425,078	\$359,357	\$ —	\$ 784,435
Maintenance	439,589	34,698	—	474,287
Professional services	165,396	43,995	—	209,391
Software licenses and royalties	66,816	7,636	—	74,452
Appraisal services	27,788	—	—	27,788
Hardware and other	18,876	31	3,027	21,934
Intercompany	22,033	—	(22,033)	—
Total revenues	\$1,165,576	\$445,717	\$ (19,006)	\$1,592,287
Depreciation and amortization expense	54,011	55,539	26,074	135,624
Segment operating income	401,382	92,582	(222,779)	271,185
Software development expenditures	3,504	12,332	5,857	21,693
Capital expenditures	19,213	3,696	11,010	33,919
Segment assets	\$ 601,390	\$359,919	\$3,770,852	\$4,732,161

For the year ended December 31, 2020	Enterprise Software	Platform Technologies	Corporate	Totals
Revenues				
Subscriptions	\$ 339,842	\$ 10,806	\$ —	\$ 350,648
Maintenance	427,813	39,700	—	467,513
Professional services	165,022	21,387	—	186,409
Software licenses and royalties	67,979	5,185	—	73,164
Appraisal services	21,127	—	—	21,127
Hardware and other	17,755	36	11	17,802
Intercompany	19,131	—	(19,131)	—
Total revenues	\$1,058,669	\$ 77,114	\$ (19,120)	\$1,116,663
Depreciation and amortization expense	52,715	15,717	13,225	81,657
Segment operating income	355,679	15,569	(144,698)	226,550
Software development expenditures	—	5,776	—	5,776
Capital expenditures	14,246	652	7,792	22,690
Segment assets	\$ 561,324	\$ 57,420	\$1,988,530	\$2,607,274

Notes to Consolidated Financial Statements

Reconciliation of reportable segment operating income to the Company's consolidated totals:	Years Ended December 31,		
	2022	2021	2020
Total segment operating income	\$327,804	\$271,185	\$226,550
Amortization of acquired software	(52,192)	(45,601)	(31,962)
Amortization of other intangibles	(61,363)	(44,849)	(21,662)
Interest expense	(28,379)	(23,298)	(1,013)
Other income, net	1,723	1,544	3,129
Income before income taxes	\$187,593	\$158,981	\$175,042

(18) DISAGGREGATION OF REVENUE

The tables below show disaggregation of revenue into categories that reflect how economic factors affect the nature, amount, timing, and uncertainty of revenues and cash flows.

Timing of Revenue Recognition

Timing of revenue recognition by revenue category during the period is as follows:

For the year ended December 31, 2022	Products and services transferred at a point in time	Products and services transferred over time	Total
Revenues:			
Subscriptions	\$ —	\$1,012,304	\$1,012,304
Maintenance	—	468,455	468,455
Professional services	—	243,117	243,117
Software licenses and royalties	50,302	9,104	59,406
Appraisal services	—	34,508	34,508
Hardware and other	32,414	—	32,414
Total	\$82,716	\$1,767,488	\$1,850,204

For the year ended December 31, 2021	Products and services transferred at a point in time	Products and services transferred over time	Total
Revenues:			
Subscriptions	\$ —	\$ 784,435	\$ 784,435
Maintenance	—	474,287	474,287
Professional services	—	209,391	209,391
Software licenses and royalties	62,847	11,605	74,452
Appraisal services	—	27,788	27,788
Hardware and other	21,934	—	21,934
Total	\$84,781	\$1,507,506	\$1,592,287

Notes to Consolidated Financial Statements

For the year ended December 31, 2020	Products and services transferred at a point in time	Products and services transferred over time	Total
Revenues:			
Subscriptions	\$ —	\$ 350,648	\$ 350,648
Maintenance	—	467,513	467,513
Professional services	—	186,409	186,409
Software licenses and royalties	62,029	11,135	73,164
Appraisal services	—	21,127	21,127
Hardware and other	17,802	—	17,802
Total	\$79,831	\$1,036,832	\$1,116,663

Recurring Revenues

The majority of our revenue is comprised of revenues from subscriptions and maintenance, which we consider to be recurring revenues. Subscriptions revenue primarily consists of revenues derived from our SaaS arrangements and transaction-based fees, which relate to digital government services, e-filing transactions, and payment processing. Total subscriptions revenue derived from transaction-based fees included in total recurring revenues was \$600.8 million, \$454.8 million, and \$91.0 million, respectively, for the twelve months ended December 31, 2022, 2021, and 2020, respectively. The contract terms for subscription arrangements range from one to 10 years but are typically contracted for initial periods of three to five years. Virtually all of our on-premises software clients contract with us for maintenance and support, which provides us with a significant source of recurring revenues. That maintenance and support is generally provided under annual, or in some cases, multi-year contracts. We consider all other revenue categories to be non-recurring revenues.

Recurring revenues and non-recurring revenues recognized during the period are as follows:

For the year ended December 31, 2022	Enterprise Software	Platform Technologies	Corporate	Totals
Recurring revenues	\$ 970,466	\$510,293	\$ —	\$1,480,759
Non-recurring revenues	286,720	76,903	5,822	369,445
Intercompany	21,636	—	(21,636)	—
Total revenues	\$1,278,822	\$587,196	\$(15,814)	\$1,850,204

For the year ended December 31, 2021	Enterprise Software	Platform Technologies	Corporate	Totals
Recurring revenues	\$ 864,667	\$394,055	\$ —	\$1,258,722
Non-recurring revenues	278,876	51,662	3,027	333,565
Intercompany	22,033	—	(22,033)	—
Total revenues	\$1,165,576	\$445,717	\$(19,006)	\$1,592,287

For the year ended December 31, 2020	Enterprise Software	Platform Technologies	Corporate	Totals
Recurring revenues	\$ 767,655	\$ 50,506	\$ —	\$ 818,161
Non-recurring revenues	271,883	26,608	11	298,502
Intercompany	19,131	—	(19,131)	—
Total revenues	\$1,058,669	\$ 77,114	\$(19,120)	\$1,116,663

Notes to Consolidated Financial Statements

(19) DEFERRED REVENUE AND PERFORMANCE OBLIGATIONS

Total deferred revenue, including long-term, by segment is as follows:

December 31,	2022	2021
Enterprise Software	\$533,902	\$479,048
Platform Technologies	33,691	29,705
Corporate	2,982	1,814
Totals	\$570,575	\$510,567

Changes in total deferred revenue, including long-term, were as follows:

Year ending December 31,	Amount
Balance at beginning of year	\$ 510,567
Deferral of revenue	1,267,937
Recognition of deferred revenue	(1,207,929)
Balance at end of year	\$ 570,575

Transaction Price Allocated to the Remaining Performance Obligations

The aggregate amount of transaction price allocated to the remaining performance obligations represents contracted revenue that has not yet been recognized (“backlog”), which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. Backlog as of December 31, 2022, was \$1.89 billion, of which we expect to recognize approximately 47% as revenue over the next 12 months and the remainder thereafter.

(20) DEFERRED COMMISSIONS

Sales commissions earned by our sales force are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions for initial contracts are deferred and then amortized commensurate with the recognition of associated revenue over a period of benefit that we have determined to be generally three to seven years. Deferred commissions were \$43.8 million and \$38.1 million as of December 31, 2022, and 2021, respectively. Amortization expense was \$15.4 million, \$13.4 million, and \$11.9 million for the twelve months ended December 31, 2022, 2021, and 2020, respectively. There were no indicators of impairment in relation to the costs capitalized for the periods presented. Deferred commissions have been included with prepaid expenses for the current portion and non-current other assets for the long-term portion in the accompanying consolidated balance sheets. Amortization expense related to deferred commissions is included in sales and marketing expense in the accompanying consolidated statements of income.

(21) SUBSEQUENT EVENTS

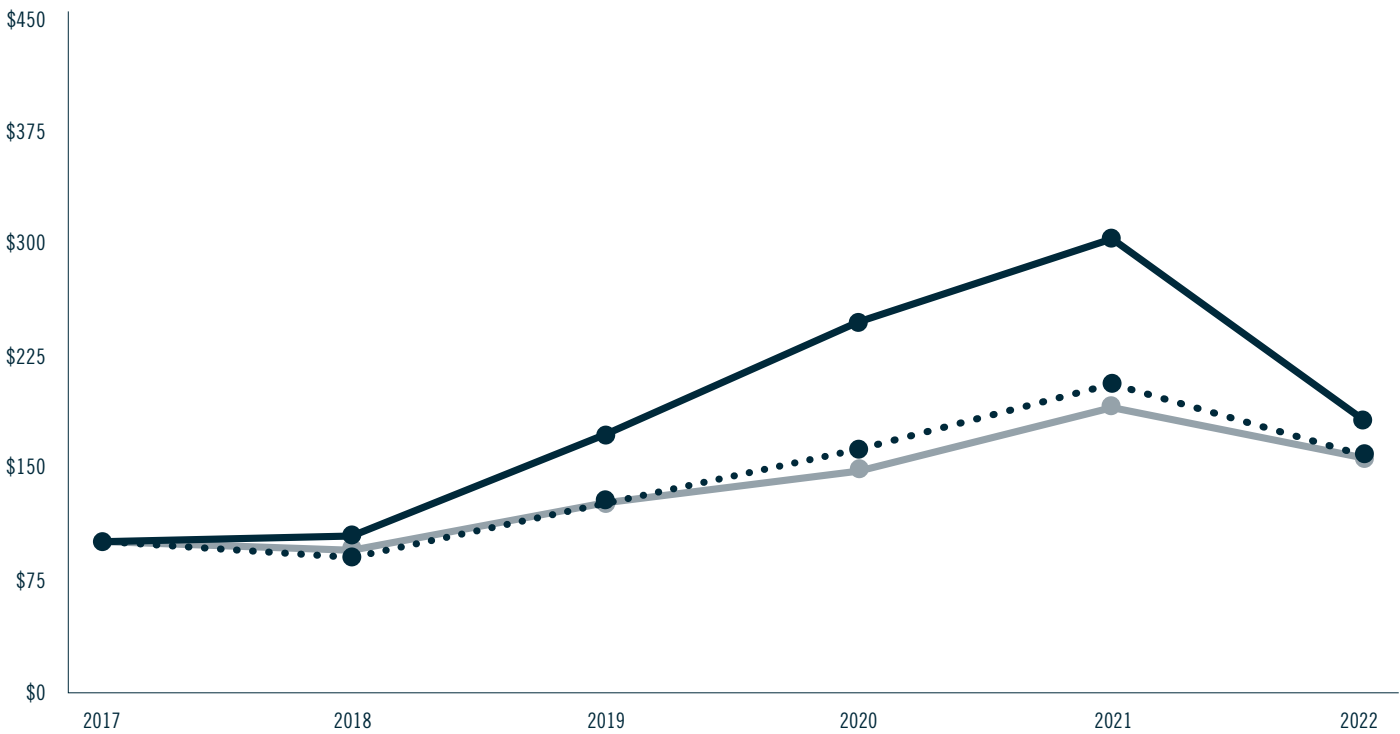
There have been no material events or transactions that occurred subsequent to December 31, 2022.

Performance Graph

The following Performance Graph and related information shall not be deemed “soliciting material” or to be “filed” with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that we specifically incorporate it by reference into such filing.

The following table compares total shareholder returns for Tyler over the last five years to the Standard and Poor’s 500 Stock Index and the Standard and Poor’s 600 Information Technology Index assuming a \$100 investment made on December 31, 2017. Each of the three measures of cumulative total return assumes reinvestment of dividends. The stock performance shown on the graph below is not necessarily indicative of future price performance.

COMPARISON OF CUMULATIVE FIVE YEAR TOTAL RETURN



●—	100	104.95	169.45	246.55	303.84	182.10
—●	100	95.62	125.72	148.85	191.58	156.88
●...	100	91.07	127.12	162.47	206.09	160.00

- Tyler Technologies, Inc.
- S&P 500 Stock Index
- ... S&P 600 Information Technology Index

Corporate Officers

H. Lynn Moore Jr.

President & Chief Executive Officer

Brian K. Miller

Executive Vice President
Chief Financial Officer & Treasurer

Samantha B. Crosby

Chief Marketing Officer

Abigail M. Diaz

Chief Legal Officer

Jason P. Durham

Chief Accounting Officer

Russell A. Gainford

Senior Vice President, Cloud Strategy
& Operations

Bruce E. Graham

Senior Strategy Advisor

Jeffrey S. Green

Chief Technology Officer

Jayne F. Holland

Chief Privacy Officer
Deputy Chief Legal Officer

Kevin W. Iwersen

Chief Information Officer

Jeffrey D. Puckett

Chief Operating Officer

Kelley B. Shimansky

Chief Human Resources Officer

Jeremy M. Ward

Chief Information Security Officer

Board of Directors

John S. Marr Jr.¹

Executive Chairperson of the Board
Tyler Technologies, Inc.

H. Lynn Moore Jr.¹

President & Chief Executive Officer
Tyler Technologies, Inc.

Glenn A. Carter^{3,4}

Retired Chief Executive Officer
DataProse, Inc.

Brenda A. Cline^{2,3}

Executive Vice President
Kimbell Art Foundation

Ronnie D. Hawkins Jr.⁴

President
Angelo State University

Mary L. Landrieu^{2,3}

Senior Policy Advisor
Van Ness Feldman LLP

Daniel M. Pope^{2,4}

Executive Chairman
Victory Financial Corporation

Dustin R. Womble

Retired Executive Vice President
Tyler Technologies, Inc.

¹ Executive Committee

² Audit Committee

³ Nominating & Governance Committee

⁴ Compensation Committee

Operational Leadership

S. Franklin Williams III

President
Data & Insights Division

STATE & FEDERAL GROUP

D. Bret Dixon

President
State & Federal Group

Brian T. Combs

President
Platform Solutions Division

Elizabeth M. Proudfit

President
Digital Solutions Division

PUBLIC ADMINISTRATION GROUP

Dane L. Womble

President
Public Administration Group

Mark A. Hawkins

President
Property & Recording Division

Christopher J. Webster

President
ERP & Civic Division

Sean P. Marlow

President
Municipal & Schools Division

JUSTICE GROUP

Russell J. Smith

President
Justice Group

Brian A. McGrath

President
Courts & Justice Division

CORPORATE HEADQUARTERS

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
Dallas, Texas

ANNUAL MEETING OF STOCKHOLDERS

Thursday, May 11, 2023
9 a.m. Central Time • Virtual
www.virtualshareholdermeeting.com/TYL2023

CERTIFICATIONS

We submitted an unqualified Annual CEO Certification to the New York Stock Exchange (NYSE) as required by the NYSE Listed Company rules. We also filed with the Securities and Exchange Commission the Chief Executive Officer and Chief Financial Officer certifications required under Section 302 of the Sarbanes-Oxley Act as exhibits to our Annual Report on Form 10-K.

INVESTOR INFORMATION

Our annual report on Form 10-K is available on the company's website at www.tylertech.com. A copy of the Form 10-K or other information may also be obtained by contacting the Investor Relations Department at corporate headquarters.

INVESTOR RELATIONS

972.713.3714 • info@tylertech.com

COMMON STOCK

Listed on the New York Stock Exchange under the symbol "TYL"





TYLER TECHNOLOGIES ANNUAL REPORT 2022