

**NOTICE OF SALE  
AND  
BIDDING INSTRUCTIONS**

**ON**

**\$4,000,000\***

**CITY OF BRIDGEPORT, TEXAS  
(Wise County, Texas)  
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025**

*The City will **NOT** designate the Certificates as "Qualified Tax-Exempt Obligations" for financial institutions.*

**THE SALE**

**CERTIFICATES OFFERED FOR SALE AT COMPETITIVE BID:** The City of Bridgeport, Texas (the "City" or the "Issuer") is offering for sale at competitive bid its \$4,000,000\* Combination Tax and Revenue Certificates of Obligation, Series 2025 (the "Certificates").

Bidders may submit bids for the Certificates electronically by internet as described below in "BIDS BY INTERNET."

**BIDS BY INTERNET:** Interested bidders may, at their option and risk, submit their bid by electronic media, as described below, by 11:00 a.m., local time, on Monday, May 12, 2025. Bidders submitting a bid by internet shall not be required to submit signed Official Bid Forms prior to the award. Any prospective bidder that intends to submit an electronic bid must submit its electronic bid via the facilities of the i-Deal, LLC Parity System ("PARITY").

In the event of a malfunction in the electronic bidding process, bidders may submit their bids by email to [robertsb@pfm.com](mailto:robertsb@pfm.com). Any bid received after the scheduled time for their receipt will not be accepted.

The official time for the receipt of bids shall be the time maintained by PARITY. All electronic bids shall be deemed to incorporate the provisions of the Official Notice of Sale, Official Bid Form, and the Preliminary Official Statement. To the extent that any instructions or directions set forth in PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about the PARITY System, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone 212-849-5021.

An electronic bid made through the facilities of the PARITY System shall be deemed an irrevocable offer to purchase the Certificates on the terms provided in this Official Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of PARITY, the use of such facilities being the sole risk of the prospective bidder.

**BIDS BY FACSIMILE:** BIDS BY FACISIMILE WILL NOT BE ACCEPTED.

**BIDS BY TELEPHONE:** BIDS BY TELEPHONE WILL NOT BE ACCEPTED.

**PLACE AND TIME OF BID OPENING:** The bids for the Certificates will be opened and reviewed at the office of the City's Financial Advisor at 11:00 a.m., local time, on Monday, May 12, 2025.

**AWARD OF THE CERTIFICATES:** The City Council anticipates taking action to award the Certificates (or reject all bids) at a meeting to commence at 6:00 p.m., local time, on Monday, May 12, 2025.

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*\*Preliminary; subject to change. See "THE CERTIFICATES – Adjustment of Principal Amount and Maturity Schedule for the Certificates" and "CONDITIONS OF THE SALE – Type of Bids and Interest Rates".*

## THE CERTIFICATES

**DESCRIPTION:** The Certificates will be dated June 1, 2025 (the “Dated Date”). Interest will accrue from the Date of Delivery, anticipated to be June 5, 2025, and will be due on February 15, 2026, and each August 15 and February 15 thereafter until the earlier of maturity or prior redemption. Interest will be calculated on the basis of a 360-day year consisting of twelve 30 day months. The Certificates will be issued as fully registered obligations in book-entry form only, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository (the “Securities Depository”). Book-entry interests in the Certificates will be made available for purchase in the principal amount of \$5,000 or any integral multiple thereof within a maturity. Purchasers of the Certificates (“Beneficial Owners”) will not receive physical delivery of certificates representing their interest in the Certificates purchased. So long as DTC or its nominee is the registered owner of the Certificates, the principal of and interest on the Certificates will be payable by U.S. Bank Trust Company, National Association, Dallas, Texas, (“U.S. Bank”) as Paying Agent/Registrar, to the Securities Depository, which will in turn remit such principal and interest to its Participants, which will in turn remit such principal and interest to the Beneficial Owners of the Certificates. (See “BOOK-ENTRY-ONLY SYSTEM” in the Preliminary Official Statement.) The Certificates will mature in each year as follows unless the bidder elects to have one or more term Certificates as provided below.

### MATURITY SCHEDULE\*

Maturity (August 15)	Principal Amount*	Maturity (August 15)	Principal Amount*
2026	\$370,000	2036	\$365,000
2027	250,000	2037	380,000
2028	260,000	2038	20,000
2029	275,000	2039	20,000
2030	290,000	2040	20,000
2031	300,000	2041	20,000
2032	315,000	2042	20,000
2033	325,000	2043	25,000
2034	340,000	2044	25,000
2035	355,000	2045	25,000

**ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE CERTIFICATES:** After selecting the winning bid, the aggregate principal amount of the Certificates and principal amortization schedule may be adjusted as determined by the City and its Financial Advisor in \$5,000 increments to reflect the actual interest rates and to create the desired debt service schedule for the City. Such adjustments will not change the aggregate principal amount of the Certificates by more than 15% from the amount set forth herein or change the principal amount due on the Certificates, and the total principal amount of the Certificates shall not exceed \$4,000,000. The dollar amount bid for the Certificates by the winning bidder will be adjusted proportionately to reflect any increase or decrease in the aggregate principal amount of the Certificates finally determined to be issued. The City will use its best efforts to communicate to the winning bidder any such adjustment within four (4) hours after the opening of the bids.

Upon receipt of the initial reoffering prices from the winning bidder, the Financial Advisor will calculate the winning bidder’s total per bond underwriter’s compensation (fees and expenses). Any adjustments to the aggregate principal amount of the Certificates and the maturity schedule will be made in a manner that does not decrease the winning bidder’s underwriter’s compensation on a per bond basis.

In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted; and the Certificates of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yield as specified in the original bid. However, the award will be made to the bidder whose bid produces the lowest true interest cost rate, calculated as specified herein, without taking into account any adjustment in the amount of Certificates pursuant to this section.

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\*Preliminary; subject to change. See “THE CERTIFICATES – Adjustment of Principal Amount and Maturity Schedule for the Certificates” and “CONDITIONS OF THE SALE – Type of Bids and Interest Rates”.

In the event that the City and its Financial Advisor exercises the right to make adjustments to the aggregate principal amount of the Certificates and/or the principal installment amount in the maturity schedule after the deadline for the submission of bids, the winning bidder must execute and deliver to the City an acknowledgment of and agreement with such modification and adjusted maturity schedule upon the award of the Certificates to such winning bidder, and the Certificates shall be payable in the principal amounts contained therein and shall bear interest at the respective interest rates submitted to PARITY by the winning bidder.

**OPTIONAL REDEMPTION:** The City reserves the right, at its option, to redeem the Certificates having stated maturities on and after August 15, 2036, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption.

**SERIAL CERTIFICATES AND/OR TERM CERTIFICATES:** Bidders may provide that all of the Certificates be issued as serial maturities or may provide that any two or more consecutive annual principal installment amounts be combined into one or more term certificates (see “Mandatory Sinking Fund” below).

**MANDATORY SINKING FUND REDEMPTION:** If the successful bidder elects to alter the Maturity Schedule reflected above and convert principal amounts of the Certificates into “Term Certificates,” such Term Certificates shall be subject to mandatory redemption on the first August 15 next following the last maturity for Serial Certificates as reflected in the bidder’s bid, and annually thereafter on each August 15 until the stated maturity for the Term Certificates at the redemption prices of par plus accrued interest to the date of redemption. The principal amounts of the Term Certificates to be redeemed on each mandatory redemption date shall be the principal amounts that would have been due and payable in the Maturity Schedule had no conversion to Term Certificates occurred. At least thirty (30) days prior to each mandatory redemption date, the Paying Agent/Registrar shall select by lot or other customary random selection method the Term Certificates to be redeemed and cause a notice of redemption to be given in the manner provided in the Preliminary Official Statement.

The principal amount of the Term Certificates required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of the Term Certificates of the same maturity which (i) have been acquired by the City, with funds on deposit in the Certificate Fund for the Certificates at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase and delivered to the Paying Agent/Registrar for cancellation or (ii) have been redeemed pursuant to the optional redemption provisions (see “Optional Redemption” above) and not theretofore credited against a mandatory redemption requirement.

The final Official Statement will incorporate the mandatory redemption provisions for the Term Certificates in the event the successful bidder elects to convert serial maturities into one or more Term Certificates.

**AUTHORITY FOR ISSUANCE AND SOURCE OF PAYMENT:** The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, and the Ordinance to be adopted by the City Council. The Certificates constitute direct obligations of the Issuer payable from a combination of the levy and collection of an annual ad valorem tax levied against all taxable property in the City within the limits prescribed by law, and a limited pledge (not to exceed \$1,000) of the surplus Net Revenues derived from the operation of the City’s combined Water and Sewer System (the “System”).

**PAYING AGENT/REGISTRAR:** The initial Paying Agent/Registrar shall be U.S. Bank Trust Company, National Association. In the Ordinance, the City covenants to provide a Paying Agent/Registrar at all times while the Certificates are outstanding, and any Paying Agent/Registrar selected by the City shall be a commercial bank or trust company organized under the laws of the United States and any state and duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar for the Certificates. The Paying Agent/Registrar will maintain the Security Register containing the names and addresses of the registered owners of the Certificates.

In the Ordinance the City retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the City, such Paying Agent/Registrar, promptly upon the appointment of a successor, is required to deliver the Security Register to the successor Paying Agent/Registrar.

In the event there is a change in the Paying Agent/Registrar, the City will notify each registered owner of the Certificates by United States mail, first-class postage prepaid, at the address in the Security Register, stating the effective date of the change and the mailing address of the successor Paying Agent/Registrar.

**BOOK-ENTRY-ONLY SYSTEM:** The City intends to utilize the book-entry-only system of The Depository Trust Company (“DTC”). See “BOOK-ENTRY-ONLY SYSTEM” in the Preliminary Official Statement.

**OFFICIAL STATEMENT AND OTHER TERMS AND COVENANTS IN THE ORDINANCE:** Further details regarding the Certificates are set forth in the Preliminary Official Statement. See "THE SALE" above.

### CONDITIONS OF THE SALE

**TYPE OF BIDS AND INTEREST RATES:** The Certificates will be sold in one block on an "All or None" basis. **The aggregate purchase price, inclusive of original issue discount ("OID"), original issue premium ("OIP") and underwriter's discount may not be less than 101.5% or greater than 120% of the aggregate principal amount of the Certificates.** Bidders are invited to name the rate(s) of interest to be borne by the Certificates via their electronic bid, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1% and the net effective interest rate must not exceed 15%. The highest rate bid may not exceed the lowest rate bid by more than 3% in rate. For Certificates having stated maturities on and after August 15, 2035, no reoffering yield producing a dollar price less than 98% for any individual maturities will be accepted. No limitation is imposed upon bidders as to the number of rates or changes which may be used. All Certificates of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered.

**BASIS FOR AWARD:** The sale of the Certificates will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the lowest True Interest Cost Rate to the City. The True Interest Cost Rate is that rate which, when used to compute the total present value as of the Date of Delivery of all debt service payments on the Certificates on the basis of semi-annual compounding, produces an amount equal to the Net Certificate Proceeds (defined as the par amount of the Certificates, plus any OIP, less any OID and underwriter's discount on the Certificates calculated on a 360 day year to the Date of Delivery). In the event of a bidder's error in interest cost rate calculations, the interest rates, and premium, if any, set forth, or incorporated by reference, in the Official Bid Form will be considered as the intended bid.

The City reserves the right to reject any and all bids and to waive any irregularity or informality of any bid, except time of submission.

**GOOD FAITH DEPOSIT:** A Good Faith Deposit, payable to the "City of Bridgeport, Texas", in the amount of \$80,000, which is 2% of the par value of the Certificates, is required. Such Good Faith Deposit shall be in the form of a Cashier's Check, or its equivalent. If a Cashier's Check is used, it is to be retained uncashed by the City pending the Purchaser's compliance with the terms of the Official Bid Form and this Notice of Sale and Bidding Instructions. The Good Faith Deposit, if in the form of a Cashier's Check, may accompany the Official Bid Form or it may be submitted separately, in either case it must be in the possession of the City's Financial Advisor prior to the Sale Time in order to qualify to bid electronically. If a Cashier's Check is submitted separately, it shall be made available to the City prior to the opening of the bids and shall be accompanied by instructions from the bank on which drawn which authorizes its use as a Good Faith Deposit by the Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Purchaser utilizing a Cashier's Check will be returned to the Purchaser upon payment for the Certificates.** No interest will be allowed on the Good Faith Deposit. In the event the Purchaser should fail or refuse to take up and pay for the Certificates in accordance with the bid, then said Cashier's Check shall be cashed and accepted by the City as full and complete liquidated damages, except as provided under the caption "DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS – ADDITIONAL CONDITION OF AWARD – Verifications of Statutory Representations and Covenants" herein. The Cashier's Checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Certificates has been made.

The Good Faith Deposit will be returned in full to the Purchaser upon payment for the Certificates. If the Purchaser should fail to pay for the Certificates in accordance with its bid, then the Good Faith Deposit will be accepted by the City as full and complete liquidated damages, except as provided under the caption "DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS – ADDITIONAL CONDITION OF AWARD – Verifications of Statutory Representations and Covenants" herein.

### OFFICIAL STATEMENT

To assist the Initial Purchaser in complying with Rule 15c2-12, as amended (the "Rule"), of the United States Securities and Exchange Commission ("SEC"), the Issuer and the Initial Purchaser contract and agree, by the submission and acceptance of the winning bid, as follows:

**COMPLIANCE WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION:** The Issuer will approve and authorize distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Certificates, and the City does not presently intend to prepare any other document or version thereof for such purpose, except as described below. Accordingly, the Issuer deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of the Rule, except for information relating to the offering prices, interest rates, final debt service schedule, selling compensation, identity of the Purchaser and other similar information, terms and provisions to be

specified in the competitive bidding process. The Initial Purchaser shall be responsible for promptly informing the Issuer of the initial offering yields of the Certificates. Thereafter, the Issuer will complete and authorize distribution of the final Official Statement, being a modification of the Preliminary Official Statement, identifying the Initial Purchaser and containing such information omitted in the Preliminary Official Statement as permitted by the Rule. The Issuer does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the Initial Purchaser on or after the sale date, the Issuer intends the same to be final as of such date, within the meaning of the Rule. Notwithstanding the foregoing, the Issuer makes no representation concerning the absence of material misstatements or omissions from the Official Statement, except only as and to the extent under "CERTIFICATION OF THE OFFICIAL STATEMENT as described below.

**FINAL OFFICIAL STATEMENT:** The Issuer will furnish to the Purchaser, within seven (7) business days after the sale date, an aggregate maximum of twenty-five (25) copies of the Official Statement (and 25 copies of any addenda, supplement or amendment thereto), together with information regarding interest rates, and other terms relating to the reoffering of the Certificates. In addition, the City agrees to provide, or cause to be provided, to the Purchaser, the Preliminary Official Statement and the Official Statement and any amendments or supplements thereto in a "designated electronic format" (or printed format with respect to the final Official Statement) as may be required for the Purchaser to comply with the Rule or the rules of the Municipal Securities Rulemaking Board ("MSRB"). The City consents to the distribution of such documents in a "designated electronic format." Upon receipt, the Purchaser shall promptly file the Official Statement with the MSRB in accordance with the applicable MSRB rules. The Purchaser may arrange at its own expense to have the Official Statement reproduced and printed if it requires more copies and may also arrange, at its own expense and responsibility, for completion and perfection of the first or cover page of the Official Statement so as to reflect interest rates and other terms and information related to the reoffering of the Certificates. The Purchaser will be responsible for providing information concerning the Issuer and the Certificates to subsequent purchasers of the Certificates, and the Issuer will undertake no responsibility for providing such information other than to make the Official Statement available to the Purchaser as provided herein. The Issuer's obligation to supplement the Official Statement to correct key representations determined to be omitted or materially misleading after the date of the Official Statement shall terminate 25 days after the Initial Delivery date.

**CHANGES TO OFFICIAL STATEMENT:** If, subsequent to the date of the Official Statement, the Issuer learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Certificates, as described below under "DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS - Conditions to Delivery," the Issuer will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement reasonably satisfactory to the Initial Purchaser.

**CERTIFICATION OF THE OFFICIAL STATEMENT:** At the time of payment for and delivery of the hereinafter defined Initial Certificates ("Initial Delivery"), the Initial Purchaser will be furnished a certificate, executed by an authorized representative of the City, acting in such person's representative capacity, to the effect that to the best of such person's knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in the Official Statement, and any addenda, supplement or amendment thereto, on the date of the Official Statement, on the date of sale of the Certificates and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since the date of the last audited financial statements of the City.

#### **DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS**

**INITIAL DELIVERY OF CERTIFICATES:** Initial delivery will be accomplished by the issuance of an initial Certificate (also called the "Initial Certificate"), either in typed or printed form, in the aggregate principal amount of \$4,000,000\*, payable

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\* Preliminary; subject to change. See "THE CERTIFICATES – Adjustment of Principal Amount and Maturity Schedule for the Certificates" and "CONDITIONS OF THE SALE – Type of Bids and Interest Rates".

to the Purchaser, signed by the Mayor and City Secretary, approved by the Attorney General, and registered and signed manually or by facsimile by the Comptroller of Public Accounts.

Upon delivery of the Initial Certificate, it shall be immediately canceled and one certificate for each maturity of the Certificates will be delivered and deposited with DTC in connection with DTC's book-entry-only system. Initial delivery will be at the office of the Paying Agent/Registrar.

Payment for the Certificates must be made in immediately available funds for unconditional credit to the City, or as otherwise directed by the City. The Purchaser will be given six business days' notice of the time fixed for delivery of the Certificates. It is anticipated that initial delivery of the Initial Certificate can be made on or about June 5, 2025, and it is understood and agreed that the Purchaser will accept delivery and make payment for the Certificates by 11:00 AM, Bridgeport, Texas time, on June 5, 2025 or thereafter on the date the Certificates are tendered for delivery, up to and including June 19, 2025. If for any reason the City is unable to make delivery on or before June 19, 2025, the City shall immediately contact the initial Purchaser and offer to allow the initial Purchaser to extend its offer for an additional thirty days. If the Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the City and the Purchaser shall be relieved of any further obligation. In no event shall the City be liable for any damages by reason of its failure to deliver the Certificates, provided such failure is due to circumstances beyond the City's reasonable control.

**CUSIP NUMBERS:** It is anticipated that CUSIP identification numbers will appear on the Certificates, but neither the failure to print or type such number on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Certificates in accordance with the terms of this Notice of Sale and Bidding Instructions and the terms of the Official Bid Form. All expenses in relation to the printing or typing of CUSIP numbers on the Certificates shall be paid by the City; provided, however, that the charges of CUSIP Global Services for the assignment of the numbers shall be the responsibility of and shall be paid for by the Purchaser.

**CONDITIONS TO DELIVERY:** The obligation of the Purchaser to take up and pay for the Certificates is subject to the Purchaser's receipt of (a) the legal opinion of Norton Rose Fulbright US LLP ("Bond Counsel"), (b) the no-litigation certificate, (c) the certification as to the Official Statement, and (d) a copy of the Ordinance containing the continuing disclosure agreement, all as further described hereinafter.

**ESTABLISHMENT OF ISSUE PRICE (HOLD-THE-OFFERING PRICE RULE WILL APPLY IF COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED):**

(a) The winning bidder shall assist the City in establishing the issue price of the Certificates and shall execute and deliver to the City by Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Certificates may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Certificates) will apply to the initial sale of the Certificates (the "competitive sale requirements") because:

- (i) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders shall have an equal opportunity to bid;
- (iii) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (iv) the City anticipates awarding the sale of the Certificates to the bidder who submits a firm offer to purchase the Certificates at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Certificates, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. In such event, the City intends to treat the initial offering price to the public as of the sale date of each maturity of the Certificates as the issue price of that maturity (the "hold-the-offering-price rule"). The City shall promptly advise the winning bidder, at or

before the time of award of the Certificates, if the competitive sale requirements were not satisfied, in which case the hold-the-offering-price rule shall apply to the Certificates. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied and the hold-the-offering-price rule applies. In the event that the competitive sale requirements are not satisfied, the issue price certificate shall be modified as necessary in the reasonable judgment of Bond Counsel and the City.

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Certificates to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Certificates, that the underwriters will neither offer nor sell unsold Certificates of any maturity to which the hold-the-offering-price rule applies to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the underwriters have sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(e) The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail or other third-party distribution agreement that was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail or other third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail or other third-party distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Certificates.

(f) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail or other third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail or other third-party distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail or other third-party distribution agreement to be employed in connection with the initial sale of the Certificates to the public to require each broker-dealer that is a party to such retail or other third-party distribution agreement to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Certificates to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this section of the Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Certificates to the public),
- (iii) a purchaser of any of the Certificates is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one

corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) "sale date" means the date that the Certificates are awarded by the City to the winning bidder.

**ADDITIONAL CONDITION OF AWARD – DISCLOSURE OF INTERESTED PARTIES:** Described hereinafter is an obligation of the City to receive information from the winning bidder if the bidder is not a publicly traded business entity or a wholly owned subsidiary of a publically traded business entity (a "Privately Held Bidder"). Effective January 1, 2018, pursuant to Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the City may not award the Certificates to a winning bidder which is a Privately Held Bidder unless such party submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the City as prescribed by the Texas Ethics Commission ("TEC"). In the event that a Privately Held Bidder's bid for the Certificates is the best bid received, the City, acting through its financial advisor, will promptly notify the winning Privately Held Bidder. That notification will serve as the City's conditional verbal acceptance of the bid and will obligate the winning Privately Held Bidder to establish (unless such winning Privately Held Bidder has previously so established) an account with the TEC, and promptly file a completed Disclosure Form, as described below, in order to allow the City to complete the award.

Process for completing the Disclosure Form. Reference should be made to the Disclosure Form, the rules of the TEC with respect to the Disclosure Form (the "Disclosure Rules") and the Interested Party Disclosure Act. Instructional information regarding such matters are set forth at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm). For purposes of completing the Disclosure Form a Privately Held Bidder will need the following information: (a) item 2 – name of governmental entity: City of Bridgeport, Texas and (b) item 3 – the identification number assigned to this contract by the City: "2025CO", and a description of the services to be provided under the contract: Purchase of Certificates of Obligation. The Interested Party Disclosure Act and the Disclosure Rules require a non-publicly traded business entity contracting with the City to complete the form at the TEC Internet "portal" that may be accessed at the url set forth above, and then print, sign and deliver the Disclosure Form to the City at: [c Ingram@cityofbridgeport.net](mailto:c Ingram@cityofbridgeport.net), [robertsb@pfm.com](mailto:robertsb@pfm.com), and [kardishd@pfm.com](mailto:kardishd@pfm.com). Originals of the completed Disclosure Form and the certification of filing must be physically delivered to the City within 2 business days of the award at the following address:

Corey Ingram  
City of Bridgeport  
900 Thompson Street  
Bridgeport, TX 76426  
Phone: (940) 683-3424

Following the award of the Certificates, the City will acknowledge receipt of the completed Disclosure Form through the TEC website, as required by the law.

Preparations for completion, and the significance of, the reported information. In accordance with the Interested Party Disclosure Act, the information reported by the winning Privately Held Bidder must be declared by an authorized agent of the Privately Held Winning Bidder. No exceptions may be made to that requirement. The Interested Party Disclosure Act and the Disclosure Form provides that such acknowledgment is made "under penalty of perjury." Consequently, a winning Privately Held Bidder should take appropriate steps prior to completion of the Disclosure Form to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the Disclosure Form. Time will be of the essence in submitting the form to the City, and no final award will be made by the City regarding the sale of the Certificates until a completed Disclosure Form is received. If applicable, the City reserves the right to reject any bid that does not satisfy the requirement of a completed Disclosure Form, as described herein. Neither the City nor its consultants have the ability to verify the information included in a Disclosure Form, and neither party has an obligation nor undertakes responsibility for advising any bidder with respect to (1) the bidder's obligation to submit the Disclosure Form or (2) the proper completion of the Disclosure Form. Consequently, an entity intending to bid on the Certificates should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form, if required, promptly upon notification from the City that its bid is the conditional winning bid. Instructional videos on logging in and creating a certificate are provided on the TEC's website at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm).



**ADDITIONAL CONDITION OF AWARD - STATUTORY REPRESENTATIONS AND COVENANTS:** By submission of a bid for the Certificates, each bidder makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”). As used herein, “affiliate” means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. §230.405, and exists to make a profit. If the bidder’s bid is accepted, then liability for breach of any such verification during the term of the contract for purchase and sale of the Certificates created thereby (the “Agreement”) shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of the bid or this Notice of Sale and Bidding Instructions, notwithstanding anything herein or therein to the contrary.

*Not a Sanctioned Company* . . . Each bidder represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153, Government Code, or Section 2270.0201, Government Code. The foregoing representation excludes the bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

*No Boycott of Israel* . . . Each bidder hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, if its bid is accepted, will not boycott Israel during the term of the Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

*No Discrimination Against Firearm Entities* . . . Each bidder hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and, if its bid is accepted, will not discriminate against a firearm entity or firearm trade association during the term of the Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

*No Boycott of Energy Companies* . . . Each bidder hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, if its bid is accepted, will not boycott energy companies during the term of the Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

**ADDITIONAL CONDITION OF AWARD - REPRESENTATION REGARDING TEXAS ATTORNEY GENERAL STANDING LETTER AND BRINGDOWN VERIFICATION:** By submission of a bid for the Certificates, each bidder represents and verifies that it is aware of the Office of the Texas Attorney General’s (the “Texas Attorney General”) All Bond Counsel Letter, dated November 1, 2023, that is available on the website of the Texas Office of the Texas Attorney General using the following link: (<https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-01-2023.pdf>) and the Texas Attorney General’s supplemental All Bond Counsel Letter, dated November 16, 2023, that is available on the website of the Texas Attorney General using the following link: (<https://texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-06-2023.pdf>). Each bidder represents and verifies that the bidder has (i) on file a standing letter (“Standing Letter”) acceptable to the Texas Attorney General addressing the representations and verifications described under the heading “ADDITIONAL CONDITION OF AWARD - STATUTORY REPRESENTATIONS AND COVENANTS” herein, and (ii) will, upon request of the City or Bond Counsel on behalf of the City, provide the City and Bond Counsel with a copy of its Standing Letter. Each bidder further represents and verifies that its Standing Letter remains in effect as of the date of the Agreement and that the Texas Attorney General has not notified the bidder that a determination has been made that the bidder boycotts energy companies or has a policy that discriminates against firearm entities or firearm trade associations under the laws of the State of Texas. Upon request of the City or Bond Counsel on the City’s behalf, each bidder shall provide additional written certifications to the City and Bond Counsel (which may be by email) to the effect that the Texas Attorney General may continue to rely on the Standing Letter and the statutory representations and covenants contained in the Agreement through the closing date (currently scheduled for June 5, 2025) (the “Bringdown Verification”). The City reserves the right, and each bidder hereby expressly authorizes the City, to provide such Bringdown Verification to the Texas Attorney General.

**LEGAL OPINIONS:** The Certificates are offered when, as and if issued, subject to the approval of the Attorney General of the State of Texas. Delivery of and payment for the Certificates is subject to the receipt by the Purchaser of the opinion of Bond Counsel, to the effect that, based on a review of a transcript of proceedings relating to the issuance of the Certificates, the Certificates are valid and binding obligations of the City and that the interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under “TAX MATTERS” in the

Official Statement. References herein to the opinion of Bond Counsel are qualified in their entirety to the proposed form of Bond Counsel's opinion that is attached as an appendix to the Official Statement. In connection with the transactions described in the Official Statement, Bond Counsel represents only the City.

**CERTIFICATION AS TO NO-LITIGATION AND OFFICIAL STATEMENT:** At the time of payment for, and initial delivery of, the Certificates, the City will execute and deliver to the Purchaser a no-litigation certificate as described in the Official Statement.

At the time of payment for and delivery of the Certificates, the Purchaser will also be furnished a certificate, executed by proper officers, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the description and statements of or pertaining to the City contained in its Official Statement, and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of sale of the Certificates and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since the date of the last audited financial statements of the City.

**CHANGE IN TAX EXEMPT STATUS:** At any time before the Certificates are tendered for delivery, the Purchaser may withdraw its bid if the interest received by private holders on obligations of the same type and character as the Certificates shall be declared to be taxable income under present federal income tax laws, either by ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax law enacted subsequent to the date of this Notice of Sale and Bidding Instructions.

**CONTINUING DISCLOSURE AGREEMENT:** The City will agree in the Ordinance to provide certain periodic information and notices of certain events in accordance with the Rule, as described in the Official Statement under "CONTINUING DISCLOSURE OF INFORMATION". The Purchaser's obligation to accept and pay for the Certificates is conditioned upon delivery to the Purchaser or its agent of a copy of the Ordinance containing the agreement described under such subcaption in addition to the other documents described under the subheading "Conditions to Delivery" above.

## **GENERAL**

**FINANCIAL ADVISOR:** PFM Financial Advisors LLC ("PFM") is employed as Financial Advisor to the City in connection with the issuance of the Certificates. The Financial Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. PFM, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

**BLUE SKY LAWS:** By submission of its bid, the Purchaser represents that the sale of the Certificates in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Purchaser will register the Certificates in accordance with the securities law of the states in which the Certificates are offered or sold. The City agrees to cooperate with the Purchaser, at the Purchaser's written request and expense, in registering the Certificates or obtaining an exemption from registration in any state where such action is necessary; provided, however, that the City shall not be obligated to execute a general or special consent to service of process in any such jurisdiction.

**NOT AN OFFER TO SELL:** This Notice of Sale and Bidding Instructions does not alone constitute an offer to sell the Certificates but is merely notice of the sale of the Certificates. The offer to sell the Certificates is being made by means of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement. Prospective purchasers are urged to carefully examine the Official Statement to determine the investment quality of the Certificates.

**RATINGS:** The Certificates are rated "A+" by S&P Global Ratings, a division of S&P Global, Inc. ("S&P"). See "OTHER RELEVANT INFORMATION – Ratings" in the Official Statement.

**MUNICIPAL BOND INSURANCE:** In the event the Certificates are qualified for municipal bond insurance, and the Purchaser desires to purchase such insurance, the cost therefor will be paid by the Purchaser. Any fees to be paid to the rating agencies as a result of said insurance will be paid by the City. It will be the responsibility of the Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the Certificates.

**THE OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12:** The City has prepared the accompanying Official Statement and, for the limited purpose of complying with the Rule, deems such Official Statement to be final as of its date within the meaning of the Rule for the purpose of review prior to bidding. Representations made and to be made by the City concerning the absence of material misstatements and omissions in the Official Statement are addressed elsewhere in this Notice of Sale and Bidding Instructions and in the Official Statement.

The City will furnish to the Purchaser, or Purchasers, acting through a designated senior representative, in accordance with instructions received from the Purchaser(s), within seven (7) business days from the sale date up to 25 copies of the Official Statement including a like number of copies of a Supplement reflecting interest rates and other terms relating to the initial reoffering of the Certificates. The cost of preparation of the Supplement, or of a reprinted Official Statement, if the Purchaser(s) shall so elect, and the cost of any Official Statement in excess of the number specified shall be prepared and distributed at the cost of the Purchaser(s). The Purchaser(s) shall be responsible for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the City assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the subject securities.

/s/ Randy Singleton  
\_\_\_\_\_  
Mayor  
City of Bridgeport, Texas

ATTEST:  
/s/ Jean Dwinnell  
\_\_\_\_\_  
City Secretary  
City of Bridgeport, Texas

May 5, 2025

## OFFICIAL BID FORM

**Form 1295 Identification Number: 2025CO**

Honorable Mayor and City Council  
City of Bridgeport, Texas  
c/o Director of Financial Services  
900 Thompson Street  
Bridgeport, TX 76426

May 12, 2025

Members of the City Council:

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions, dated May 5, 2025, of \$4,000,000\* CITY OF BRIDGEPORT, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025 (the "Certificates"), both of which constitute a part hereof.

For your legally issued Certificates, as described in said Notice of Sale and Bidding Instructions and Preliminary Official Statement, we will pay you par plus a cash premium of \$\_\_\_\_\_ for Certificates maturing and bearing interest as follows.

<u>Maturity (August 15)</u>	<u>Principal Amount*</u>	<u>Maturity (August 15)</u>	<u>Principal Amount*</u>
2026	\$370,000	2036	\$365,000
2027	250,000	2037	380,000
2028	260,000	2038	20,000
2029	275,000	2039	20,000
2030	290,000	2040	20,000
2031	300,000	2041	20,000
2032	315,000	2042	20,000
2033	325,000	2043	25,000
2034	340,000	2044	25,000
2035	355,000	2045	25,000

Of the principal maturities set forth in the table above, term certificates have been created as indicated in the following table (which may include multiple term certificates, one term certificate or no term certificates if none is indicated). For those years which have been combined into a term certificate, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term certificates maturity date shall mature in such year. The term certificates created are as follows.

Maturity Date	Year of First Mandatory Redemption	Principal Amount	Interest Rate
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Our calculation (which is not a part of this bid) of the interest cost from the above is:

True Interest Cost Rate:

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\* Preliminary, subject to change

The Initial Certificate shall be registered in the name of \_\_\_\_\_. We will advise The Depository Trust Company ("DTC") of registration instructions at least five business days prior to the date set for Initial Delivery.

A Cashier's Check of the \_\_\_\_\_ in the amount of \$80,000 which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this Bid), and is submitted in accordance with the terms as set forth in the Official Statement and Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Certificates utilizing the book-entry-only system through DTC and make payment for the Initial Certificate by wire transfer in immediately available funds pursuant to written direction of the City, not later than 11:00 AM, Bridgeport Texas time, on June 5, 2025, or thereafter on the date the Certificates are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions.

The undersigned has submitted, or upon notification that it is the apparent winning bidder will submit, in accordance with the requirements in the Official Notice of Sale (i) an electronic form of the Certificate of Interested Parties Form 1295 (the "Disclosure Form" through the Texas Ethics Commission's (the "TEC") electronic portal, if applicable, and (ii) the Disclosure Form and certification of filing that is generated by the TEC's electronic portal to the City, if applicable, all as required by and in accordance with Section 2252.908 of the Texas Government Code, and the TEC's rules promulgated thereunder. The failure to provide the Disclosure Form and certification of filing, if applicable, will prohibit the City from accepting the enclosed bid.

The undersigned agrees to complete, execute, and deliver to the City, at least six business days prior to delivery of the Certificates, a certificate relating to the "issue price" of the Certificates in the form and to the effect accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to or required by the City.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. We also agree and hereby direct the Authorized Officer of the City to attach hereto our electronic bid which is hereby incorporated by reference for all purposes and thereby, by this directed incorporation by reference, completing the information needed for this manually executed bid form.

Through submittal of this executed Official Bid Form, the undersigned makes the representations and verifications provided in the Notice of Sale and Bidding Instructions under the headings "DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS - ADDITIONAL CONDITION OF AWARD - STATUTORY REPRESENTATIONS AND COVENANTS" and "- ADDITIONAL CONDITION OF AWARD - REPRESENTATION REGARDING TEXAS ATTORNEY GENERAL STANDING LETTER AND BRINGDOWN VERIFICATION" and such representations and verifications shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this bid or the Notice of Sale and Bidding Instructions, notwithstanding anything herein or therein to the contrary.

Respectfully submitted,

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Representative

(1) "Company" means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or associations that exists to make a profit. The term does not include a sole proprietorship.

ACCEPTANCE CLAUSE

The above and foregoing bid together with the electronic bid information completing such information as incorporated by reference and attached hereto is hereby in all things accepted by the City of Bridgeport, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 12<sup>th</sup> day of May 2025.

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Authorized Officer  
City of Bridgeport, Texas

**City of Bridgeport, Texas**  
**Combination Tax and Revenue Certificates of Obligation, Series 2025**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of \_\_\_\_\_ (the “Purchaser”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Certificates”) of the City of Bridgeport, Texas (the “Issuer”).

**1. Reasonably Expected Initial Offering Price.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Certificates to the Public by the Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Certificates used by the Purchaser in formulating its bid to purchase the Certificates. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Certificates.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.  
ity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Certificates.

**2. Defined Terms.**

(a) *Maturity* means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is May 12, 2025.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Tax Exemption with respect to the Certificates and with respect to compliance with the federal income tax rules affecting the Certificates, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates.

\_\_\_\_\_  
[NAME OF UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**  
*(Attached)*



**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**  
*(Attached)*

**PRELIMINARY OFFICIAL STATEMENT DATED MAY 5, 2025**

**NEW ISSUE BOOK-ENTRY ONLY**

**Rating: S&P: “A+” (Underlying)  
See “OTHER PERTINENT INFORMATION – Ratings”  
and “BOND INSURANCE” herein)**

*In the opinion of Bond Counsel, interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings, and court decisions existing on the date thereof, subject to the matters described under “TAX MATTERS” herein.*

**THE CITY WILL NOT DESIGNATE THE CERTIFICATES AS “QUALIFIED TAX-EXEMPT OBLIGATIONS.”**

**\$4,000,000\***  
**CITY OF BRIDGEPORT, TEXAS**  
**(Wise County)**

**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025**

**Dated Date: June 1, 2025**

**Due, August 15 as shown on the inside cover**

**Interest Accrual Date: Date of Delivery**

The City of Bridgeport, Texas (the “City” or “Issuer”), is issuing \$4,000,000\* Combination Tax and Revenue Certificates of Obligation, Series 2025 (the “Certificates”) in accordance with the Constitution and general laws of the State of Texas (the “State”), particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, and an ordinance (the “Ordinance”) to be adopted by the City Council of the City on April 28, 2025.

The Certificates constitute direct obligations of the Issuer payable from a combination of the levy and collection of an annual ad valorem tax levied against all taxable property in the City within the limits prescribed by law, and a limited pledge (not to exceed \$1,000) of the surplus Net Revenues derived from the operation of the City’s combined Water and Sewer System (the “System”). (See “THE CERTIFICATES - Security for Payment” herein.)

Interest on the Certificates accrues from the Date of Delivery (defined herein). Interest on the Certificates will be payable February 15 and August 15 of each year, commencing February 15, 2026, until maturity or prior redemption, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Certificates will be issued as fully-registered Certificates in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository (the “Securities Depository”). Book-entry interests in the Certificates, within a stated maturity, will be made available for purchase in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of the Certificates (“Beneficial Owners”) will not receive physical delivery of Certificates representing their interest in the Certificates purchased. So long as DTC or its nominee is the registered owner of the Certificates, the principal of and interest on the Certificates will be payable by U.S. Bank Trust Company, National Association, Dallas, Texas, as Paying Agent/Registrar, to the Securities Depository, which will in turn remit such principal and interest to its participating members, which will in turn remit such principal and interest to the Beneficial Owners of the Certificates. (See “BOOK-ENTRY-ONLY SYSTEM” herein.)

Proceeds from the sale of the Certificates will be used to pay all or a portion of the City’s contractual obligations for (i) constructing, improving and equipping park and recreation facilities, including the acquisition of land and rights-of-way therefor and (ii) professional services rendered in relation to such project and the financing thereof. (See “THE CERTIFICATES – Use of Proceeds” herein)

The Issuer reserves the right to redeem the Certificates maturing on and after August 15, 2036, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest, on August 15, 2035, or any date thereafter, as further described herein. The Certificates are subject to optional and mandatory redemption, as further described herein. (See “THE CERTIFICATES – Redemption Provisions” herein.)

The City is considering qualifying the Certificates for municipal bond insurance and has made application to municipal bond insurance companies in connection with such consideration. (See “BOND INSURANCE” and “BOND INSURANCE RISK FACTORS” herein.)

**Maturity Schedule on Inside Cover Page**

*The Certificates are offered for delivery when, as and if issued, and received by the initial purchaser (the “Purchaser” or the “Initial Purchaser”) and subject to the approval of legality by the Attorney General of the State of Texas and the opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel (see APPENDIX C, “Form of Legal Opinion of Bond Counsel”). The Certificates are expected to be available for initial delivery through the services of DTC on or about June 5, 2025 (the “Date of Delivery”).*

**BIDS DUE MONDAY, MAY 12, 2025 AT 11:00 A.M. CDT**

\*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**STATED MATURITY SCHEDULE**  
**(Due August 15)**  
**Base CUSIP: 108326<sup>(a)</sup>**

**\$4,000,000\***  
**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025**

<u>Maturity</u> <u>(August 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Yield</u>	<u>CUSIP</u> <u>Suffix No.</u> <sup>(a)</sup>
2026	\$370,000			
2027	250,000			
2028	260,000			
2029	275,000			
2030	290,000			
2031	300,000			
2032	315,000			
2033	325,000			
2034	340,000			
2035	355,000			
2036	365,000			
2037	380,000			
2038	20,000			
2039	20,000			
2040	20,000			
2041	20,000			
2042	20,000			
2043	25,000			
2044	25,000			
2045	25,000			

(Interest to accrue from the Date of Delivery)

**Redemption of the Certificates\***

The Certificates maturing on or after August 15, 2036, are subject to optional redemption in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the option of the City, on August 15, 2035, or any date thereafter at the par value thereof plus accrued interest to the date of redemption. See “THE CERTIFICATES – Redemption Provisions.”

\*Preliminary, subject to change.

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**CITY OF BRIDGEPORT, TEXAS**  
**900 Thompson Street**  
**Bridgeport, Texas 76426**  
**(940) 683-3400**

**ELECTED OFFICIALS**

<u><b>Name</b></u>	<u><b>Title</b></u>	<u><b>Term Expires</b></u>	<u><b>Occupation</b></u>
Randy Singleton	Mayor	May 2026	Retired
Preston Brown	Member	May 2026	Health Professional
Bobby Rodriquez	Member	May 2026	Retired
Susan Coffman	Member	May 2027	Sales
Sylvia Ramirez	Member	May 2027	Self-Employed
Matt VanHoose	Member	May 2027	Business Manager

**ADMINISTRATION**

<u><b>Name</b></u>	<u><b>Position</b></u>	<u><b>Years of Municipal Experience</b></u>
Mike Murray	City Manager	27 Years
Corey Ingram	Director of Financial Services	2 years*

\*Mr. Ingram has more than 30 years of financial services experience in prior positions.

**CONSULTANTS AND ADVISORS**

Bond Counsel ..... Norton Rose Fulbright US LLP  
Dallas, Texas

Certified Public Accountants..... Vail & Park, P.C.  
Tom Bean, Texas

Financial Advisor .....PFM Financial Advisors LLC  
Austin, Texas

For additional information regarding the City, please contact:

Corey Ingram  
Director of Financial Services  
City of Bridgeport  
900 Thompson Street  
Bridgeport, Texas 76426  
(940) 683-3424

Blake Roberts  
Managing Director  
PFM Financial Advisors LLC  
111 Congress Avenue, Suite 2150  
Austin, Texas 78701  
(512) 614-5324

## USE OF INFORMATION IN THIS OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”), this document constitutes an Official Statement of the City with respect to the Certificates that has been deemed “final” by the City as of its date except for the omission of no more than the information permitted by Rule.

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

Certain information set forth herein has been provided by sources other than the City that the City believes to be reliable, but the City makes no representation as to the accuracy of such information. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein since the date hereof. See “CONTINUING DISCLOSURE OF INFORMATION” for a description of the City’s undertaking to provide certain information on a continuing basis.

THE CERTIFICATES ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE CERTIFICATES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THE CERTIFICATES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY AND IS NOT INTENDED AS A SUMMARY OF THE CERTIFICATES. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

NEITHER THE CITY NOR ITS FINANCIAL ADVISOR MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY (“DTC”) OR ITS BOOK-ENTRY ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC.

THIS OFFICIAL STATEMENT CONTAINS “FORWARD-LOOKING” STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS (SEE “FORWARD LOOKING STATEMENTS” HEREIN).

IN CONNECTION WITH THIS OFFERING, THE PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

(REMAINDER OF PAGE IS INTENTIONALLY LEFT BLANK.)

## TABLE OF CONTENTS

<b>ELECTED OFFICIALS .....</b>	<b>iii</b>	<b>AD VALOREM PROPERTY TAXATION .....</b>	<b>15</b>
<b>ADMINISTRATION.....</b>	<b>iii</b>	Valuation of Taxable Property .....	15
<b>USE OF INFORMATION IN THIS OFFICIAL</b>		State Mandated Homestead Exemptions.....	15
<b>STATEMENT.....</b>	<b>iv</b>	Local Option Homestead Exemptions.....	15
<b>SELECTED DATA FROM THE OFFICIAL STATEMENT</b>		Local Option Freeze for the Elderly and Disabled.....	16
.....	vi	Personal Property .....	16
<b>INTRODUCTORY STATEMENT.....</b>	<b>1</b>	Freeport and Goods-In-Transit Exemptions.....	16
<b>THE CERTIFICATES .....</b>	<b>1</b>	Other Exempt Property .....	16
General.....	1	Tax Increment Reinvestment Zones.....	17
Authority for Issuance.....	1	Tax Abatement Agreements.....	17
Security for Payment.....	1	City and Taxpayer Remedies .....	17
Tax Rate Limitation .....	2	Levy and Collection of Taxes .....	17
Use of Proceeds .....	2	City's Rights in the Event of Tax Delinquencies.....	17
Redemption Provisions .....	2	Public Hearing and Maintenance and Operations Tax Rate	
Payment Record.....	3	Limitations .....	18
Legality .....	3	Debt Tax Rate Limitations .....	19
Defeasance .....	3	City Application of Tax Code .....	20
Default and Remedies .....	4	Reinvestment Zone Number One, City of Bridgeport	
Amendments to the Ordinance.....	5	(Downtown, Hospital, and US Highway 380) ("Zone One")	
<b>REGISTRATION, TRANSFER AND EXCHANGE.....</b>	<b>5</b>	.....	20
Paying Agent/Registrar.....	5	Reinvestment Zone Number Two, City of Bridgeport	
Record Date .....	5	(Endeavor Bridgeport) ("Zone Two") .....	20
Special Record Date for Interest Payment .....	6	<b>TAX MATTERS.....</b>	<b>21</b>
Registration .....	6	Tax Exemption.....	21
Replacement Certificates .....	6	Tax Accounting Treatment of Discount and Premium on	
<b>BOND INSURANCE.....</b>	<b>6</b>	Certain Certificates .....	22
<b>BOND INSURANCE RISK FACTORS.....</b>	<b>6</b>	<b>LEGAL MATTERS .....</b>	<b>23</b>
General.....	6	<b>CONTINUING DISCLOSURE OF INFORMATION.....</b>	<b>23</b>
Claims-Paying Ability and Financial Strength of Municipal		Annual Reports .....	23
Bond Insurers .....	7	Notice of Certain Events.....	24
<b>BOOK-ENTRY-ONLY SYSTEM .....</b>	<b>7</b>	Availability of Information .....	24
Use of Certain Terms in Other Sections of this Official		Limitations and Amendments .....	24
Statement .....	9	Compliance with Prior Agreements .....	25
<b>INVESTMENT POLICIES.....</b>	<b>9</b>	<b>OTHER PERTINENT INFORMATION.....</b>	<b>25</b>
Legal Investments .....	9	Registration and Qualification of Certificates for Sale .....	25
Investment Policies .....	10	Litigation.....	25
Additional Provisions.....	11	Legal Investments and Eligibility to Secure Public Funds in	
Current Investments .....	11	Texas.....	25
<b>RETIREMENT PLAN AND PENSION BENEFITS.....</b>	<b>11</b>	Ratings .....	26
Plan Description.....	11	Financial Advisor.....	26
Benefits .....	12	Purchaser of the Bonds .....	26
Contributions .....	12	<b>FORWARD LOOKING STATEMENTS .....</b>	<b>26</b>
Net Pension Liability .....	12	<b>CONCLUDING STATEMENT .....</b>	<b>27</b>
Discount Rate.....	13		

Financial Information of the Issuer	APPENDIX A
General Information Regarding City of Bridgeport and Wise County, Texas	APPENDIX B
Form of Legal Opinion of Bond Counsel	APPENDIX C
Excerpts from the City of Bridgeport Audited Financial Statements for the Year Ended September 30, 2024	APPENDIX D

The cover page, subsequent pages hereof, and appendices attached hereto, are part of this Official Statement.

## SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement.

<b>The Issuer</b>	The City of Bridgeport, Texas (the “City” or “Issuer”), is located in Wise County and is a Home Rule municipal corporation governed by a Mayor and a five-member council. The Mayor is elected “at large” and the five council members are elected by place number for two-year staggered terms. (See “APPENDIX B - General Information Regarding City of Bridgeport and Wise County, Texas” herein.)
<b>The Certificates</b>	The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Subchapter C, Chapter 271, Texas Local Government Code, as amended, an ordinance (the “Ordinance”) to be adopted by the City Council. (See “THE CERTIFICATES - Authority for Issuance” herein.)
<b>Paying Agent/Registrar</b>	The initial Paying Agent/Registrar is U.S. Bank Trust Company, National Association, Dallas, Texas.
<b>Security</b>	The Certificates constitute direct obligations of the Issuer payable from a combination of the levy and collection of an annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and a limited pledge (not to exceed \$1,000) of the surplus Net Revenues derived from the operation of the City’s combined Water and Sewer System (the “System”). (See “THE CERTIFICATES - Security for Payment” herein.)
<b>Redemption Provisions</b>	The Certificates maturing on and after August 15, 2036, are subject to redemption at the option of the Issuer on August 15, 2035, or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest, as further described herein. (See “THE CERTIFICATES - Redemption Provisions” herein.)
<b>Tax Exemption</b>	In the opinion of Bond Counsel, the interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under “TAX MATTERS” herein.
<b>Use of Proceeds</b>	Proceeds from the sale of the Certificates will be used to pay all or a portion of the City’s contractual obligations for (i) constructing, improving and equipping park and recreation facilities, including the acquisition of land and rights-of-way therefor and (ii) professional services rendered in relation to such project and the financing thereof. (See “THE CERTIFICATES - Use of Proceeds” herein.)
<b>Book-Entry Only System</b>	The Issuer intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York described herein. No physical delivery of the Certificates will be made to the beneficial owners of the Certificates. Such Book-Entry-Only System may affect the method and timing of payments on the Certificates and the manner the Certificates may be transferred. (See “Book-Entry-Only System” herein.)
<b>Rating</b>	S&P Global Ratings, a division of S&P Global, (“S&P”) has assigned an underlying rating of “A+” (stable outlook) to the Certificates without regard to credit enhancement. An explanation of the significance of such ratings may need be obtained from S&P. (See “OTHER PERTINENT INFORMATION – Ratings” herein.)
<b>Payment Record</b>	The City has never defaulted in repayment of its bonded indebtedness.
<b>Delivery</b>	When issued, it is anticipated the Certificates will be available through DTC on or about June 5, 2025.
<b>Legality</b>	Delivery of the Certificates is subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by Norton Rose Fulbright US LLP, Bond Counsel, Dallas, Texas. (See “LEGAL MATTERS” herein.)

**\$4,000,000\***  
**CITY OF BRIDGEPORT, TEXAS**  
**(Wise County)**  
**Combination Tax and Revenue Certificates of Obligation, Series 2025**

**INTRODUCTORY STATEMENT**

This Official Statement provides certain information in connection with the issuance by City of Bridgeport, Texas (the “City” or “Issuer”) of its \$4,000,000\* Combination Tax and Revenue Certificates of Obligation, Series 2025 (the “Certificates”) identified on the cover page hereof.

The Issuer is a political subdivision of the State of Texas and operates under the statutes and the Constitution of the State of Texas. The Certificates are being issued pursuant to the Constitution and general laws of the State, and an ordinance authorizing their issuance (the “Ordinance”) to be adopted by the City Council authorizing the issuance of the Certificates. (See “THE CERTIFICATES - Authority for Issuance” herein.)

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Ordinance. Included in this Official Statement are descriptions of the Certificates and certain information about the Issuer and its finances. ***ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT.*** Copies of such documents may be obtained from the Issuer or the Financial Advisor.

**THE CERTIFICATES**

**General**

The Certificates will be dated June 1, 2025 (the “Dated Date”), but interest will accrue on the Certificates from the date of their initial delivery, anticipated to be June 5, 2025 (the “Date of Delivery”). The Certificates are stated to mature on August 15 in the years and in the principal amounts set forth on page ii hereof. The Certificates shall bear interest from their Date of Delivery on the unpaid principal amounts, and the amount of interest to be paid with respect to each payment period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Certificates will be payable on February 15 and August 15 of each year commencing February 15, 2026, until maturity or prior redemption. Principal is payable at the designated offices of the Paying Agent/Registrar for the Certificates, initially U.S. Bank Trust Company, National Association, Dallas, Texas (the “Paying Agent/Registrar”). Interest on the Certificates shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent United States mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Certificates will be paid to the registered owner at their stated maturity or upon prior redemption upon presentation to designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Certificates, all payments will be made as described under “BOOK-ENTRY-ONLY SYSTEM” herein. If the date for any payment on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located is authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

**Authority for Issuance**

The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, and the Ordinance to be adopted by the City Council.

**Security for Payment**

The Certificates constitute direct obligations of the Issuer payable from a combination of the levy and collection of an annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and a limited pledge

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\* Preliminary, subject to change.



(not to exceed \$1,000) of the surplus Net Revenues derived from the operation of the City's combined Water and Sewer System (the "System"). (See "CITY APPLICATION OF THE PROPERTY TAX CODE" herein.)

### **Tax Rate Limitation**

All taxable property within the City is subject to the assessment, levy and collection by the City of a direct and continuing annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. On May 7, 2016, voters of the City approved the adoption of a home rule charter making the City a home rule municipally subject to the provisions of Article XI, Section 5 of the Texas Constitution. Article XI, Section 5, of the Texas Constitution limits the City's maximum ad valorem tax rate to \$2.50 per \$100 Taxable Assessed Valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all general obligation debt service, as calculated at the time of issuance and based on a 90% tax collection rate.

### **Use of Proceeds**

Proceeds from the sale of the Certificates will be used to pay all or a portion of the City's contractual obligations for (i) constructing, improving and equipping park and recreation facilities, including the acquisition of land and rights-of-way therefor and (ii) professional services rendered in relation to such project and the financing thereof.

### **Redemption Provisions**

#### Optional Redemption

The Certificates maturing on and after August 15, 2036, are subject to redemption at the option of the Issuer on August 15, 2035, or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest, as further described herein.

#### Mandatory Sinking Fund Redemption

The Certificates maturing on August 15, 20\_\_ (the "Term Certificates") are subject to mandatory sinking fund redemption in part prior to maturity on the dates and in the principal amounts as follows:

Mandatory Sinking Fund Redemption Date	Principal Amount
August 15,	\$
August 15, <sup>(1)</sup>	

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<sup>(1)</sup> Stated Maturity

At least forty-five (45) days before August 15 in each of the years specified above that the Term Certificates are to be mandatorily redeemed, the Paying Agent/Registrar shall select by lot the numbers of the Term Certificates within the applicable maturity to be redeemed on the next following August 15 from moneys set aside for that purpose in the Certificate Fund. Any Term Certificates not selected for prior redemption shall be paid on the date of their stated maturity.]

#### Notice of Redemption

If less than all of the Certificates within a stated maturity are to be redeemed, the particular Certificates to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar.

At least 30 days prior to the date fixed for any such redemption of the Certificates, the Issuer shall cause a written notice of such redemption to be deposited in the United States mail, first class postage prepaid, addressed to each registered owner of a Certificate to be redeemed at the address shown on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE OF REDEMPTION SO MAILED TO THE REGISTERED OWNERS WILL BE DEEMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER ONE OR MORE OF THE REGISTERED OWNERS FAILED TO RECEIVE SUCH NOTICE. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof which are to be so redeemed. If such notice of redemption

is given and if due provision for such payment is made, all as provided above, the Certificates or portions thereof which are to be redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and, provided moneys sufficient for the payment of such Certificates (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

With respect to any optional redemption of the Certificates, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption and if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem the Certificates, and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

The Paying Agent/Registrar and the Issuer, so long as a Book-Entry-Only System is used for the Certificates, will send any notice of redemption for the Certificates, notice of proposed amendment to the Ordinance or other notices with respect to the Certificates only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, will not affect the validity of the redemption of the Certificates called for redemption or any other action with respect to the Certificates premised on any such notice. Redemption of portions of the Certificates by the Issuer will reduce the outstanding principal amount of such Certificates held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, redemption of such Certificates held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement redemption of such Certificates from the beneficial owners. Any such selection of Certificates being redeemed will not be governed by the Ordinance and will not be conducted by the Issuer or the Paying Agent/Registrar. Neither the Issuer nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Certificates or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the Certificates for redemption. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

### **Payment Record**

The City has never defaulted in the payment of its bonded indebtedness.

### **Legality**

The Certificates are offered when, as and if issued, subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by Norton Rose Fulbright US LLP, Dallas, Texas. The legal opinion of Bond Counsel will accompany the global Certificates to be deposited with DTC or will be printed on or attached to the Certificates should the Book-Entry-Only System be discontinued. A form of the legal opinion of Bond Counsel appears in APPENDIX C attached hereto.

### **Defeasance**

The Ordinance relating to the Certificates provides for the defeasance of the Certificates when the payment of the principal of and premium, if any, on the Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar or an authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Securities, certified by an independent accounting or consulting firm to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payments, and all necessary and proper fees, compensation and expenses of the paying agent for the Certificates. The Ordinance provides that "Government Securities" means (a) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the

date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (d) any other then authorized securities or obligations that may be used to defease obligations such as the Certificates under the then applicable laws of the State of Texas. The City has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance. There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Certificates. Because the Ordinance does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Securities or that for any other Government Security will be maintained at any particular rating category.

Upon such deposit as described above, such Certificates shall no longer be regarded to be outstanding or unpaid and will cease to be outstanding obligations secured by the Ordinance or treated as debt of the City for purposes of taxation or applying any limitation on the City's ability to issue debt or for any other purpose. After firm banking and financial arrangements for the discharge and final payment or redemption of the Certificates have been made as described above, all rights of the City to initiate proceedings to call the Certificates for redemption or take any other action amending the terms of the Certificates are extinguished; provided, however, that the right to call the Certificates for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

### **Default and Remedies**

The Ordinance does not specify events of default with respect to the Certificates. If the City defaults in the payment of principal, interest or redemption price, as applicable, on the Certificates when due, or if it fails to make payments into any fund or funds created in the Ordinance, or defaults in the observance or performance of any other covenants, conditions or obligations set forth in the Ordinance, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Certificates if there is no other available remedy at law to compel performance of the Certificates or the Ordinance and the City's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interest of the holders of the Certificates upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition and, accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, S.W. 3d (Tex. 2016) ("Wasson") that sovereign immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. The Texas Supreme Court reviewed *Wasson* again in June 2018 and clarified that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore in regard to municipal contract cases (as in tort claims) it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under the authority or for the benefit of the state. If sovereign immunity is determined by a court to exist, then the Texas Supreme Court has ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, owners of the Certificates may not be able to bring such a suit against the City for breach of the Certificates or Ordinance covenants. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a

bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or holders of the Certificates of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce creditors' rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Certificates are qualified with respect to the customary rights of debtors relative to their creditors and by general principles of equity which permit the exercise of judicial discretion.

### **Amendments to the Ordinance**

The City may amend the Ordinance without the consent of or notice to any registered owners of the Certificates in any manner not detrimental to the interests of such registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may, with the consent of the registered owners of a majority in aggregate principal amount of the Certificates then Outstanding, amend, add to, or rescind any of the provisions of the Ordinance; provided that, without the consent of all registered owners of Outstanding Certificates, no such amendment, addition, or rescission may (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Certificates, reduce the principal amount, the redemption price, or the rate of interest, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by registered owners of such Certificates for consent to any such amendment, addition, or rescission under the Ordinance.

## **REGISTRATION, TRANSFER AND EXCHANGE**

### **Paying Agent/Registrar**

The initial Paying Agent/Registrar is U.S. Bank Trust Company, National Association, Dallas, Texas. In the Ordinance, the Issuer retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the Issuer, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar, selected at the sole discretion of the Issuer, shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon a change in the Paying Agent/Registrar for the Certificates, the Issuer agrees to promptly cause written notice thereof to be sent to each registered owner of the Certificates by United States mail, first-class, postage prepaid.

In the event the Book-Entry-Only System should be discontinued, interest on the Certificates will be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest will be paid (i) by check sent United States mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Certificates will be paid to the registered owner at the stated maturity or earlier redemption upon presentation to the designated payment/transfer office of the Paying Agent/Registrar. If the date for the payment of the principal of or interest on the Certificates is a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment will be the next succeeding day which is not such a day, and payment on such date will have the same force and effect as if made on the date payment was due. So long as Cede & Co. is the registered owner of the Certificates, principal, interest and redemption payments on the Certificates will be made as described in "BOOK-ENTRY-ONLY SYSTEM" herein.

### **Record Date**

The record date ("Record Date") for interest payable to the registered owner of a Certificate on any interest payment date means the last business day of the month next preceding such interest payment date. (See "Special Record Date for Interest Payment" herein.)

### **Special Record Date for Interest Payment**

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date"), which shall be 15 days after the Special Record Date, shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Certificate appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

### **Registration**

The Certificates are initially to be issued utilizing the Book-Entry-Only System of DTC. In the event such Book-Entry-Only System should be discontinued, printed certificates will be delivered and thereafter, the Certificates may be transferred, registered, and assigned on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar, and such registration and transfer will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Certificate may be assigned by the execution of an assignment form on the Certificate or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Certificate will be delivered by the Paying Agent/Registrar in lieu of the Certificates being transferred or exchanged at the designated office of the Paying Agent/Registrar, or sent by United States registered mail to the new registered owner at the registered owner's request, risk and expense. To the extent possible, new Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner not more than three (3) business days after the receipt of the Certificate to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer will be in denominations of \$5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and rate of interest as the Certificate surrendered for exchange or transfer. (See "BOOKENTRY-ONLY SYSTEM" herein for a description of the system to be initially utilized in regard to ownership and transferability of the Certificates.)

### **Replacement Certificates**

In the Ordinance, provision is made for the replacement of mutilated, destroyed, lost, or stolen Certificates upon surrender of the mutilated Certificates to the Paying Agent/Registrar, or the receipt of satisfactory evidence of destruction, loss, or theft, and the receipt by the Issuer and Paying Agent/Registrar of security or indemnity as may be required by either of them to hold them harmless. The Issuer may require payment of taxes, governmental charges, and other expenses in connection with any such replacement.

## **BOND INSURANCE**

The Issuer has made application to municipal bond insurance companies to have the payment of the principal of and interest on the Certificates insured by a municipal bond insurance policy. The Issuer shall notify the Purchaser upon obtaining a commitment from a municipal bond insurance company concerning this matter. The final Official Statement shall disclose, to the extent necessary, any relevant information relating to any such municipal bond insurance policy.

## **BOND INSURANCE RISK FACTORS**

### **General**

If a commitment from a bond insurance company (the "Insurer") to provide a municipal bond insurance policy relating to the Certificates (the "Policy") is obtained, the following risk factors generally apply.

In the event of default of the scheduled payment of principal of or interest on the Certificates when all or a portion thereof becomes due, any owner of the Certificates shall have a claim under the Policy for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the Certificates by the City which is recovered by the City from the Certificate owner as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the City (unless the Insurer chooses to pay such amounts at an earlier date). Payment of principal of and interest on the Certificates is not subject to acceleration, but other legal remedies upon the occurrence of non-payment do

exist (see “THE CERTIFICATES - Default and Remedies”). The Insurer may reserve the right to direct the pursuit of available remedies, and, in addition, may reserve the right to consent to any remedies available to and requested by the holders of the Certificates.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Certificates are payable solely from the ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City and the System revenues to the extent of the limited pledge. In the event the Insurer becomes obligated to make payments with respect to the Certificates, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Certificates.

The long-term ratings on the Certificates are dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of the Insurer and of the ratings on the Certificates, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Certificates. See the disclosure described in “OTHER PERTINENT INFORMATION - Ratings” herein. The obligations of the Insurer under a Policy are general obligations of the Insurer and in an event of default by the Insurer the remedies available may be limited by applicable bankruptcy law. Neither the City, the Financial Advisor nor the Purchaser has made independent investigation into the claims-paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of any Insurer is given.

### **Claims-Paying Ability and Financial Strength of Municipal Bond Insurers**

Moody's Investor Services, Inc., S&P Global Ratings, and Fitch Ratings (the “Rating Agencies”) have, over the last several years, downgraded and/or placed on negative watch the claims-paying and financial strength of most providers of municipal bond insurance. Additional downgrades or negative changes in the rating outlook for all bond insurers are possible. In addition, events over the last several years in the credit markets have had substantial negative effects on the bond insurance business. These developments could be viewed as having a material adverse effect on the claims-paying ability of such bond insurers, including any bond insurer of the Certificates. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to pay principal and interest on the Certificates and the claims paying ability of any such bond insurer, particularly over the life of the Certificates.

### **BOOK-ENTRY-ONLY SYSTEM**

*This section describes how ownership of the Certificates is to be transferred and how the principal of, premium, if any, and interest on the Certificates are to be paid to and credited by DTC while the Certificates are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Issuer and the Financial Advisor believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

The Issuer cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, or the redemption price or redemption notices or other notices with respect to the Certificates, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or any redemption or other notice with respect to the Certificates, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Certificates in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited

securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are referred to herein as the "Participants". DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of the notices be provided directly to them.

Redemption notices for the Certificates shall be sent to DTC. If less than all of the Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent/Registrar,

disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City.

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the Issuer or the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, printed certificates for the Certificates are required to be furnished and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, printed certificates will be furnished and delivered as provided in the Ordinance. (See "REGISTRATION, TRANSFER AND EXCHANGE" herein.)

### **Use of Certain Terms in Other Sections of this Official Statement**

In reading this Official Statement it should be understood that while the Certificates are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Certificates, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, payment or notices that are to be given to registered owners under the Ordinance will be given only to DTC.

## **INVESTMENT POLICIES**

The City invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

### **Legal Investments**

Available City funds are invested as authorized by Texas law and in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change. Under State law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or (ii) a depository institution with a main office or branch office in this State that the investing entity selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Insurance Fund or its successor, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds



in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) a no-load money market mutual fund registered with and regulated by the Securities and Exchange Commission that provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and complies with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAA-m or an equivalent by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90 days. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

### **Investment Policies**

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning:

(1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

### **Additional Provisions**

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City’s investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City’s entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City’s investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City’s monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

### **Current Investments**

On December 31, 2024, the City held investments with a market value totaling \$19,751,003 invested as follows:

<b>Description</b>	<b>Amount</b>
Investment Pools	\$14,737,368
Bank & Certificates Deposits	5,013,635
<b>Total</b>	<b>\$19,751,003</b>

## **RETIREMENT PLAN AND PENSION BENEFITS**

### **Plan Description**

The City participates as one of more than 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and the management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

## Benefits

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions with interest and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24 or 36 monthly payments which cannot exceed 75% of the member's deposits and interest.

*Employees covered by benefit terms.*

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

### EMPLOYEES COVERED BY BENEFIT TERMS

Inactive employees (or their beneficiaries) currently receiving benefits	51
Inactive employees entitles to but not yet receiving benefits	92
Active employees	82
	<hr/>
	225

## Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 13.42% and 13.33% in calendar years 2022 and 2023 respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$699,880 and were equal to the required contributions.

## Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

### *Actuarial assumptions*

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates projected on a fully generation basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%. For disabled annuitants, the mortality tables for health retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and

experience investigation study, the Board amended the long-term expected rate of return on pension plan investments is 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
	100.00%	

### Discount Rate

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

### *Changes in the Net Pension Liability:*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (c)
Balance at 12/31/2021	\$15,707,944	\$14,888,737	\$819,207
Changes for the year:			
Service cost	739,571	-	739,571
Interest	1,064,902	-	1,064,902
Change of benefit terms including substantively automatic status	-	-	-
Difference between expected and actual experience	449,151	-	449,151
Change in assumptions	-	-	-
Contributions - employer	-	606,130	(606,130)
Contributions - employee	-	321,189	(321,189)
Net investment income	-	(1,085,748)	1,085,748
Benefit payments, including refunds of employee contributions	(602,804)	(602,804)	-
Amortization of prior year assets	-	-	-
Administrative expense	-	(9,405)	9,405
Other changes	-	11,222	(11,222)
Net changes	1,650,820	(759,416)	2,410,236
Balance at 12/31/2022	\$17,358,764	\$14,129,321	\$3,229,443

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

The following presents the net pension liability of the City and the Bridgeport Economic Development Corporation (“BEDC”), calculated using the discount rate of 6.75%, as well as what the City and BEDC’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

City			
	1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
Net Pension Liability	\$6,084,838	\$3,138,422	\$810,785

BEDC			
	1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
Net Pension Liability	\$176,474	\$91,021	\$23,515

*Pension Plan Fiduciary Net Position:*

Detailed information about the pension plan’s Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

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

For the year ended September 30, 2023, the City and BEDC recognized pension expense of \$947,854. At September 30, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Primary Government		BEDC	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes in actuarial assumptions	\$307,409	\$ -	\$8,916	\$ -
Difference between projected and actual investment earnings	931,032	-	27,002	-
Contributions subsequent to the measurement date	503,652	-	14,615	-
Total	\$1,742,093	\$ -	\$50,533	\$-

The \$518,267 of contributions made after the measurement date of the net pension liability but before the end of the City and BEDC’s reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period. The other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	City	BEDC
	Deferred Outflow (Inflow) of Resources	Deferred Outflow (Inflow) of Resources
2024	\$238,696	\$6,923
2025	346,503	10,049
2026	246,882	7,160
2027	406,361	11,785
2028	-	-
Thereafter	-	-
	\$1,238,441	\$35,918

## **AD VALOREM PROPERTY TAXATION**

*The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.*

### **Valuation of Taxable Property**

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the City is the responsibility of the Wise County Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the City, in establishing their tax rolls and tax rates (see "AD VALOREM PROPERTY TAXATION – City and Taxpayer Remedies").

### **State Mandated Homestead Exemptions**

State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

### **Local Option Homestead Exemptions**

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than \$5,000) and (2) an additional exemption of at least \$3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

## **Local Option Freeze for the Elderly and Disabled**

The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

## **Personal Property**

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the “production of income” is taxed based on the property’s market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

## **Freeport and Goods-In-Transit Exemptions**

Certain goods that are acquired in or imported into the State to be forwarded outside the State and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication (“Freeport Property”) are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods, that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days (“Goods-in-Transit”), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action, after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer’s motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

## **Other Exempt Property**

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

**TEMPORARY EXEMPTION FOR QUALIFIED PROPERTY DAMAGED BY DISASTER . . .** The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes located in an area declared by the governor to be a disaster area following a disaster and is at least 15 percent damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. Except in situations where the territory is declared a disaster on or after the date of taxing unit adopts a tax rate for the year in which the disaster declaration is issued, the governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the governor declares the area to be a disaster area. The Texas Legislature amended Section 11.35 of the Tax Code to clarify that “damage” is limited to “physical damage.” For more information on the exemption, reference is made to Section 11.35 of the Tax Code.

## **Tax Increment Reinvestment Zones**

A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones (“TIRZ”) within its boundaries. At the time of the creation of the TIRZ, a “base value” for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the “tax increment”. During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

## **Tax Abatement Agreements**

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

For a discussion of how the various exemptions described above are applied by the City, see “AD VALOREM PROPERTY TAXATION – City Application of Tax Code” herein.

## **City and Taxpayer Remedies**

Under certain circumstances, taxpayers and taxing units, including the City, may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the City may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year “minimum eligibility amount”, as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at \$57,216,456 million for the 2023 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the City and provides for taxpayer referenda that could result in the repeal of certain tax increases (see “AD VALOREM PROPERTY TAXATION – Public Hearing and Maintenance and Operations Tax Rate Limitations”). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

## **Levy and Collection of Taxes**

The City is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the City. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the City may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

## **City’s Rights in the Event of Tax Delinquencies**

Taxes levied by the City are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the



year on the property. The lien exists in favor of each taxing unit, including the City, having power to tax the property. The City's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the City is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the City may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

### **Public Hearing and Maintenance and Operations Tax Rate Limitations**

The following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"foregone revenue amount" means the greater of zero or the amount expressed in dollars calculated according to the following formula: the voter-approval tax rate less the actual tax rate, then multiplied by the taxing unit's current total value in the applicable preceding tax year.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

"preceding total value" means a taxing unit's current total value in the applicable preceding tax year.

"special taxing unit" means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

"unused increment rate" means the greater if (i) zero or (ii) the sum of the 2022 foregone revenue amount, the 2023 foregone revenue amount and the 2024 foregone revenue amount divided by the current total value.

"voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the "unused increment rate".

The City's tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

A city must annually calculate its voter-approval tax rate and no-new-revenue tax rate in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its de minimis rate, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has posted notice prominently on the appraisal district's website (if the appraisal district maintains a website) and the assessor of the city has prominently posted on the city's website notice informing property owners of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase. The appraisal district is also required to post notice in a newspaper of general circulation by August 7 or as soon thereafter as practicable or if there is no newspaper of general circulation, the notice must be posted in the appraisal districts office.

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial census and does not qualify as a special taxing unit, if a city's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

**The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City's tax-supported debt obligations, including the Certificates.**

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

### **Debt Tax Rate Limitations**

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax-supported debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and

limits its maximum ad valorem tax rate to \$2.50 per \$100 of Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all debt service on ad valorem tax-supported debt, as calculated at the time of issuance.

### **State Legislation**

The Texas Legislature meets in regular session in odd numbered years for 140 days. When the Texas Legislature is not in session, the Governor of Texas (the “Governor”) may call one or more special sessions, at the Governor’s discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. During this time, the Texas Legislature may enact laws that materially change current law as it relates to the City.

The Regular Session of the 89th Texas Legislature convened on January 14, 2025 and is scheduled to conclude on June 2, 2025. The City cannot predict what legislation may be introduced during the 89th Texas Legislature or any upcoming legislative sessions and, if passed, the impact that any future legislation will or may have on the security for the Certificates.

### **City Application of Tax Code**

The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$20,000; Disabled Veterans are granted an exemption based upon their percent of disability.

The City has not granted an additional exemption of 20% of the market value of residence homesteads.

The City has not adopted the tax freeze for citizens who are disabled or are 65 years of age or older.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt. Wise County Tax Office collects taxes for the City.

The City does not permit split payments, and discounts are not allowed.

The City does not grant the Article VIII, Section 1-j (“freeport property”) exemption.

The City does not collect an additional one-half cent sales tax for reduction of ad valorem taxes.

The City has not adopted a tax abatement policy.

The City has created 2 Tax Increment Reinvestment Zones.

The City has not entered into additional tax abatement agreements.

**Reinvestment Zone Number One, City of Bridgeport (Downtown, Hospital, and US Highway 380) (“Zone One”).** Zone One was created in December 2007 with a 30-year term. The estimated project costs for Zone One are approximately \$21.2 million. The City participates in Zone One with 60% of the revenue from the City’s taxable value being contributed to the zone. Wise County participates in Zone One with 40% of the revenue from the County’s taxable value being contributed to the zone. Proposed projects include but are not limited to: streets and utilities; Halsell Street redevelopment; Halsell Street facade restoration; parks and trails; library expansion; flood control and County Courthouse renovation.

**Reinvestment Zone Number Two, City of Bridgeport (Endeavor Bridgeport) (“Zone Two”).** Zone Two was created in December 2010 with a 30-year term and an expiration date of December 31, 2039 unless changed by the City Council. The estimated project costs to be constructed in Zone Two are \$25.92 million in Phase I and \$19 million in Phase II. The City participates in Zone Two with 75% of the revenue from the City’s taxable value being contributed to the zone. Wise County participates in Zone Two with 50% of the revenue from the County’s taxable value being contributed to the zone. Phase I proposed projects include but are not limited to: streets and utilities; recreational park improvements; and veterans home land. Phase II proposed projects include but are not limited to: multipurpose event and activity center (arena); streets and utilities and a public safety facility.

## **TAX MATTERS**

### **Tax Exemption**

The delivery of the Certificates is subject to the opinion of Bond Counsel to the effect that interest on the Certificates for federal income tax purposes (i) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the “Code”), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A form of Bond Counsel’s opinion is reproduced as APPENDIX C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinion, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the date of delivery of the Certificates pertaining to the use, expenditure, and investment of the proceeds of the Certificates and will assume continuing compliance by the City with the provisions of the Ordinance subsequent to the issuance of the Certificates. The Ordinance contains covenants by the City with respect to, among other matters, the use of the proceeds of the Certificates and the facilities financed or refinanced therewith by persons other than state or local governmental units, the manner in which the proceeds of the Certificates are to be invested, the periodic calculation and payment to the United States Treasury of any “arbitrage profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Certificates to be includable in the gross income of the owners thereof from the date of the issuance of the Certificates.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Certificates is commenced, under current procedures the IRS is likely to treat the City as the “taxpayer,” and the owners of the Certificates would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Certificates, the City may have different or conflicting interests from the owners of the Certificates. Public awareness of any future audit of the Certificates could adversely affect the value and liquidity of the Certificates during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Prospective purchasers of the Certificates should be aware that the ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with “subchapter C” earnings and profits, certain foreign corporations doing business in the United States, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (“FASIT”) and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer’s applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Certificates. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Certificates.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Certificates from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Certificates. Prospective purchasers of the Certificates should consult with their own tax advisors with respect to any proposed or future changes in tax law.

## **Tax Accounting Treatment of Discount and Premium on Certain Certificates**

The initial public offering price of certain Certificates (the “Discount Certificates”) may be less than the amount payable on such Certificates at maturity. An amount equal to the difference between the initial public offering price of a Discount Certificate (assuming that a substantial amount of the Discount Certificates of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Certificate. A portion of such original issue discount allocable to the holding period of such Discount Certificate by the initial purchaser will, upon the disposition of such Discount Certificate (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Certificates described above under “Tax Exemption.” Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Certificate, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Certificate and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Certificate by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Certificate in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Certificate was held) is includable in gross income.

Owners of Discount Certificates should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Certificates for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Certificates. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Certificates may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Certificates (the “Premium Certificates”) paid by an owner may be greater than the amount payable on such Certificates at maturity. An amount equal to the difference excess of a purchaser’s tax basis on a Premium Certificate over the amount payable at maturity constitutes premium to the such purchaser. The basis for federal income tax purposes of a Premium Certificate in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Certificate. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser’s yield to maturity (or, in some cases with respect to a callable Certificate, the yield based on a call date that results in the lowest yield on the Certificate).

Purchasers of the Premium Certificates should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Certificates for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Certificates.

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## LEGAL MATTERS

The Issuer will furnish a complete transcript of proceedings incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinions of the Attorney General of the State of Texas as to the Certificates to the effect that the Certificates are valid and legally binding obligations of the Issuer, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, with respect to the Certificates issued in compliance with the provisions of the Ordinance. The form of such opinion of Bond Counsel is attached hereto as APPENDIX C.

The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Certificates, or which would affect the provisions made for their payment or security, or in any manner questioning the validity of said Certificates, will also be furnished. In connection with the issuance of the Certificates, Bond Counsel has been engaged by and only represents the Issuer. Except as noted below, Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, the Official Notice of Sale and Bidding Instructions, or the Official Bid Form, and such firm has not assumed any responsibility with respect hereto or undertaken independently to verify any of the information contained herein except that in its capacity as Bond Counsel, such firm has reviewed the information appearing under the captions or subcaptions "THE CERTIFICATES" (except under the subcaptions "Payment Record" and "Defaults and Remedies"), "REGISTRATION, TRANSFER AND EXCHANGE," "TAX MATTERS," "CONTINUING DISCLOSURE OF INFORMATION" (except under the subcaption "Compliance with Prior Agreements"), "LEGAL MATTERS" and the topics "Registration and Qualification of Certificates for Sale" and "Legal Investments and Eligibility to Secure Public Funds in Texas" under the caption "OTHER PERTINENT INFORMATION" and such firm is of the opinion that the information relating to the Certificates and legal matters contained in the Official Statement under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Certificates, such information conforms to the Ordinance. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Certificates is contingent upon the sale and delivery of the Certificates.

The various legal opinions to be delivered concurrently with the delivery of the Certificates express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance, the City will make the following agreement for the benefit of the holders and beneficial owners of the Certificates. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Certificates unless it amends or repeals the agreement as described below. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB"). This information will be available free of charge from the MSRB's Electronic Municipal Market Access ("EMMA") System.

### **Annual Reports**

The City will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement in Tables 1 through 7, 11 through 14 and 16 through 18 of APPENDIX A, and from "INVESTMENT POLICIES – Current Investments" herein. The City will update and provide this information in the numbered tables within six months after the end of each fiscal year ending in and after 2025. The City will additionally provide audited financial statements within 12 months after the end of each fiscal year in and after 2025. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City will file unaudited financial statements within such 12 month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX D or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation.

The financial information and operating data to be provided pursuant to the City's undertakings may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12, as amended (the "Rule").

The City's current fiscal year end is September 30; therefore, the information in Tables 1 through 7, 11 through 14 and 16 through 18 of APPENDIX A and "INVESTMENT POLICIES – Current Investments" must be provided by the last day of March in each year, and audited financial statements for the preceding fiscal year (or unaudited financial information if the audited financial statements are not yet available) must be provided by September 30 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data as set forth above.

### **Notice of Certain Events**

The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the City (as defined by the Rule, which includes certain debt, debt-like, and debt related obligations), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties. In addition, the City will provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, (a) any event described in (12) in the immediately preceding item is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City and (b) the City intends the words used in the immediately preceding items (15) and (16) in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

### **Availability of Information**

In connection with its continuing disclosure agreements entered into with respect to the Certificates, the City will file all required information and documentation with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings is available, without charge to the general public, by the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org).

### **Limitations and Amendments**

The City has agreed to update information and to provide notices of specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Certificates may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreements from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (i) the provisions, as so amended, would have permitted an underwriter to purchase or sell the Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (ii) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of the Ordinances that authorize such an amendment) of the outstanding Certificates subject to the proposed amendment, as the case may be, consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized Bond Counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates subject to the proposed amendment. The City may also amend or repeal the provisions of its continuing disclosure agreements if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If the City amends its agreements, it must include with the next financial information and operating data provided in accordance with its agreements described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

### **Compliance with Prior Agreements**

During the past five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

## **OTHER PERTINENT INFORMATION**

### **Registration and Qualification of Certificates for Sale**

The sale of the Certificates has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Certificates have not been qualified under the Securities Act of Texas, as amended in reliance upon various exemptions contained therein, nor have the Certificates been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

### **Litigation**

In the opinion of City officials, the City is not a party to any litigation or other proceeding pending or to their knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the City, would have a material adverse effect on the financial condition or operations of the City.

### **Legal Investments and Eligibility to Secure Public Funds in Texas**

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Government Code, as amended) provides that the Certificates are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, requires that the Certificates be assigned a rating of not less than “A” or its equivalent as to investment quality by a national rating agency. See “OTHER PERTINENT INFORMATION – Ratings” herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Certificates are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their fair market value. No review has been made of the laws in other states to determine whether the Certificates are legal investments for various institutions in those states.



No representation is made that the Certificates will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The City has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Certificates for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Certificates for such purposes.

### **Ratings**

S&P Global Ratings, a division of S&P Global Inc. ("S&P") has assigned a an underlying rating of "A+" (stable outlook) to the Certificates, without regard to credit enhancement. An explanation of the significance of such ratings may need be obtained from S&P.

If a municipal bond insurance policy guaranteeing payment of the Certificates is acquired, the long-term ratings on the Certificates will be dependent in part on the financial strength of the insurance provider and its claims-paying ability. This Official Statement will disclose whether any insurance policy has been purchased by the City and the financial ratings of the insurance provider.

### **Financial Advisor**

PFM Financial Advisors LLC ("PFM"), Austin, Texas, is employed as Financial Advisor to the City in connection with the issuance, sale and delivery of the Certificates. The payment of the fee for services rendered by PFM with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. PFM, in its capacity as Financial Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the certificate documentation with respect to the federal income tax status of the Certificates.

### **Purchaser of the Certificates**

\_\_\_\_\_ (the "Purchaser" or "Initial Purchaser") has agreed, subject to certain conditions, to purchase the Certificates from the City at a price of \$ \_\_\_\_\_ (representing the par amount of the par amount of the Certificates of \$ \_\_\_\_\_ plus a net original issue premium of \$ \_\_\_\_\_ less a Purchaser's discount of \$ \_\_\_\_\_). The Initial Purchaser can give no assurance that any trading market will be developed for the Certificates after their sale by the City to the Initial Purchaser. The City has no control over the price at which the Certificates are subsequently sold and the initial yields at which the Certificates will be priced and reoffered will be established by and will be the responsibility of the Initial Purchaser.

## **CERTIFICATION OF THE OFFICIAL STATEMENT**

At the time of payment for and delivery of the Certificates, the City will furnish to the Initial Purchaser a certificate, executed by a proper City officer, acting in such officer's official capacity, to the effect that to the best of such officer's knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in the Official Statement, and any addenda, supplement, or amendment thereto, on the date of the Official Statement, on the date of sale of the Certificates, and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since the date of the last audited financial statements of the City.

## **FORWARD LOOKING STATEMENTS**

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. It is important to note that the City's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurances that the forward-looking statements included in this Official Statement would prove to be accurate.

#### **CONCLUDING STATEMENT**

The financial data and other information contained in this Official Statement have been obtained from the City's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and ordinances contained in this Official Statement are made subject to all of the provisions of such statutes, documents and ordinances. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

This Official Statement will be approved by the City Council of the Issuer for distribution in accordance with the provisions of the Securities and Exchange Commission's rule codified at 17 C.F.R. Section 240.15c2-12.

CITY OF BRIDGEPORT, TEXAS

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Mayor  
City of Bridgeport, Texas

ATTEST:

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City Secretary  
City of Bridgeport, Texas

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## **APPENDIX A**

### **FINANCIAL INFORMATION PERTAINING TO GENERAL OBLIGATION DEBT**

## FINANCIAL INFORMATION OF THE ISSUER

### ASSESSED VALUATION

**TABLE 1**

2024 Market Value of Taxable Property (100% of Market Value)		\$893,117,869
Less Exemptions:		
Local Over 65 / Disabled Homestead Exemption	\$6,763,959	
Disabled / Deceased Veterans	4,814,752	
Agricultural Productivity Value Loss	14,412,540	
Homestead Cap Loss and Other	36,904,921	
Circuit Breaker (23.231) Cap	609,546	
Totally Exempt Property	147,092,485	
	\$210,598,203	
2024 Certified Net Taxable Assessed Valuation		\$682,519,666

Source: Wise County Appraisal District

<sup>(a)</sup> See "AD VALOREM TAX PROCEDURES – City Application of Tax Code" in the Official Statement for a description of the issuer's taxation procedures.

### GENERAL OBLIGATION BONDED DEBT

**TABLE 2**

#### General Obligation Debt Principal Outstanding (As of January 31, 2025)

General Obligation Refunding Bonds, Series 2014	\$215,000
General Obligation Refunding Bonds, Series 2016	2,450,000
Combination Tax and Revenue Certificates of Obligation, Series 2018	1,935,000
Combination Tax and Revenue Certificates of Obligation, Series 2020	3,235,000
General Obligation Refunding Bonds, Series 2021A	1,180,000
General Obligation Refunding Bonds, Series 2021B (Taxable)	3,920,000
Combination Tax & Surplus Revenue Property Finance Contractual Obligations, Series 2021 (Taxable)	1,540,000
Combination Tax and Revenue Certificates of Obligation, Series 2023	11,705,000
<b>Plus: The Certificates*</b>	4,000,000
<b>Total Gross General Obligation Debt Outstanding</b>	<b>\$30,180,000</b>

#### Less: Self-Supporting General Obligation Debt Principal<sup>(a)</sup>

Series 2016 GO Rfdg (44.01%)	1,078,000
Series 2018 CO (100.00%)	1,935,000
Series 2021A GO (75.00%)	885,000
<u>Series 2021 PPFCO (100.00%)</u>	<u>1,540,000</u>
Total Self-Supporting General Obligation Debt Principal	\$8,938,000

#### **Total Net General Obligation Debt Principal Outstanding** **\$ 24,742,000**

Ratio of Gross General Obligation Debt Principal to 2024 Certified Net Taxable Assessed Valuation	4.42%
Ratio of Net General Obligation Debt Principal to 2024 Certified Net Taxable Assessed Valuation	3.11%
2024 Certified Net Taxable Assessed Valuation	\$ 682,519,666

Population: 1900 – 3,581; 2000 – 4,827; 2010 – 5,976; 2020 – 5,923; Current (Estimate)	7,016
Per Capita 2024 Certified Net Taxable Assessed Valuation	\$ 97,280
Per Capita Gross General Obligation Debt Principal	\$ 4,301
Per Capita Net General Obligation Debt Principal	\$ 3,526

\*Preliminary, subject to change.

<sup>(a)</sup> All or the portion noted of the debt service on these issues, including the Certificates, is paid from sources other than taxes including water and wastewater revenues, electric utility revenues, and economic development corporation revenues. To the extent other sources are not available, the City is obligated to levy ad valorem taxes to pay the debt service on such obligations. See "AD VALOREM TAX PROCEDURES – City Application of Tax Code" in the Official Statement for a description of the issuer's taxation procedures.

<sup>(b)</sup> The City intends to pay 87.5% of debt service on the Certificates from TIRZ revenue; such debt service is not included in Self-Supporting Debt in the table.

**GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS**

**TABLE 3**

Fiscal 9/30	Annual Debt Service	Plus: The Certificates <sup>(a)</sup>			Combined Debt Service	Less: Self- Supporting Debt(b)	Net Tax- Supported Debt Service
		Principal	Interest	Total			
2025	\$2,558,493	\$ -	\$ -	\$ -	\$ 2,558,493	\$ 915,888	\$ 1,642,605
2026	2,431,909	370,000	217,392	587,392	3,019,301	910,854	2,108,447
2027	2,725,992	250,000	155,088	405,088	3,131,080	913,786	2,217,293
2028	2,693,447	260,000	144,438	404,438	3,097,885	891,962	2,205,923
2029	2,262,935	275,000	133,363	408,363	2,671,298	464,144	2,207,154
2030	2,258,835	290,000	121,650	411,650	2,670,485	459,069	2,211,416
2031	2,257,935	300,000	109,288	409,288	2,667,223	472,431	2,194,791
2032	2,039,035	315,000	96,500	411,500	2,450,535	328,519	2,122,016
2033	1,895,013	325,000	83,075	408,075	2,303,088	177,119	2,125,969
2034	1,228,750	340,000	69,225	409,225	1,637,975	177,406	1,460,569
2035	1,228,675	355,000	54,738	409,738	1,638,413	177,531	1,460,881
2036	1,221,694	365,000	39,613	404,613	1,626,306	177,300	1,449,006
2037	1,218,544	380,000	24,063	404,063	1,622,606	176,900	1,445,706
2038	1,213,669	20,000	7,875	27,875	1,241,544	181,125	1,060,419
2039	1,032,444	20,000	6,975	26,975	1,059,419	-	1,059,419
2040	1,026,044	20,000	6,075	26,075	1,052,119	-	1,052,119
2041	818,844	20,000	5,175	25,175	844,019	-	844,019
2042	820,644	20,000	4,275	24,275	844,919	-	844,919
2043	821,444	25,000	3,375	28,375	849,819	-	849,819
2044	501,244	25,000	2,250	27,250	528,494	-	528,494
2045	502,844	25,000	1,125	26,125	528,969	-	528,969
2046	498,844	-	-	-	498,844	-	498,844
2047	499,444	-	-	-	499,444	-	499,444
2048	498,975	-	-	-	498,975	-	498,975
2049	497,888	-	-	-	497,888	-	497,888
2050	501,181	-	-	-	501,181	-	501,181
2051	498,650	-	-	-	498,650	-	498,650
2052	499,950	-	-	-	499,950	-	499,950
2053	500,400	-	-	-	500,400	-	500,400
	<b>\$36,753,762</b>	<b>\$ 4,000,000</b>	<b>\$ 1,285,555</b>	<b>\$ 5,285,555</b>	<b>\$42,039,316</b>	<b>\$ 6,424,033</b>	<b>\$ 35,615,284</b>

- (a) Preliminary, subject to change. Assumes interest at current market rates for illustrative purposes. The City intends to pay a portion of debt service on the Certificates from tax revenue generated from a tax increment reinvestment ("TIRZ #1"). This portion of debt service is not included as self-supporting debt service. To the extent that TIRZ #1 revenue is insufficient, the City is obligated to levy city-wide ad valorem taxes to pay the debt service on the Certificates.
- (b) The City pays certain self-supporting debt from enterprise funds, primarily its Water and Wastewater Fund and Electric Fund. To the extent these system funds are not available, the City is obligated to levy ad valorem taxes to pay the portion of debt service on such obligations. See "AD VALOREM TAX PROCEDURES – City Application of Tax Code" in the Official Statement for a description of the issuer's taxation procedures.

**TAX ADEQUACY (Includes Self-Supporting Debt)****TABLE 4A**

2024/25 Certified Net Taxable Assessed Valuation	\$	682,519,666
Total Maximum Annual Debt Service Requirements (Fiscal Year 2027)	\$	3,131,080
Indicated required I&S Fund Tax Rate at 98% Collections to produce Maximum	\$	0.46812

Note: Above computations are exclusive of investment earnings, delinquent tax collections, and penalties and interest on delinquent tax collections.

**TAX ADEQUACY (Excludes Self-Supporting Debt)****TABLE 4B**

2024/25 Certified Net Taxable Assessed Valuation	\$	682,519,666
Net Maximum Annual Tax-Supported Debt Service Requirements (Fiscal Year 2027)	\$	2,217,293
Indicated required I&S Fund Tax Rate at 98% Collections to produce Maximum	\$	0.33150

Note: Above computations are exclusive of investment earnings, delinquent tax collections, and penalties and interest on delinquent tax collections.

**OTHER OBLIGATIONS (As of September 30, 2024)****TABLE 5****Notes Payable:**

Year Ended September 30	Governmental Activities		Business-Type Activities		Component Unit Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$33,408	\$17,406	\$34,036	\$3,199	\$110,748	\$107,169
2025	114,561	14,730	12,036	2,437	93,206	102,695
2026	102,960	11,981	12,370	2,104	89,201	98,229
2027	105,784	9,157	12,712	1,761	93,716	93,515
2028	108,688	6,255	13,060	1,413	98,694	88,537
2029-2033	144,796	4,557	41,403	2,018	339,263	394,389
2034-2038	-	-	-	-	434,555	274,456
2039-2043	-	-	-	-	593,907	103,141
<b>Total</b>	<b>\$710,197</b>	<b>\$64,086</b>	<b>\$125,617</b>	<b>\$12,932</b>	<b>\$1,853,290</b>	<b>\$1,262,131</b>

**Right-to Use Lease Liability:**

Year Ended September 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$290,348	\$18,826	\$54,904	\$5,429
2025	204,581	12,897	66,142	4,159
2026	149,906	8,048	51,946	2,622
2027	181,886	3,979	71,128	1,370
2028	32,742	443	-	-
<b>Total</b>	<b>\$859,463</b>	<b>\$44,193</b>	<b>\$244,120</b>	<b>\$13,580</b>

**Subscription Based Information Technology Arrangements (SBITA):**

Year Ended September 30	Governmental Activities	
	Principal	Interest
2024	\$ 18,065	\$ 3,422
2025	15,707	2,899
2026	16,249	2,357
2027	16,808	1,798
2028	17,387	1,219
2029-2030	15,105	620
<b>Total</b>	<b>\$ 99,322</b>	<b>\$ 12,314</b>

Source: The City.

**INTEREST AND SINKING FUND MANAGEMENT INDEX****TABLE 6**

Interest and Sinking Fund Balance, Fiscal Year Ended September 30, 2024	\$168,142
2024/25 Interest and Sinking Fund (I&S) Fund Tax Levy of \$0.2789 at 98% Collections Produces	1,865,630
2024/25 Total Debt Service Requirements	2,558,493
Less: Estimated Self-Supporting Debt Service	915,888
Less: Net Tax-Supported Debt Service Requirements for Fiscal Year Ended September 30, 2025	<u>1,642,605</u>
Estimated Interest and Sinking Fund Balance, Fiscal Year Ended September 30, 2025	<u>\$ 391,167</u>

Source: The City.

**PRINCIPAL REPAYMENT SCHEDULE****TABLE 7**

Fiscal Year 9/30	Currently Outstanding <sup>(b)</sup>	Principal Repayment Schedule <sup>(a)</sup>		Principal Unpaid at End of Year	Percent of Principal Retired (%)
		The Certificates <sup>(a)</sup>	Total		
2025	\$1,645,000	\$ -	\$ 1,645,000	\$ 28,535,000	
2026	1,560,000	370,000	1,930,000	26,605,000	
2027	1,895,000	250,000	2,145,000	24,460,000	
2028	1,920,000	260,000	2,180,000	22,280,000	
2029	1,550,000	275,000	1,825,000	20,455,000	32.22%
2030	1,600,000	290,000	1,890,000	18,565,000	
2031	1,655,000	300,000	1,955,000	16,610,000	
2032	1,490,000	315,000	1,805,000	14,805,000	
2033	1,395,000	325,000	1,720,000	13,085,000	
2034	770,000	340,000	1,110,000	11,975,000	60.32%
2035	800,000	355,000	1,155,000	10,820,000	
2036	825,000	365,000	1,190,000	9,630,000	
2037	855,000	380,000	1,235,000	8,395,000	
2038	885,000	20,000	905,000	7,490,000	
2039	740,000	20,000	760,000	6,730,000	77.70%
2040	760,000	20,000	780,000	5,950,000	
2041	580,000	20,000	600,000	5,350,000	
2042	605,000	20,000	625,000	4,725,000	
2043	630,000	25,000	655,000	4,070,000	
2044	335,000	25,000	360,000	3,710,000	87.71%
2045	350,000	25,000	375,000	3,335,000	
2046	360,000	-	360,000	2,975,000	
2047	375,000	-	375,000	2,600,000	
2048	390,000	-	390,000	2,210,000	
2049	405,000	-	405,000	1,805,000	94.02%
2050	425,000	-	425,000	1,380,000	
2051	440,000	-	440,000	940,000	
2052	460,000	-	460,000	480,000	98.41%
2053	480,000	-	480,000	-	100.00%
	<b>\$26,180,000</b>	<b>\$ 4,000,000</b>	<b>\$ 30,180,000</b>	<b>\$ 279,970,000</b>	

<sup>(a)</sup> Preliminary, subject to change.<sup>(b)</sup> Includes self-supporting debt.

**TAX RATE DISTRIBUTION****TABLE 8**

	<b>Fiscal Year</b>				
	<b>2024-2025</b>	<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>
General Fund (O&M)	0.3400	0.3270	0.4001	0.3784	0.3249
Interest & Sinking Fund (I&S)	0.2789	0.2925	0.2199	0.2434	0.2695
TOTAL TAX RATE	0.6189	0.6195	0.6200	0.6218	0.5944

Source: The City.

**TAXABLE ASSESSED VALUATION FOR TAX YEARS 2019-2024****TABLE 9**

<b>Tax Year</b>	<b>Fiscal Year</b>	<b>Net Taxable Assessed Valuation<sup>(1)</sup></b>	<b>Change from Preceding Year</b>	
			<b>Amount (\$)</b>	<b>Percent</b>
2019	2020	\$410,281,042	\$22,488,765	5.80%
2020	2021	430,440,386	20,159,344	4.91%
2021	2022	464,888,590	34,448,204	8.00%
2022	2023	541,677,793	76,789,203	16.52%
2023	2024	660,957,142	119,279,349	22.02%
2024 <sup>(2)</sup>	2025 <sup>(2)</sup>	682,519,666 <sup>(2)</sup>	21,562,524 <sup>(2)</sup>	3.26% <sup>(2)</sup>

Sources: Wise County Appraisal District and Texas State Comptroller Reports.

<sup>(1)</sup> Assessed Valuations may change during the year due to various supplements and protests.**FUND BALANCES & NET POSITION****TABLE 10**

	<b>Fund Balances as of September 30, 2024</b>
General Operating Fund	\$3,036,825
General Operating Capital Projects Fund	5,317,828
General Debt Service Fund	168,142
	<b>Unrestricted Net Position as of September 30, 2024</b>
Water and Sewer Fund	(\$1,498,939)
Electric Fund	2,320,159
Airport Fund	(291,154)

Source: The City's 2024 ACFR.

**HISTORICAL PROPERTY VALUATION AND TAX RATE, LEVY AND COLLECTIONS<sup>(a)</sup>****TABLE 11**

<b>Tax Year</b>	<b>Net Taxable Assessed Valuation</b>	<b>Tax Rate</b>	<b>Tax Levy</b>	<b>% Collections<sup>(b)</sup></b>		<b>Year Ended</b>
				<b>Current</b>	<b>Total</b>	
2020	\$430,440,386	0.5940	\$2,556,816	97.89%	98.66%	9/30/2021
2021	464,888,590	0.6218	2,890,677	98.16%	99.47%	9/30/2022
2022	541,677,793	0.6200	3,358,402	98.15%	99.06%	9/30/2023
2023	660,957,142	0.6195	4,094,629	98.33%	99.77%	9/30/2024
2024	682,519,666	0.6189	4,224,114	In process	In process	9/30/2025

Sources: The City, Wise County Appraisal District and Texas State Comptroller Reports, and the most recent Texas Municipal Report published by the Municipal Advisory Council of Texas. Note: Assessed Valuations are subject to change during the year due to various supplements and protests.

<sup>(a)</sup> See "AD VALOREM TAX PROCEDURES" in the body of the Official Statement for a complete discussion of the City's provisions with respect to such procedures.<sup>(b)</sup> Excludes penalties and interest and earnings on invested balances.



**CLASSIFICATION OF ASSESSED VALUATION**

**TABLE 12**

<u>Category</u>	<u>2024</u>	<u>% of Total</u>	<u>2023</u>	<u>% of Total</u>	<u>2022</u>	<u>% of Total</u>	<u>2021</u>	<u>% of Total</u>	<u>2020</u>	<u>% of Total</u>
Real, Residential, Single-Family	\$374,608,606	41.94%	\$361,663,440	40.45%	\$302,382,723	41.05%	\$241,101,640	40.21%	\$198,495,976	36.33%
Real, Residential, Multi-Family	24,148,500	2.70%	21,860,447	2.44%	19,370,349	2.63%	16,793,386	2.80%	14,587,030	2.67%
Real, Vacant Lots/Tracts	9,165,359	1.03%	9,682,797	1.08%	6,748,867	0.92%	5,876,993	0.98%	5,346,439	0.98%
Real, Acreage (Qualified Land Only)	14,470,424	1.62%	12,314,850	1.38%	11,087,567	1.51%	8,114,050	1.35%	7,776,070	1.42%
Real, Acreage (Non-Qualified Land)	41,774	0.00%	30,483	0.00%	4,024,389	0.55%	19,200	0.00%	38,600	0.01%
Farm & Ranch Improvements	6,795,927	0.76%	11,523,890	1.29%	3,866,564	0.52%	4,802,420	0.80%	4,953,900	0.91%
Real, Commercial	227,830,446	25.51%	223,273,357	24.97%	177,377,926	24.08%	150,174,030	25.05%	145,935,869	26.71%
Real, Industrial	4,085,900	0.46%	4,085,900	0.46%	-	0.00%	-	0.00%	0	0.00%
Real, Minerals, Oil and Gas	3,781,432	0.42%	4,733,425	0.53%	2,283,725	0.31%	698,095	0.12%	665,887	0.12%
Real, Other Mineral Reserves	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Real, Non-Producing Minerals	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Real and Tangible, Personal Utilities	6,380,217	0.71%	5,501,415	0.62%	6,792,775	0.92%	6,484,367	1.08%	6,365,862	1.17%
Tangible Personal, Commercial	65,750,885	7.36%	70,048,201	7.83%	55,727,673	7.56%	54,686,949	9.12%	55,968,410	10.24%
Tangible Personal, Industrial	7,077,852	0.79%	7,193,484	0.80%	6,774,416	0.92%	6,041,733	1.01%	7,486,290	1.37%
Tangible Personal, Mobile Homes	3,521,498	0.39%	3,674,260	0.41%	3,000,541	0.41%	1,832,740	0.31%	1,929,820	0.35%
Real Property Inventory	973	0.00%	237,942	0.03%	503,974	0.07%	459,610	0.08%	234,220	0.04%
Special Inventory	-	0.00%	-	0.00%	-	0.00%	4,010	0.00%	53,100	0.01%
Other	145,458,076	<u>16.29%</u>	<u>158,317,378</u>	<u>17.71%</u>	<u>136,733,612</u>	<u>18.56%</u>	<u>102,479,434</u>	<u>17.09%</u>	<u>96,549,955</u>	<u>17.67%</u>
Total Appraised Value	\$893,117,869	100.00%	\$894,141,269	100.00%	\$736,675,101	100.00%	\$599,568,657	100.00%	\$546,387,428	100.00%
<b><u>Less Exemptions/Value Loss:</u></b>										
Local, Option Over-65/Disabled	\$6,763,959		\$6,372,439		\$6,569,262		\$6,661,140		\$5,907,358	
Disabled and Deceased Veterans	4,814,752		3,958,370		3,988,332		2,476,523		1,726,620	
Agriculture Productivity Value Loss	14,412,540		12,267,606		11,037,297		8,058,810		7,721,040	
Homestead Cap Loss and Other	36,904,921				36,193,155		14,101,227		2,954,990	
Circuit Breaker (23.231) Cap	609,546		50,954,866							
Other	<u>147,092,485</u>		<u>159,630,846</u>		<u>137,209,262</u>		<u>103,382,367</u>		<u>97,637,034</u>	
Total Exemptions	\$210,598,203		\$233,184,127		\$194,997,308		\$134,680,067		\$115,947,042	
<b>Net Taxable Valuation<sup>(1)</sup></b>	<b><u>\$682,519,666</u></b>		<b><u>\$660,957,142</u></b>		<b><u>\$541,677,793</u></b>		<b><u>\$464,888,590</u></b>		<b><u>\$430,440,386</u></b>	

Source: Wise County Appraisal District and Texas State Comptroller Reports

Note: Assessed Valuations shown here are Certified Valuations and may change during the year due to various supplements and protests.

**PRINCIPAL TAXPAYERS TAX YEAR 2024****TABLE 13**

<u>Name</u>	<u>Type of Business</u>	<u>2024 Net Taxable Assessed Valuation</u>	<u>% of Total 2024 Assessed Valuation</u>
CTR Partnership LP	Rehabilitation Center	9,200,000	1.35%
CD International Inc.	Oil & Gas Drilling Services/Equipment	7,746,032	1.13%
Decatur Health Services LLC	Medical Health Services	6,825,388	1.00%
BKV Barnett	Oil & Gas	6,537,720	0.96%
MC Assets LLC	Industrial Manufacturing	6,531,955	0.96%
Brookshire Grocery Company	Grocery	6,500,000	0.95%
First State Bank	Financial Institution	5,134,470	0.75%
IM Real Estate Investments LLC	Real Estate Investment	4,574,139	0.67%
Panther Bridgewood LLC	Apartments	4,460,451	0.65%
US Ply Inc.	Industrial Manufacturing	4,355,990	0.64%
<b>Total</b>		<b><u>\$61,866,145</u></b>	<b><u>9.06%</u></b>

Source: Wise County Appraisal District

<sup>(a)</sup> Based on a tax year 2024 Certified Net Taxable Assessed Valuation of \$682,519,666.

As shown in the table above, the top ten taxpayers in the City account for approximately 9.06% of the City's tax base, with several properties comprised of oil and gas related business activities. Adverse developments in economic conditions, especially in the oil and gas industries, could adversely impact the businesses that own oil and gas properties in the City, and the tax values in the City resulting in less local tax revenue being received by the City.

**MUNICIPAL SALES TAX COLLECTIONS****TABLE 14**

<u>Fiscal Year</u>	<u>1.50% Total Sales Tax Collections</u>	<u>1.00% City Sales Tax Collections</u>	<u>Percent of Ad Valorem Tax Levy<sup>(a)</sup></u>	<u>Equivalent Ad Valorem Tax Rate<sup>(a)</sup></u>	<u>0.50% EDC Sales Tax Collections</u>
2020	\$2,509,545	\$1,673,030	65.14%	0.3887	\$836,515
2021	3,073,329	2,048,886	80.13%	0.4404	1,024,443
2022	3,007,702	2,005,299	69.37%	0.3702	1,002,650
2023	3,015,115	1,999,316	59.53%	0.3025	999,658
2024	3,138,123	2,086,341	50.95%	0.3057	1,043,171

Source: Texas Comptroller of Public Accounts – Allocation Historical Summary

<sup>(a)</sup> Figures refer only to the City's 1.00% sales tax collections and do not include the 0.50% additional collections for economic development.

**ASSESSED VALUATION AND TAX RATE OF OVERLAPPING ENTITIES****TABLE 15**

<u>Governmental Entity</u>	<u>2024 Net Certified Taxable Assessed Valuation</u>	<u>2024 Tax Rate</u>
Bridgeport Independent School	\$1,899,988,243	\$0.930
Wise County	12,369,405,500	\$0.228

Source: Wise County Appraisal District.

**OVERLAPPING DEBT DATA AND INFORMATION**
**TABLE 16**

<b><u>Taxing Body</u></b>	<b><u>Gross Debt Principal</u></b>	<b><u>% Overlapping</u></b>	<b><u>Amount Overlapping</u></b>
Bridgeport Independent School District	\$ 6,483,618	30.22%	\$ 1,959,349
Wise County	11,000,000	4.81%	529,100
Chico Independent School District	<u>22,940,000</u>	1.27%	<u>291,338</u>
Total Net Overlapping Debt Principal (current as of December 31, 2024)	\$ 40,423,618		\$ 2,779,787
City of Bridgeport (includes the Certificates)	<u>30,180,000</u>	100.00%	<u>30,180,000</u>
<b>Total Gross Direct and Overlapping Debt Principal <sup>(a)</sup></b>	<b>\$ 70,603,618</b>		<b><u>\$ 32,959,787</u></b>
2024 Actual Certified Market Valuation			\$ 893,117,869
2024 Certified Net Taxable Assessed Valuation			\$ 682,519,666
Population: 2000 – 4,827; 2010 – 5,976; 2020 – 5,923 ; Current (Estimate) – 7,016			7,016
Ratio of Gross Direct and Overlapping Debt Principal to 2024 Certified Net Taxable Assessed Valuation			4.83%
Ratio of Gross Direct and Overlapping Debt Principal to 2024 Actual Certified Market Valuation			3.69%
Per Capita Gross Direct and Overlapping Debt			\$ 4,698
Note: The above figures show Gross General Obligation Debt Principal for the City of Bridgeport, Texas			
The City's Net General Obligation Debt Principal is			\$ 21,242,000
Calculations on the basis of Net General Obligation Debt Principal would change the above figures as follows:			
<b>Total Net Direct and Overlapping Debt Principal <sup>(b)</sup></b>			<b><u>\$ 24,021,787</u></b>
2024 Actual Certified Market Valuation			\$ 893,117,869
2024 Certified Net Taxable Assessed Valuation			\$ 682,519,666
Population: 2000 – 4,827; 2010 – 5,976; 2020 – 5,923; Current (Estimate) – 7,016			7,016
Ratio of Gross Direct and Overlapping Debt Principal to 2024 Certified Net Taxable Assessed Valuation			4.83%
Ratio of Net Direct and Overlapping Debt Principal to 2024 Certified Net Taxable Assessed Valuation			3.52%
Ratio of Net Direct and Overlapping Debt Principal to 2024 Actual Certified Market Valuation			2.69%
Per Capita Net Direct and Overlapping Debt			\$ 3,424

Source: The Municipal Advisory Council of Texas.

<sup>(a)</sup> Includes the Certificates and self-supporting debt.

<sup>(b)</sup> Includes the Certificates but excludes self-supporting debt.

**AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT  
OF DIRECT AND OVERLAPPING GOVERNMENTAL ENTITIES**
**TABLE 17**
**Taxing Body**

Bridgeport Independent School District	None
Wise County	None
Bridgeport, City of	None

Source: The Municipal Advisory Council of Texas.

**GENERAL FUND COMBINED STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCES<sup>(1)</sup>**

**TABLE 18**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>					
Taxes					
Property	\$2,198,353	\$2,168,541	\$1,771,367	\$1,402,674	\$1,346,526
Sales	2,086,341	1,999,316	2,005,299	1,833,644	1,655,139
Franchise	1,579,419	1,535,729	1,170,799	998,728	864,619
Liquor	-	15,218	14,033	11,070	7,275
Charges for Services	34,371	114,689	89,673	88,722	90,025
Licenses, Permits and Fees	215,696	125,995	106,250	86,223	61,296
Court Fines	305,719	411,984	328,235	248,035	194,884
Intergovernmental Revenue	365,098	-	-	-	-
Investment Earnings	110,402	-	-	-	-
Rentals	-	-	-	-	-
Grants	-	260,879	173,802	144,675	144,675
Donations	-	-	-	-	-
Rents	-	42,021	41,976	42,040	41,625
Interest Revenue	-	76,612	12,041	13,052	59,201
Miscellaneous	<u>159,337</u>	<u>109,407</u>	<u>39,785</u>	<u>49,848</u>	<u>55,958</u>
Total Revenues	\$7,054,735	\$6,860,391	\$5,753,260	\$4,918,711	\$4,521,223
<b>Expenditures</b>					
Current					
General Government	\$1,562,436	\$1,420,761	\$1,484,265	\$1,277,455	\$1,011,656
Public Safety	4,290,523	3,763,387	2,913,088	2,618,122	2,413,944
Highway and Streets	582,548	446,545	317,187	339,806	343,675
Development Services	595,028	327,120	216,050	200,187	183,115
Culture and Recreation	638,062	642,455	534,341	791,217	743,122
Library	362,172	344,533	288,289	-	-
Debt Service		-			
Principal retirement	41,210	31,446	84,043	9,295	-
Interest expense	6,603	3,538	-	-	-
Capital Outlay	<u>183,396</u>	<u>161,743</u>	<u>-</u>	<u>38,309</u>	<u>24,592</u>
Total Expenditures	\$8,261,978	\$7,141,528	\$5,837,263	\$5,274,391	\$4,720,104
Excess (deficiency) of revenues	(1,207,242)	\$(281,137)	\$ (84,003)	\$ (355,680)	\$(198,881)
<b>Other Financing Sources (Uses)</b>					
Interest Revenue	\$41,613	-	-	-	-
SBITA Financing	141,783	-	-	-	-
Miscellaneous	-	117,099	-	-	-
Transfers In (Out) / Special Item	<u>626,930</u>	<u>456,614</u>	<u>292,695</u>	<u>306,402</u>	<u>205,648</u>
Total other financing sources and uses	\$835,707	\$573,713	\$292,695	\$306,402	\$205,648
Net change in fund balances	(396,917)	292,576	208,692	(49,278)	6,767
Fund balances - beginning	3,036,825	2,744,249	2,535,557	2,584,835	2,578,068
Prior Period Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	\$2,639,908	\$3,036,825	\$2,744,249	\$2,535,557	\$2,584,835

Source: The City's audited financial statements.

## **APPENDIX B**

### **GENERAL INFORMATION REGARDING THE CITY OF BRIDGEPORT AND WISE COUNTY, TEXAS**

**GENERAL INFORMATION REGARDING  
THE CITY OF BRIDGEPORT AND WISE COUNTY, TEXAS**

**General**

The City of Bridgeport is a commercial center located at the crossroads of US Hwy 380 and TX Hwy 114 in Wise County, seven miles from beautiful Lake Bridgeport. The 2020 population was 5,923. The estimated population for 2025 is 7,016. The City lies within the oil and gas producing area of the county.

Bridgeport offers a unique historic downtown shopping district and several restaurants with great atmosphere. Bridgeport is not only for those who love the outdoors, but for those who love rich history and family-friendly destinations as well.

County Characteristics: Wise County is a north central Texas county with industries which include oil and gas, rock crushing, aerospace graphite products, sheet metal products and an electric plant. There is new construction for the Weatherford College – Wise County Branch Campus, and a new helicopter assembly company which continue to grow and increase the County's workforce and population. Principal sources of agricultural income include dairy, cattle, horses, sheep, poultry, and grains. The county seat is Decatur.

*Source: Issuer's websites.*



**Population**

<b><u>Population</u></b>	<b><u>City of Bridgeport</u></b>	<b><u>Wise County</u></b>
2024 Estimate	7,016	78,907
2020 Census	5,923	68,632
2010 Census	5,976	59,127
2000 Census	4,309	48,793
1990 Census	3,581	34,679

Sources: United States Bureau of the Census and Texas Office of the State Demographer.

### Leading Employers<sup>(1)</sup>

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Bridgeport ISD	Education	358
Bridgeport Medical Lodge	Aggregate	175
Crisp Industries	Nursing Home	175
Hanson Aggregates	Aggregate	150
Enlink	Oil & Gas	140
BVK Barnett	Electric Utility	125
MTC – Bridgeport Core Civic	Correctional	106
Wise Health	Medical Facility	100
Brookshire's Grocery	Retail	80
City of Bridgeport	City Government	77

Source: City of Bridgeport

### Labor Force Statistics<sup>(1)</sup>

	Wise County	
	<u>March 2024</u>	<u>March 2025</u>
Civilian Labor Force	40,170	40,945
Total Employed	38,747	39,488
Total Unemployed	1,423	1,457
% Unemployed	3.5%	3.6%
% Unemployed (Texas)	3.9%	4.0%
% Unemployed (United States)	3.5%	3.9%

Historical employment data is provided for illustrative purposes only.

Source: Bureau of Labor Statistics.

<sup>(1)</sup> Historical employment data is provided for illustrative purposes only. Non-seasonally adjusted.

**APPENDIX C**

**FORM OF LEGAL OPINION OF BOND COUNSEL**



[Closing Date]

Norton Rose Fulbright US LLP  
2200 Ross Avenue, Suite 3600  
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United States

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nortonrosefulbright.com

IN REGARD to the authorization and issuance of the “City of Bridgeport, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2025,” dated June 1, 2025, in the principal amount of \$\_\_\_\_\_ (the “Certificates”), we have examined into their issuance by the City of Bridgeport, Texas (the “City”), solely to express legal opinions as to the validity of the Certificates and the exclusion of the interest on the Certificates from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Certificates, or the sufficiency of the security for or the value or marketability of the Certificates.

THE CERTIFICATES are issued in fully registered form only and in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Certificates mature on August 15 in each of the years specified in an ordinance adopted by the City Council of the City authorizing the issuance of the Certificates (the “Ordinance”), unless redeemed prior to maturity in accordance with the terms stated on the Certificates. The Certificates accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Ordinance.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Certificates, including the Ordinance and an examination of the initial Certificate executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Certificates and certain other funds of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Certificates, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Certificates have been duly authorized by the City and, when issued in compliance with the provisions of the Ordinance, are valid, legally binding and enforceable obligations of the City, payable from an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the City, and are additionally payable from and secured by a limited pledge of the surplus Net Revenues (as defined in the Ordinance) of the City’s Water and Sewer System in the manner and to the extent provided in the Ordinance, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors’ rights or the exercise of judicial discretion in accordance with the general principles of equity.

2. Pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance after the date hereof by the City with the provisions of the Ordinance relating to sections 141 through 150 of the Code, interest on the Certificates for federal income tax purposes (a) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (b) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

WE EXPRESS NO OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

## **APPENDIX D**

### **EXCERPTS FROM THE CITY OF BRIDGEPORT AUDITED FINANCIAL STATEMENTS THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**(Independent Auditor's Report, General Financial Statements and Notes to the Financial Statements - not intended to be a complete statement of the Issuer's financial condition. Reference is made to the complete Annual Financial Report for further information.)**





Building the Future, Together

# Annual Comprehensive Financial Report

City of Bridgeport, Texas

Fiscal Year Ended September 30, 2024



# CITY OF BRIDGEPORT, TEXAS

## Annual Comprehensive Financial Report

For the Year Ended September 30, 2024



Prepared by the Finance Department

*Corey W. Ingram – Finance Director*

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**CITY OF BRIDGEPORT, TEXAS**  
Annual Financial Report  
For the Year Ended September 30, 2024

**TABLE OF CONTENTS**

	<u>Exhibit Number</u>	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal		i - vi
Organizational Chart		vii
City Council and Principal Officials		viii
GFOA Certificate of Achievement		ix
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		1 - 3
Management's Discussion and Analysis		4-12
Basic Financial Statements:		
Government-wide Financial Statements		
Statement of Net Position	A-1	13
Statement of Activities	B-1	14-15
Fund Financial Statements		
Balance Sheet - Governmental Funds	C-1	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	C-2	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C-3	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	C-4	19
Statement of Net Position - Proprietary Funds	D-1	20
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	D-2	21
Statement of Cash Flows - Proprietary Funds	D-3	22
Notes to the Financial Statements		23-49
Required Supplementary Information		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	E-1	50
Schedule of Changes in Net Pension Liability and Related Ratios - Texas Municipal Retirement System	E-2	51-52
Schedule of Contributions - Texas Municipal Retirement System	E-3	53
Schedule of Changes in Total OPEB Liability and Related Ratios	E-4	54
Notes to the Required Supplementary Information		55-56
Combining Nonmajor Fund Statements		
Nonmajor Governmental Funds		
Combining Balance Sheet	F-1	57-58
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	F-2	59-60

**CITY OF BRIDGEPORT, TEXAS**  
Annual Financial Report  
For the Year Ended September 30, 2024

**TABLE OF CONTENTS**

	<u>Exhibit Number</u>	<u>Page Number</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Hotel/Motel Occupancy Tax Fund	G-1	61
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Court Technology and Security Fund	G-2	62
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Bridgeport Stage Fund	G-3	63
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Cemetary Fund	G-4	64
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Recreation Fund	G-5	65
Schedule of Revenues, expenditures and Changes in Fund Balance - Budget and Actual - Tax Increment Reinvestment Zone #1 Fund	G-6	66
Schedule of Revenues, expenditures and Changes in Fund Balance - Budget and Actual - Tax Increment Reinvestment Zone #2 Fund	G-7	67
Schedule of Revenues, expenditures and Changes in Fund Balance - Budget and Actual - Fleet Management Fund	G-8	68
Schedule of Revenues, expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	G-9	69

**STATISTICAL SECTION (UNAUDITED)**

Financial Trends	
Net Position by Component	70-71
Changes in Net Position	72-75
Fund Balances Governmental Funds	76-77
Changes in Fund Balances Governmental Funds	78-79
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	80-81
Direct and Overlapping Property Tax Rates	82-83
Principal Property Taxpayers	84
Property Tax Levies and Collections	85
Debt Capacity	
Ratios of Total Outstanding Debt By Type	86-87
Ratios of General Bonded Debt Outstanding	88
Direct and Overlapping Governmental Activities Debt	89
Legal Debt Margin Information	90
Pledged Revenue Coverage	91
Demographic and Economic Information	
Demographic and Economic Statistics	92
Principal Employers	93
Operating Information	
Full-Time Equivalent City Government Employees by Function	94
Operating Indicators by Function/Program	95
Capital Assets Statistics by Function/Program	96



**CITY OF BRIDGEPORT, TEXAS**  
Annual Financial Report  
For the Year Ended September 30, 2024

**TABLE OF CONTENTS**

	<u>Exhibit Number</u>	<u>Page Number</u>
<b>OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION</b>		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		97-98
<b>SINGLE AUDIT REPORT</b>		
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance		99-101
Schedule of Findings and Questioned Costs		102-103
Summary Schedule of Prior Audit Findings		104
Corrective Action Plan		105
Schedule of Expenditures of Federal Awards		106
Notes to the Schedule of Expenditures of Federal Awards		107

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# ***INTRODUCTORY SECTION***

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900 Thompson Street · Bridgeport, TX · 940.683.3400

April 23, 2025

Honorable Mayor and Members of the City Council  
Citizens of Bridgeport  
City of Bridgeport, Texas

The Finance Department and the City Manager's Office of the City of Bridgeport are pleased to submit the Audited Annual Financial Report of the City of Bridgeport for the fiscal year ended September 30, 2024. The purpose of this report is to provide the council, staff, the citizens of Bridgeport and other interested parties with detailed information reflecting the City's financial condition.

This report satisfies §103.001 of the Texas Local Government Code. The audited annual financial report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management's discussion and analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City of Bridgeport's MD&A can be found immediately following the report of the independent auditors.

## **INDEPENDENT AUDIT**

The City of Bridgeport's financial statements have been audited by George, Morgan & Sneed PC, a firm of licensed Certified Public Accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Bridgeport, for the fiscal year ended September 30, 2024, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Bridgeport's financial statements for the fiscal year ending September 30, 2024, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component in the financial section of this annual report.

## **PROFILE OF THE GOVERNMENT**

Bridgeport is a budding and vibrant community that strives to maintain its small city, family-oriented appeal and rich historical fabric while continually adapting to the evolving needs of the community. The City strives to balance development highlighting our rich historical roots while providing exceptional quality of life amenities to the community.

Located approximately 40 miles from Dallas/Fort Worth, Bridgeport is well situated to service the metroplex's current northwest expansion. Bridgeport's recent infrastructure revitalization projects, available land for development and low overall tax rates along with its proximity to local and major airports and highways creates a prime opportunity for both current and future residents and businesses. Bridgeport is conveniently located only 37 miles along State Highway 114 northwest of the Alliance Texas development, which includes the Fort Worth Alliance Airport, intermodal facility, and Fixed-Base Operations Airport. Additionally, Bridgeport is only 47 miles northwest of the Dallas-Fort Worth International Airport, which is one of the largest commercial and passenger airports in the world.

Bridgeport is a Texas Main Street Community with high aesthetic standards designed to enrich and preserve our historical beauty. We strive to be what a community should be – family friendly, welcoming, involved, invested, and responsible.

The City of Bridgeport is a Home Rule municipality created in accordance with the provisions of Chapter 9 of the Local Government Code and operating pursuant to the enabling legislation of the State of Texas. The City of Bridgeport is a Council-Manager form of government with one (1) mayor and five (5) council members. The Mayor and the Council members are elected at large by the community. The Council and Mayor hold office for two (2) years, respectively and until their successors are elected. The Mayor and two Council members are elected each even-numbered year. Three (3) Council members are elected each odd-numbered year.

The Mayor presides at council meetings and is the Chief Executive Officer of the City. The Council is the legislative agent; the proposals and appointments of the Mayor are or may be subject to its approval. The Mayor and Council have appointed a City Manager to administer the City's daily activities, to advise and assist the City Council, and to represent the City's interests with other levels and agencies of government, business interests, and the community at large.

## **SERVICES PROVIDED**

The City provides to its citizens those services that have proven to be necessary and meaningful and which the City at the least cost can provide. Major services provided under general government and enterprise functions consist of the following: police and volunteer fire protection; water and sewer services; electric services; park and recreational facilities; library services; street improvements; municipal airport services; and general administrative services. The City also offers an aggressive and innovative economic development service to both attract and retain businesses. Internal services of the City, accounted for on a cost reimbursement basis, are fleet services, facilities maintenance, and information technology services.

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROLS**

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and with expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulation and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of controls should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by the City Manager and Finance Director and adopted by the City Council in accordance with policies and procedures established by State law and the City Charter. All departments of the City of Bridgeport are required to submit requests for appropriation to the City Manager and Finance Director based on a budget calendar issued annually. The City Manager uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the City Council for review prior to approval and adoption.

The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (i.e., Community Services), department (i.e., Parks and Recreation) and division (i.e., Recreation). Department Directors may make transfers of appropriations between divisions within a department. Transfers of appropriations between departments require the approval of the City Manager. Any changes to appropriations or transfers between funds require City Council approval.

Budgetary comparison schedules are provided in this report in the Required Supplementary Information Section for the General Fund, and in the Combining Statements and Budgetary Comparison Schedules as Supplementary Information Section for other funds with legally adopted annual budgets.

## **FINANCIAL MANAGEMENT POLICIES AND PRACTICES**

The financial management policies of the City are designed to ensure the financial integrity of the City's government and assist the City in achieving the following:

1. Quality City services that meet the needs and desires of the citizens in a fair and consistent manner.
2. A financial base sufficient to maintain or enhance City assets required to support community service demands.
3. Prudent and professional financial management practices to assure citizens and the financial community that City government is well managed and in sound fiscal condition.
4. Cost effective services to citizens through cooperation with other government entities.
5. A capital improvement program that maintains and enhances the public's assets.

In order to achieve the above policy objectives, the City plans and follows its budget carefully. Capital improvements follow a five-year capital improvement plan that nests into the City's thirty-year community plan. The City strives to operate a revenue system that is simple and reliable so that assurances can be provided that the revenue base will materialize according to budget planning. Consistent monitoring and collection policies are maintained to ensure the integrity of the revenue system. The City will periodically review its fee structure to ensure that revenue collections are adequate to meet corresponding expenditures (cost of service concept). Nonrecurring (or "one-time") resource inflows are not used for operating purposes. The City strives to budget realistically and in a reasonably conservative manner with respect to revenues. Long-term needs are met through "pay as you go" fiscal policies when available. If unavailable, the City will meet these needs through debt issuance. The debt of the City relates to bond, note, and capital lease obligations.

Funds of the City are invested in accordance with all applicable Texas statutes, the City's Investment Policy and any other approved, written administrative procedures. The five objectives of the City's investment activities, in order of priority, are as follows: Safety – Preservation and Safety of Principal, Liquidity, Diversification, Market Rate-of-Return (Yield), and Public Trust.

Annually, the City reviews and updates the Investment policy. The purpose of the investment policy is to set forth specific investment policy and strategy guidelines for the City in order to safeguard assets with a minimal amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all of the City's deposits either are insured by the Federal Deposit Insurance Corporation or are collateralized by governmental securities. On September 30, 2024, the maturities of the investments are overnight with a weighted average yield to maturity on investments of 4.516 percent.



## **ECONOMIC OUTLOOK AND FINANCIAL CONDITION**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the City operates.

### **Regional Economy**

Prior to the Covid-19 pandemic, national and local economies were thriving. Texas ended calendar year 2019 maintaining an all-time low unemployment rate of 3.5%, with Dallas-Fort Worth at 2.9%. Starting in March 2020, state and U.S. unemployment rates began to climb with a high in April of 12.6% and 12.9%, respectively. Since then, rates have come down considerably and are getting closer to the pre-pandemic numbers with DFW currently at 3.4 and US at 3.6.

The economy in the Dallas-Fort Worth area continues to accelerate its growth.. At the end of 2022, payroll numbers were up the business-cycle indexes continued to rise. The Dallas business-cycle index rose an annualized 9.54 percent and was up 21.7 percent from May 2021 levels.

### **Bridgeport's Position in the Region**

The City of Bridgeport experienced economic improvement in 2024. Sales tax revenue, the City's second largest revenue source, increased by 3.5 percent over the prior year's receipts. Historically an oil and gas community, Bridgeport relies heavily on sales tax from taxes paid by the oilfield businesses, as well as other merchants. All sales tax collections are as reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase and diversify its sales tax base with the Bridgeport Economic Development Corporation, which receives the proceeds from a ½-cent sales tax. Bridgeport is currently focused on encouraging commercial development and providing the infrastructure required to support it.

Property tax revenue, the City's second largest revenue source in the General Fund, continues to help operations, with the City being approximately 86 percent residential. Total Taxable Assessed property values increased for the 2024 tax year by \$20.2 million, a 3.1% increase over the 2023 tax year values.

## **FUTURE ECONOMIC OUTLOOK**

Because of the hard work, tough decisions, and structural reductions made by City officials and staff in previous years to deal with budget shortfalls the City was able to propose a balanced FY 2025 budget that maintains the City's fiscal integrity, addresses Council priorities, and maintains service levels.

Through December of Fiscal Year 2025, sales tax year-to-date collections have increased approximately 20.9% percent over the previous year and are above budget projections. Sales tax is projected to hit over \$2 million for the fourth time in the last decade.

For Fiscal Year 2025, the City decreased to a total of \$0.6189, which is slightly lower than the FY24 rate. This rate decrease, coupled with an increase in total assessed taxable values, the City is expecting an increase in revenue of \$401,347. Through January the City is on pace with budget, therefore we do not expect to fall short for the full year.

The City of Bridgeport, in conjunction with the Bridgeport Economic Development Corporation, stands ready to welcome new businesses and residents to the community. Through its close proximity to several major roadways, international commercial and industrial airports, and intermodal facilities, the City is poised to grow. Much of the City's focus over the past few years has been to establish an infrastructure that will support growth and development. With residential developers planning and building new subdivisions in the region, we believe

the investment makes Bridgeport ideal and attractive to the expansion occurring near the Fort Worth area. Additionally, the Bridgeport EDC owns approximately 250 acres of industrial and commercial space in the Endeavor Bridgeport Business Park ready for the right businesses to occupy. The business park already contains significant and vital infrastructure, such as concrete curb and gutter roads, electric, and water and sanitary sewer facilities.

## **LONG TERM FINANCIAL PLAN**

The City Council has adopted a series of financial standards and policies for operating and debt management. Management of the City has made every effort to comply with these standards and policies and believe we are currently in compliance.

The City of Bridgeport continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 15% of budgeted expenditures for the General Fund and 90 days (24.6%) of budgeted expenditures for the Utility Funds. The unassigned fund balance is \$2,616,838 or 32% of annual budgeted expenditures for the General Fund, and an unrestricted net position of \$821,220 for the major Enterprise Funds, and (\$291,154) for the nonmajor Enterprise Fund for the fiscal year ended September 30, 2024.

Because of the national economic recession in 2008-09, bond rating agencies have increased their scrutiny on the financial stability of local governments. In September 2012, Standard & Poor's Rating Services rated the City for the first time with a rating of "BBB+", with a stable outlook, on Bridgeport's general obligation debt. In August 2013, Standard & Poor's Rating Services rated the City "A-", with a stable outlook. In 2016, Standard & Poor's conducted another review of the City and again upgraded the City to "A+" with a stable outlook. Bonds refunding in April 2021 received an A+ rating by Standard & Poor, unchanged from the 2016 upgrade. In July 2023, the City received an A+ rating by Standard & Poor.

## **PENSION AND OTHER POST-EMPLOYMENT BENEFITS**

The City of Bridgeport participates in the Texas Municipal Retirement Service (TMRS) pension plan for its employee's retirement. These benefits are provided through a statewide plan managed by the State. The City of Bridgeport has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment. See the Notes section of these financial statements for further information on changes in the actuarial assumptions and other changes within the Texas Municipal Retirement System.

Respectfully Submitted,

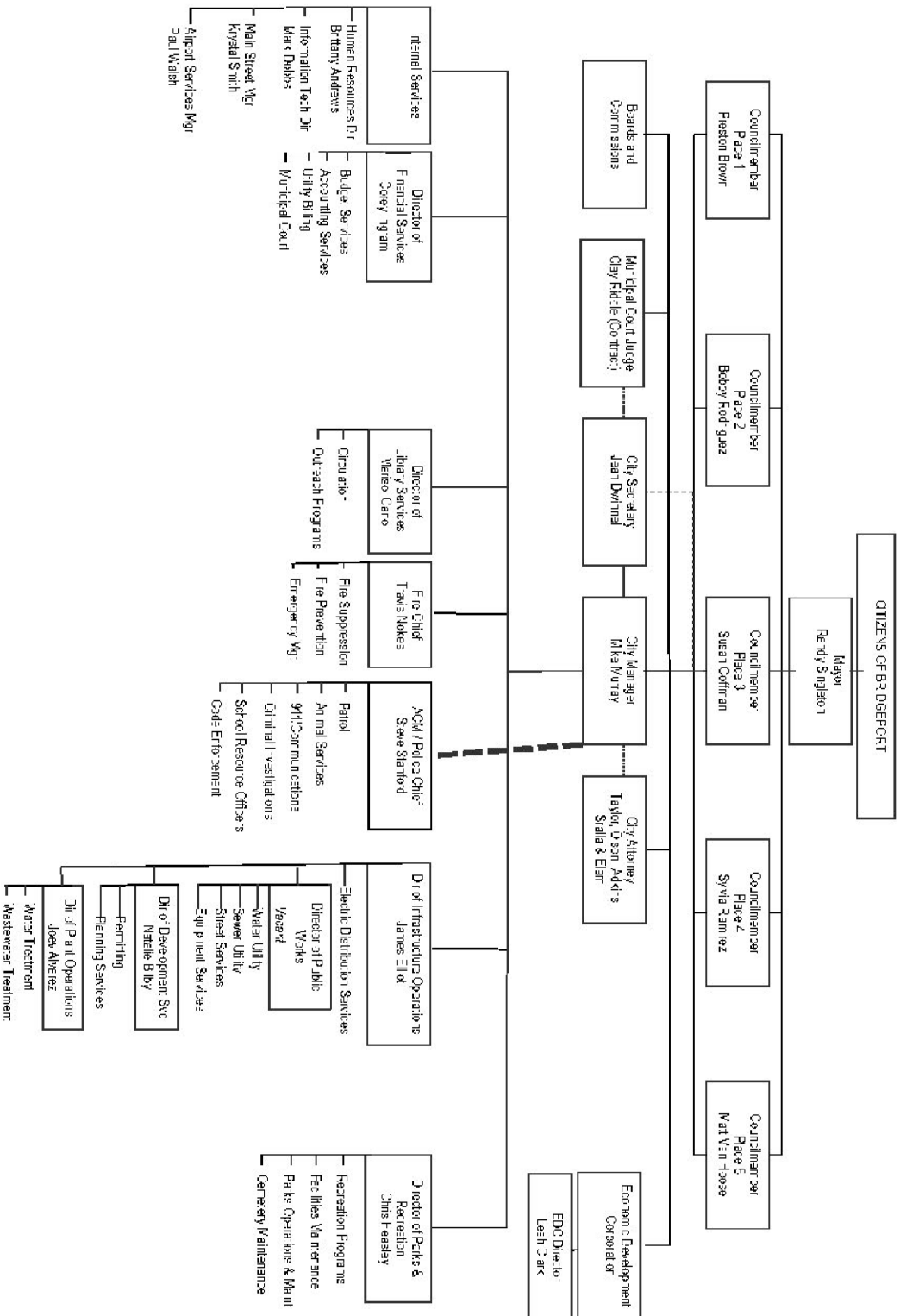


Mike Murray  
City Manager



Corey W. Ingram  
Director of Finance

# City of Bridgeport Organizational Chart



## The City Council of Bridgeport, Texas



Randy Singleton  
Mayor



Susan Coffman  
Mayor Pro-Tem



Preston Brown  
Council Member



Bobby Rodriguez  
Council Member



Sylvia Ramirez  
Council Member



Matt VanHoose  
Council Member

## City Officials

Mike Murray  
Jean Dwinnell  
Corey W. Ingram  
Steve Stanford  
Chris Heasley  
James Elliott  
Brittany Andrews  
Mark Dobbs  
Marisol Cano  
Travis Nokes  
Clay Riddle  
Krystal Smith  
Leah Clark

City Manager  
City Secretary  
Director of Finance  
Chief of Police/Assistant City Manager  
Director of Parks & Recreation  
Electric Superintendent  
Human Resources Director  
Information Technology Director  
Library Director  
Fire Chief  
Municipal Judge  
Main Street Manager  
Executive Director, Bridgeport EDC



Government Finance Officers Association

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

Presented to

**City of Bridgeport  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morill*

Executive Director/CEO

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## ***FINANCIAL SECTION***

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## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of City of Bridgeport, Texas (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 – 12 and budgetary comparison schedule – general fund, schedule of changes in net pension liability and related ratios – Texas Municipal Retirement System, schedule of contributions – Texas Municipal Retirement System, and schedule of changes in total OPEB liability and related ratios on pages 50 - 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on

the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

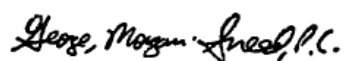
### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



George, Morgan & Sneed, P.C.  
Weatherford, Texas  
April 23, 2025

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**CITY OF BRIDGEPORT, TEXAS**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2024**

As management of the City of Bridgeport, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City of Bridgeport exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$16,144,964 (Net Position). Of this amount \$2,710,671 (Unrestricted Net Position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,522,848. The City's operations increased the governmental activities by \$74,809 and increased the business-type activities by \$1,488,039.
- As of the close of the current fiscal year, the City of Bridgeport's governmental funds reported combined ending fund balances of \$8,524,083.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,616,838 or 32% of the total General Fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, code compliance and planning and development. The business-type activities of the City include public services such as water and sewer operations.

The government-wide financial statements can be found on Exhibits A-1 and B-1 of this report.

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

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Grant Fund, Capital Improvements Fund and Debt Service Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 of this report.

**Proprietary Funds** – The City maintains three enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Wastewater, Electric, and Municipal Airport operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Wastewater Fund, and Electric Fund, which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-49 of this report.

## **GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City of Bridgeport, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16,144,964 as of September 30, 2024.

The largest portion of the City's net position (72%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, infrastructure, waterworks and sanitary sewer system, and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (10%) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$2,710,671, may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2024, the City is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate categories – governmental and business-type activities.

Below are summaries of the City's Statement of Net Position and Statement of Activities.

### Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Current and other assets	\$ 10,604,068	\$ 13,236,377	\$ 12,702,665	\$ 13,550,161	\$ 23,306,734	\$ 26,786,538
Capital assets	18,425,740	16,108,376	11,409,804	10,096,501	29,835,544	26,204,877
Total Assets	29,029,808	29,344,753	24,112,469	23,646,662	53,142,278	52,991,415
Deferred outflows of Resources	1,090,373	1,310,481	593,179	689,255	1,683,552	1,999,736
Total deferred outflows of resources	1,090,373	1,310,481	593,179	689,255	1,683,552	1,999,736
Current liabilities	884,907	3,680,414	1,198,591	2,129,922	2,083,498	5,810,336
Long-term liabilities	18,564,128	17,176,891	16,602,617	16,722,903	35,166,745	33,899,794
Total liabilities	19,449,036	20,857,305	17,801,207	18,852,825	37,250,243	39,710,130
Deferred inflows of resources	1,104,164	305,757	326,459	353,148	1,430,623	658,905
Total deferred inflows of resources	1,104,164	305,757	326,459	353,148	1,430,623	658,905
Net Position:						
Net investment in capital assets	5,706,764	5,214,247	6,047,917	5,014,677	11,754,681	10,228,924
Restricted	1,679,612	1,695,036	-	-	1,679,612	1,695,036
Unrestricted	2,180,605	2,582,889	530,066	115,267	2,710,671	2,698,156
Total Net Position	\$ 9,566,981	\$ 9,492,172	\$ 6,577,983	\$ 5,129,944	\$ 16,144,964	\$ 14,622,116



### Changes in Net Position

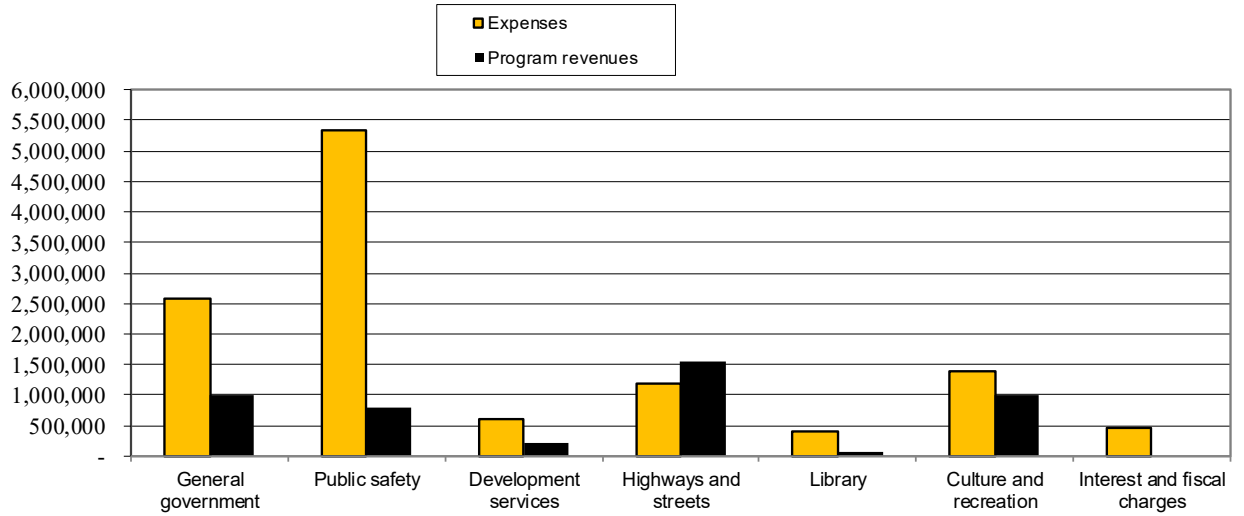
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>09/30/2024</u>	<u>09/30/2023</u>	<u>09/30/2024</u>	<u>09/30/2023</u>	<u>09/30/2024</u>	<u>09/30/2023</u>
Program revenues:						
Charges for services	\$ 1,738,342	\$ 1,297,485	\$ 12,246,955	\$ 10,888,840	\$ 13,985,297	\$ 12,186,325
Operating grants and contributions	903,089	915,448	9,268	-	912,357	915,448
Capital grants and contributions	1,974,557	679,313	-	-	1,974,557	679,313
General revenues:						
Property taxes	4,193,699	3,365,487	-	-	4,193,699	3,365,487
Sales taxes	2,086,341	2,035,097	-	-	2,086,341	2,035,097
Franchise taxes	1,579,419	1,550,947	-	-	1,579,419	1,550,947
Hotel/motel taxes	97,372	101,328	-	-	97,372	101,328
Investment earnings	417,686	236,384	564,509	191,795	982,195	428,179
Other Revenue	345,393	334,733	164,716	81,862	510,109	416,595
Total revenues	<u>13,335,898</u>	<u>10,516,222</u>	<u>12,985,448</u>	<u>11,162,497</u>	<u>26,321,345</u>	<u>21,678,719</u>
Expenses						
General government	2,574,758	2,610,981	-	-	2,574,758	2,610,981
Public safety	5,348,067	4,447,283	-	-	5,348,067	4,447,283
Development services	611,527	327,120	-	-	611,527	327,120
Highways and streets	1,195,738	857,286	-	-	1,195,738	857,286
Library	388,462	-	-	-	388,462	-
Culture and recreation	1,394,337	1,562,241	-	-	1,394,337	1,562,241
Interest and fiscal charges	458,508	523,078	-	-	458,508	523,078
Water and sewer	-	-	5,122,545	5,184,197	5,122,545	5,184,197
Electric	-	-	7,104,739	5,521,789	7,104,739	5,521,789
Municipal airport	-	-	599,817	712,607	599,817	712,607
Total expenses	<u>11,971,396</u>	<u>10,327,989</u>	<u>12,827,101</u>	<u>11,418,593</u>	<u>24,798,497</u>	<u>21,746,582</u>
Increase (decrease) in net position before transfers	1,364,502	188,233	158,347	(256,096)	1,522,848	(67,863)
Transfers	(1,289,692)	512,912	1,289,692	(512,912)	-	-
Increase (decrease) in net position	74,809	701,145	1,448,039	(769,008)	1,522,848	(67,863)
Net Position October 1	9,492,172	8,791,027	5,129,944	5,898,952	14,622,116	14,689,979
Net Position September 30	<u>\$ 9,566,981</u>	<u>\$ 9,492,172</u>	<u>\$ 6,577,983</u>	<u>\$ 5,129,944</u>	<u>\$ 16,144,964</u>	<u>\$ 14,622,116</u>

**Governmental Activities.** Governmental activities increased the City's net position by \$74,809 compared with a \$701,145 increase during the previous fiscal year. Total revenues from governmental activities increased \$2,819,676 (27%) to \$13,335,898. Charges for services increased due to increased fleet management fees. Property tax increased \$828,212 due to an increase in assessed taxable value of property in city. Capital grants and contributions increased \$1,295,244 due to APRA funds earned in the current year. Governmental activities expenses increased \$1,643,407 (16%) from the prior year. Public safety increased \$900,784 due to an increase in salaries and equipment purchases. Development services increased \$284,407 due to an increase in contract labor for inspection and planning for upcoming projects.

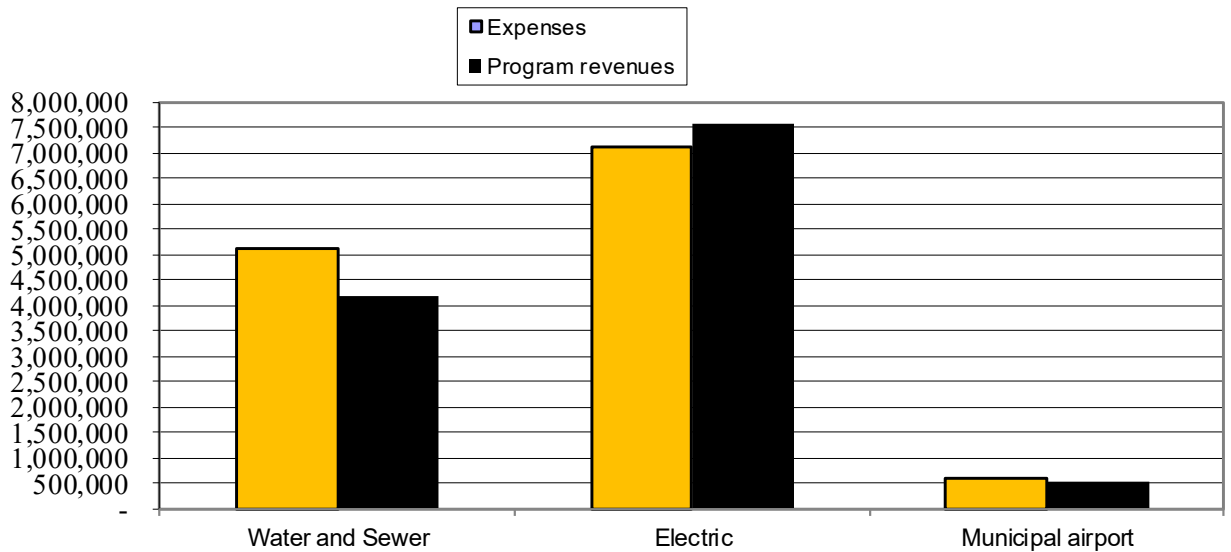
**Business-type activities.** Business-type activities increased the City's net position by \$1,448,039 in the current fiscal year compared to a decrease of \$769,008 in the prior fiscal year. The business-type activities total revenues increased overall by \$1,822,951 (16%) to \$12,985,448. Charges for service increased \$1,358,115 because of an increase in rates, usage of water and electricity due to drought conditions and high temperatures, and an increase in customers. Investment earnings increased due to increases in interest rates. Business-type activities expenses increased \$1,408,508 (12%) to \$12,827,101. The major increases were increases in electricity purchases of \$1,053,303 and salaries and wages due to raises, new hires and increased operations.

Below are two graphs summarizing governmental and business-type activities revenue and expense:

**Expenses and Program Revenues - Governmental Activities**



**Expenses and Program Revenues - Business-type Activities**



## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

At the end of the current fiscal year, the City of Bridgeport's governmental funds reported combined ending fund balances of \$8,524,083. \$2,616,838 (31%) of this amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder is nonspendable, restricted, or committed to indicate that it is not available for new spending.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,616,838. The fund balance of the general fund decreased \$396,917 compared to an increase of \$292,576 in the prior year. The largest difference is the increase in public safety expenses of \$527,136 from the prior year.

The debt service fund has a total fund balance of \$168,142, all of which is restricted for the payment of debt service. Compared to the previous fiscal year, the Debt Service fund balance increased \$86,240.

The capital improvements fund has a total fund balance of \$3,216,529, all of which is restricted for capital improvements projects. The fund balance decreased due to improvement projects in the current year.

The grant fund has a total fund balance of \$734,227, a \$161,155 increase due to increased grant revenue in the current year.

**Proprietary Funds** – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the Proprietary Funds was \$530,066. Net position increased in 2024 by \$1,448,039 due to rate and usage increases.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City made one amendment to the general fund original appropriations approved by the City Council.

Actual revenues were \$277,329 more than budgeted. General property taxes, licenses and permits, charges for services, intergovernmental revenue, interest income and other revenue were more than appropriations. Actual expenditures were \$405,844 more than budgeted.

## **CAPITAL ASSETS**

The City of Bridgeport's investment in capital assets for its governmental and business-type activities as of September 30, 2024 amounts to \$38,758,535 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, water and wastewater systems, construction in progress, water rights, and intangible right to use leased equipment and software arrangements.

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

**Governmental Activities:**

- \$1,063,357 in street rehabilitation.
- \$141,783 for asphalt rollers
- \$41,553 for a pickleball court

**Business-Type Activities:**

- \$1,757,265 for completion of the water treatment plant construction
- \$170,953 for a fiber line to the water treatment plant
- \$178,000 for the City's portion of the airport fence

	Governmental Activities		Business-type Activities		Total	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Land	\$ 1,118,349	\$ 1,118,349	\$ 576,408	\$ 576,408	\$ 1,694,757	\$ 1,694,757
Buildings and improvements	5,779,175	6,143,059	26,298	38,911	5,805,473	6,181,970
Machinery and equipment	1,429,248	1,605,997	580,271	622,417	2,009,519	2,228,414
Infrastructure	7,061,105	6,397,170	-	-	16,311,202	6,397,170
Water and wastewater system	-	-	9,250,097	7,828,529	9,250,097	7,828,529
Construction in progress	1,399,876	-	214,326	246,826	1,614,202	246,826
Water rights	-	-	544,755	544,755		
Intangible right-to-use software arrangements	1,525,832	100,371	-	-	1,743,483	100,371
Intangible right-to-use lease - equipment	112,151	743,430	217,651	238,655	329,802	982,085
Total	<u>\$ 18,425,736</u>	<u>\$ 16,108,376</u>	<u>\$ 11,409,806</u>	<u>\$ 10,096,501</u>	<u>\$ 38,758,535</u>	<u>\$ 25,660,122</u>

Additional information on the City of Bridgeport's capital assets can be found in Note 7 to the financial statements.

## LONG-TERM DEBT

At the end of the current fiscal year, the City of Bridgeport had total bonded debt and financed purchases payable of \$35,166,745. Of this amount, \$3,847,505 comprises general obligation bonded debt backed by the full faith and credit of the government, \$21,010,001 are certificates of obligation represent bonds secured by taxes and revenues of the Water and Wastewater Fund and Electric Fund and \$704,313 represents notes payable. The lease/SBITA liability pertains to equipment, vehicles and software being leased by the City.

	Governmental Activities		Business-type Activities		Total	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023	09/30/2024	09/30/2023
General obligation bonds	\$ 9,088,697	\$ 9,890,750	\$ 11,649,637	\$ 4,289,669	\$ 20,738,334	\$ 14,180,419
Revenue bonds	3,901,667	3,901,667	1,680,000	9,648,334	5,581,667	13,550,001
Contractual obligation bonds	-	-	1,565,000	1,935,000	1,565,000	1,935,000
Bond premiums	587,543	658,091	629,640	680,287	1,217,183	1,338,378
Bond discount	(64,709)	(72,771)	(29,288)	(32,272)	(93,997)	(105,043)
Compensated absences	307,433	227,372	64,771	55,678	372,204	283,050
Notes payable	704,313	660,066	-	128,977	704,313	789,043
Right to use lease liability	1,598,489	859,463	238,303	244,120	1,836,792	1,103,583
SBITA liability	113,754	99,322	-	-	113,754	99,322
State comptroller payable	14,350	50,131	-	-	14,350	50,131
Net pension liability	2,140,175	2,343,822	740,348	50,666	2,880,523	2,394,488
OPEB liability	172,416	149,449	64,206	794,600	236,622	944,049
Total Outstanding Debt	<u>\$ 18,564,128</u>	<u>\$ 18,767,362</u>	<u>\$ 16,602,617</u>	<u>\$ 17,795,059</u>	<u>\$ 35,166,745</u>	<u>\$ 36,562,421</u>

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up- to \$2.50 per \$100 of assessed valuation for general governmental services including payment of principal and interest on general obligation long-term debt. The current ratio of net tax-supported bonded debt to assessed value of all taxable property 2.63% or \$2,655 per capita.

The City’s bond ratings on September 30, 2024, were as follows:

General Obligation Bonds	Moody's Investor	Standard & Poor's
	Services	
	Baa1	A+

Additional information on the City of Bridgeport’s long-term debt can be found in Note 9 to the financial statements

## **ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The City’s elected and appointed officials considered many factors when setting the fiscal year 2025 budget, tax rate, and fees that will be charged for the business-type activities. The major factor affecting all decisions is the changing economy within the framework of the national economic recovery after the Covid-19 pandemic. Along with the rest of the nation, Bridgeport saw declines in sales and hotel occupancy taxes due to the pandemic, however, sales tax has made a recovery and continues to improve.

The City of Bridgeport, with its proximity to major highways and the Dallas-Ft Worth SMSA, availability of land for development purposes, and affordable cost of living, is an attractive city in which to locate. The City prides itself on a quality school district and “hometown” atmosphere. The Bridgeport Economic Development Corporation (BEDC) works to attract businesses with relocation incentives as well as business retention incentives such as workforce training opportunities. The BEDC receives one-third of sales tax collected and remitted to the City to support these growth and development initiatives.

The City of Bridgeport considers these factors when adopting the General Fund budget for fiscal year 2025. The budgeted revenues for Fiscal Year 2025 total \$8,806,687 for the General Fund, which is a \$646,232 or 7.9% increase from the previous fiscal year budget. Ad valorem tax revenue is determined by two factors – the total assessed value established by the Wise County Appraisal District and the tax rate established by the Bridgeport City Council. The property tax rate for the budgeted year decreased by 0.0006 cents to \$0.6189 per hundred dollars of assessed value for 2025. Certified taxable property value for fiscal year 2025 is \$682,519,666. This is a 2.9% increase over last year’s value, or \$19.5 million. With the decreased tax rate and the increased taxable value, the fiscal year 2025 budget will raise more revenue from property taxes than last year’s budget by \$88,407, an increase of 2.3%.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City’s finances. If you have questions about this report or need additional information, contact the Office of the Director of Finance, Attn: Finance Director, at 900 Thompson Street, Bridgeport, TX 76426.

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# ***BASIC FINANCIAL STATEMENTS***

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City of Bridgeport, Texas  
Statement of Net Position  
September 30, 2024

	Primary Government			Component Unit Economic Development Corporation
	Governmental	Business-type		
	Activities	Activities	Total	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 8,626,150	\$ 2,182,209	\$ 10,808,359	\$ 2,846,489
Receivables (Net of allowances for uncollectibles)				
Property taxes	112,530	-	112,530	-
Franchise taxes	19,567	-	19,567	-
Sales taxes	392,279	-	392,279	192,470
Accounts receivable	-	1,104,203	1,104,203	-
Fines and fees receivable	118,821	-	118,821	-
Miscellaneous receivables	94,941	-	94,941	-
Leases	958,399	281,224	1,239,623	-
Internal balances	251,273	(251,273)	-	-
Inventory	16,561	460,673	477,233	-
Prepaid items	3,223	-	3,223	-
Restricted assets:				
Cash and cash equivalents	10,325	8,925,630	8,935,955	-
Capital assets (net of accumulated depreciation):				
Non depreciable assets	2,518,225	790,734	3,308,959	3,434,708
Depreciable assets	15,907,515	10,619,070	26,526,585	929,198
<b>Total Assets</b>	<b>29,029,808</b>	<b>24,112,469</b>	<b>53,142,278</b>	<b>7,402,865</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflows related to pensions	1,062,993	387,313	1,450,306	39,602
Deferred outflows related to OPEB	18,782	6,995	25,777	670
Deferred charges on refunding	8,598	198,871	207,469	-
<b>Total Deferred Outflows of Resources</b>	<b>1,090,373</b>	<b>593,179</b>	<b>1,683,552</b>	<b>40,272</b>
<b>LIABILITIES:</b>				
Accounts payable	629,011	635,175	1,264,186	51,823
Accrued payroll and related liabilities	193,429	67,385	260,815	6,296
Interest payable	62,467	73,969	136,436	6,632
Customer deposits	-	422,061	422,061	-
Noncurrent liabilities:				
Due Within One Year	1,869,222	1,124,404	2,993,626	226,271
Due in More Than One Year	16,694,906	15,478,213	32,173,119	1,825,608
<b>Total Liabilities</b>	<b>19,449,036</b>	<b>17,801,207</b>	<b>37,250,243</b>	<b>2,116,629</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows related to pensions	86,028	29,759	115,787	3,267
Deferred inflows related to OPEB	59,737	22,244	81,981	2,130
Deferred inflows related to leases	958,399	274,456	1,232,855	-
<b>Total Deferred Inflows of Resources</b>	<b>1,104,164</b>	<b>326,459</b>	<b>1,430,623</b>	<b>5,397</b>
<b>NET POSITION:</b>				
Net Investment in Capital Assets	5,706,764	6,047,917	11,754,681	2,403,860
Restricted Net Position				
Debt Service	156,494	-	156,494	-
Culture and recreation	1,343,236	-	1,343,236	-
Public safety	179,882	-	179,882	-
Unrestricted Net Position	2,180,605	530,066	2,710,671	2,917,251
<b>Total Net Position</b>	<b>\$ 9,566,981</b>	<b>\$ 6,577,983</b>	<b>\$ 16,144,964</b>	<b>\$ 5,321,111</b>

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

City of Bridgeport, Texas  
Statement of Activities  
For the Year Ended September 30, 2024

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 2,574,758	\$ 590,677	\$ 410,600	\$ -
Public safety	5,348,067	389,587	397,336	-
Development services	611,527	215,696	-	-
Highways and streets	1,195,738	-	-	1,533,640
Library	388,462	1,225	76,654	-
Culture and recreation	1,394,337	541,157	18,499	440,917
Interest expense	458,508	-	-	-
Total governmental activities	<u>11,971,396</u>	<u>1,738,342</u>	<u>903,089</u>	<u>1,974,557</u>
Business-type activities:				
Water and wastewater	5,122,545	4,167,041	-	-
Electric	7,104,739	7,566,586	-	-
Municipal airport	599,817	513,328	9,268	-
Total business-type activities	<u>12,827,101</u>	<u>12,246,955</u>	<u>9,268</u>	<u>-</u>
Total primary government	<u>\$ 24,798,497</u>	<u>\$ 13,985,297</u>	<u>\$ 912,357</u>	<u>\$ 1,974,557</u>
Component Unit				
Economic Development	<u>\$ 793,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property Taxes, levied for general purposes

Property Taxes, levied for debt service

Sales Taxes

Franchise Taxes

Hotel/Motel Taxes

Investment Earnings

Other Revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, October 1, 2023

Net Position, September 30, 2024

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

## EXHIBIT B-1

Net (Expense) Revenue and Changes in Net Position			Component Unit Economic Development Corporation
Primary Government			
Governmental Activities	Business-type Activities	Total	
\$ (1,573,481)	\$ -	\$ (1,573,481)	
(4,561,144)	-	(4,561,144)	
(395,831)	-	(395,831)	
337,902	-	337,902	
(310,583)	-	(310,583)	
(393,764)	-	(393,764)	
(458,508)	-	(458,508)	
<u>(7,355,408)</u>	<u>-</u>	<u>(7,355,408)</u>	
-	(955,504)	(955,504)	
-	461,847	461,847	
-	<u>(77,222)</u>	<u>(77,222)</u>	
-	<u>(570,878)</u>	<u>(570,878)</u>	
\$ <u>(7,355,408)</u>	\$ <u>(570,878)</u>	\$ <u>(7,926,286)</u>	

\$ (793,494)

\$ 2,222,171	\$ -	\$ 2,222,171	\$ -
1,971,528	-	1,971,528	-
2,086,341	-	2,086,341	1,051,782
1,579,419	-	1,579,419	-
97,372	-	97,372	-
417,686	564,509	982,195	130,855
345,393	164,716	510,109	58,791
<u>(1,289,692)</u>	<u>1,289,692</u>	<u>-</u>	<u>-</u>
<u>7,430,217</u>	<u>2,018,917</u>	<u>9,449,134</u>	<u>1,241,428</u>
74,809	1,448,039	1,522,848	447,934
<u>9,492,172</u>	<u>5,129,944</u>	<u>14,622,116</u>	<u>4,873,177</u>
\$ <u><u>9,566,981</u></u>	\$ <u><u>6,577,983</u></u>	\$ <u><u>16,144,964</u></u>	\$ <u><u>5,321,111</u></u>

City of Bridgeport, Texas  
Balance Sheet  
Governmental Funds  
September 30, 2024

	General	Debt Service	Capital Improvements	Grant Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>						
Assets:						
Cash and cash equivalents	\$ 2,343,705	\$ 163,158	\$ 3,457,222	\$ 750,276	\$ 1,804,187	\$ 8,518,548
Receivables (Net of allowances for uncollectibles)						
Property taxes	61,711	50,819	-	-	-	112,530
Franchise taxes	19,567	-	-	-	-	19,567
Sales taxes	392,279	-	-	-	-	392,279
Fines and fees receivable	118,821	-	-	-	-	118,821
Miscellaneous receivables	58,248	-	-	22,328	14,366	94,941
Leases	958,399	-	-	-	-	958,399
Inventory	9,522	-	-	-	-	9,522
Due from other funds	269,414	23,125	-	-	-	292,539
Prepaid items	3,223	-	-	-	-	3,223
Restricted assets:						
Cash and cash equivalents	10,325	-	-	-	-	10,325
Total assets	<u>\$ 4,245,213</u>	<u>\$ 237,102</u>	<u>\$ 3,457,222</u>	<u>\$ 772,604</u>	<u>\$ 1,818,553</u>	<u>\$ 10,530,694</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>						
Liabilities:						
Accounts payable	\$ 291,521	\$ -	\$ 217,568	\$ 38,377	\$ 46,118	\$ 593,584
Accrued payroll and related liabilities	171,333	-	-	-	7,158	178,491
Due to other funds	-	18,141	23,125	-	-	41,266
Total liabilities	<u>462,854</u>	<u>18,141</u>	<u>240,693</u>	<u>38,377</u>	<u>53,276</u>	<u>813,341</u>
Deferred inflows of resources:						
Deferred revenue	184,052	50,819	-	-	-	234,871
Leases	958,399	-	-	-	-	958,399
Total deferred inflows of resources	<u>1,142,451</u>	<u>50,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,193,270</u>
Fund Balance:						
Nonspendable	12,745	-	-	-	-	12,745
Restricted						
Debt service	-	168,142	-	-	-	168,142
Culture and recreation	-	-	-	734,227	609,009	1,343,236
Public safety	10,325	-	-	-	169,557	179,882
Capital Projects	-	-	3,216,529	0	-	3,216,529
Committed						
Capital improvements	-	-	-	-	986,711	986,711
Unassigned	2,616,838	-	-	-	-	2,616,838
Total fund balances	<u>2,639,908</u>	<u>168,142</u>	<u>3,216,529</u>	<u>734,227</u>	<u>1,765,277</u>	<u>8,524,083</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,245,213</u>	<u>237,102</u>	<u>3,457,222</u>	<u>\$ 772,604</u>	<u>\$ 1,818,553</u>	<u>\$ 10,530,694</u>

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

City of Bridgeport, Texas  
Reconciliation of the Governmental Funds Balance Sheet  
To the Statement of Net Position  
September 30, 2024

Total Fund Balances - Governmental Funds	\$	8,524,083
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of these assets was \$41,744,167 and the accumulated depreciation and amortization was \$23,362,795.		18,381,372
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Some liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position. The details of these differences are as follows:

Interest payable	(62,467)	
Bonds payable	(13,513,198)	
Notes payable	(704,313)	
Leases and SBITAs payable	(1,697,739)	
Comptroller payable	(14,350)	
Compensated absences	<u>(271,326)</u>	(16,263,393)

Deferred charges for refunding related to governmental activity debt are not financial resources and, therefore, are not reported in the governmental funds.		8,598
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Included in the items related to noncurrent assets is the recognition of the City's net pension liability required by GASB 68 in the amount of \$1,946,209, a deferred resource inflow related to pensions of \$78,231, and a deferred resource outflow related to pensions in the amount of \$967,548. This amounted to an increase in net position.		(1,056,892)
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Included in the items related to noncurrent liabilities is the recognition of the City's total OPEB liability required by GASB 75 in the amount of \$157,415, a deferred resource outflow related to OPEB in the amount of \$17,148, and a deferred resource inflow related to OPEB in the amount of \$54,539. This amounted to a decrease in net position.		(194,806)
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Certain receivables are not available soon enough to pay for the current period's expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		234,871
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The City uses an internal service fund. The adjustment is to reflect the consolidation of the internal service fund activities related to governmental activities.		(66,852)
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Net Position of Governmental Activities	<u>\$</u>	<u>9,566,981</u>
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City of Bridgeport, Texas  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the year ended September 30, 2024

	General	Debt Service	Capital Improvements	Grant Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property	\$ 2,198,353	\$ 1,951,519	\$ -	\$ -	\$ -	\$ 4,149,872
Sales and Use	2,086,341	-	-	-	-	2,086,341
Franchise	1,579,419	-	-	-	-	1,579,419
Hotel /motel	-	-	-	-	97,372	97,372
Fines and fees	305,719	-	-	-	20,814	326,533
Licenses and permits	215,696	-	-	-	-	215,696
Charges for service	34,371	-	-	-	1,060,808	1,095,179
Intergovernmental revenue	365,098	-	-	2,053,133	-	2,418,230
Investment earnings	110,402	1,012	242,950	63,322	-	417,686
Other revenue	159,337	28,750	-	-	561,082	749,169
Total revenues	<u>7,054,735</u>	<u>1,981,281</u>	<u>242,950</u>	<u>2,116,455</u>	<u>1,740,076</u>	<u>13,135,496</u>
Expenditures:						
Current						
General government	1,562,436	3,000	41,406	349,972	292,383	2,249,197
Public safety	4,290,523	-	71,502	-	42,047	4,404,072
Development Services	595,028	-	-	11,564	-	606,592
Highways and streets	582,548	-	-	-	-	582,548
Library	362,172	-	-	-	14,947	377,119
Culture and recreation	638,062	-	52,782	-	472,033	1,162,877
Capital Outlay	183,396	-	2,485,745	-	1,515,559	4,184,699
Debt Service:				-		
Principal	41,210	869,669	148,130	-	308,222	1,367,231
Interest and fiscal charges	6,603	361,027	14,232	-	79,070	460,931
Total expenditures	<u>8,261,978</u>	<u>1,233,696</u>	<u>2,813,795</u>	<u>361,536</u>	<u>2,724,261</u>	<u>15,395,265</u>
Excess (deficiency) of revenue over (under) expenditures	\$ <u>(1,207,242)</u>	\$ <u>747,585</u>	\$ <u>(2,570,846)</u>	\$ <u>1,754,919</u>	\$ <u>(984,185)</u>	\$ <u>(2,259,769)</u>
Other financing sources (uses):						
Transfers in	1,289,893	-	108,964	-	310,699	1,709,556
Transfers out	(662,963)	(661,345)	-	(1,593,765)	(81,175)	(2,999,248)
SBITA financing	41,613	-	-	-	-	41,613
Lease financing	-	-	360,583	-	861,758	1,222,341
Note payable issued	141,783	-	-	-	-	141,783
Total other financing sources (uses)	<u>810,325</u>	<u>(661,345)</u>	<u>469,547</u>	<u>(1,593,765)</u>	<u>1,091,282</u>	<u>116,044</u>
Net change in fund balances	(396,917)	86,240	(2,101,299)	161,155	107,097	(2,143,724)
Fund Balance, October 1, 2023	<u>3,036,825</u>	<u>81,902</u>	<u>5,317,828</u>	<u>573,073</u>	<u>1,658,180</u>	<u>10,667,807</u>
Fund Balance, September 30, 2024	\$ <u><u>2,639,908</u></u>	\$ <u><u>168,142</u></u>	\$ <u><u>3,216,529</u></u>	\$ <u><u>734,227</u></u>	\$ <u><u>1,765,277</u></u>	\$ <u><u>8,524,083</u></u>

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

City of Bridgeport, Texas  
Reconciliation of Statement of Revenues,  
Expenditures and Changes in Fund Balances of  
The Governmental Funds to the Statement of Activities  
For the year ended September 30, 2024

Total Net Change in Fund Balances - Governmental Funds	\$ (2,143,724)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including \$3,910,522 of capital outlays and \$1,367,231 of debt principal payments is to increase net position.	5,277,753
Current year lease financing, SBITA financing and notes payable are other financing sources in the fund financial statements. The effect of recognizing the liabilities is a decrease to net position.	(1,405,737)
Depreciation and amortization is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(1,573,232)
The effect of miscellaneous adjustments to liability balances is an increase to net position.	69,437
Current year interest payable and compensated absences of the governmental funds are not due and payable in the current period and, therefore are not reported as liabilities or assets in the funds. The \$7,0172 increase in interest payable, \$68,950 increase in compensated absences, and \$77,056 amortization of deferred charges, premiums and discounts decrease net position.	1,089
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.	99,129
GASB required the City to recognize their net pension liability, deferred resource inflow related to pensions, and deferred resource outflow related to pensions. The changes in these balances increased net position.	(107,375)
GASB required the City to recognize their total OPEB liability and deferred resource outflow related to OPEB. The changes in these balances decreased net position.	(5,134)
The City uses an internal service fund. The adjustment is to reflect the consolidation of the internal service fund activities related to governmental activities.	(137,397)
Change in Net Position of Governmental Activities	<u>\$ 74,809</u>

City of Bridgeport, Texas  
Statement of Net Position  
Proprietary Funds  
September 30, 2024

	Enterprise Funds				
	Water and Wastewater Fund	Electric Fund	Nonmajor Municipal Airport	Total Enterprise Fund	Internal Service Fund
<b>ASSETS:</b>					
Current Assets:					
Cash and cash equivalents	\$ 1,262	\$ 2,258,202	\$ (77,256)	\$ 2,182,209	\$ 107,602
Accounts receivables (Net of allowance for uncollectibles):	331,159	728,546	44,497	1,104,203	-
Leases receivable	32,891	104,396	143,937	281,224	-
Due from other funds	2,432	1,265	-	3,696	-
Inventory	124,166	319,529	16,978	460,673	7,038
Restricted Assets: Cash and cash equivalents	7,777,968	1,147,663	-	8,925,630	-
Total current assets	8,269,878	4,559,600	128,157	12,957,635	114,640
Noncurrent Assets:					
Capital assets, at cost:					
Land	270,364	56,997	249,047	576,408	-
Construction in progress	36,326	-	178,000	214,326	-
Buildings and improvements	251,411	83,888	-	335,299	9,100
Machinery and equipment	2,081,286	1,361,977	45,941	3,489,204	150,345
Waterworks and sanitary sewer system	26,074,456	4,115,654	1,115,292	31,305,401	-
Intangible assets	622,779	9,116	-	631,895	-
Right-to-use leased assets	198,120	123,440	22,656	344,215	37,698
Less: accumulated depreciation	(20,284,741)	(4,690,922)	(511,282)	(25,486,945)	(152,774)
Capital assets, net	9,250,002	1,060,149	1,099,654	11,409,804	44,369
Total noncurrent assets	9,250,002	1,060,149	1,099,654	11,409,804	44,369
Total assets	\$ 17,519,879	\$ 5,619,749	\$ 1,227,811	\$ 24,367,439	\$ 159,009
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred outflow related to pensions	\$ 216,585	\$ 161,597	\$ 9,131	\$ 387,313	\$ 95,445
Deferred outflow related to OPEB	3,869	2,971	155	6,995	1,634
Deferred charge on refunding	183,851	15,021	-	198,871	-
Total deferred outflows of resources	\$ 404,305	\$ 179,589	\$ 9,286	\$ 593,179	\$ 97,079
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts payable	\$ 160,644	\$ 465,009	\$ 9,522	\$ 635,175	\$ 35,427
Accrued payroll and related liabilities	34,691	32,624	70	67,385	14,939
Compensated absences payable	28,926	35,845	-	64,771	36,107
Due to other funds	-	-	254,970	254,970	-
Current portion of long-term debt	536,140	443,138	-	979,278	-
Current portion of lease liability	41,923	23,353	15,078	80,354	9,615
Interest payable	69,913	4,056	-	73,969	-
Customer deposits payable	156,758	265,303	-	422,061	-
Total current liabilities	1,028,995	1,269,329	279,640	2,577,964	96,088
Noncurrent Liabilities:					
Total OPEB liability	35,511	27,275	1,420	64,206	15,001
Net pension liability	417,730	303,902	18,716	740,348	193,966
Leases payable	81,924	76,025	-	157,949	4,889
Bonds payable	12,926,083	1,589,628	-	14,515,710	-
Total noncurrent liabilities	13,461,248	1,996,829	20,136	15,478,213	213,856
Total liabilities	\$ 14,490,243	\$ 3,266,158	\$ 299,776	\$ 18,056,177	\$ 309,944
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred Inflows related to pensions	\$ 16,791	\$ 12,216	\$ 752	\$ 29,759	\$ 7,797
Deferred Inflows related to OPEB	12,303	9,449	492	22,244	5,198
Deferred Inflows related to leases	31,042	100,759	142,655	274,456	-
Total deferred inflows of resources	\$ 60,136	\$ 122,424	\$ 143,899	\$ 326,459	\$ 12,995
<b>NET POSITION:</b>					
Net investment in capital assets	\$ 4,872,745	\$ 90,596	\$ 1,084,576	\$ 6,047,917	\$ 29,865
Unrestricted	(1,498,939)	2,320,159	(291,154)	530,066	(96,717)
Total net position	\$ 3,373,806	\$ 2,410,755	\$ 793,422	\$ 6,577,983	\$ (66,852)

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



City of Bridgeport, Texas  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the year ended September 30, 2024

	Enterprise Fund				
	Water and Wastewater Fund	Electric Fund	Nonmajor Airport Fund	Total Enterprise Fund	Internal Service Fund
Operating revenues:					
Charges for sales and services:					
Charges for water sales	\$ 2,619,053	\$ -	\$ -	\$ 2,619,053	\$ -
Charges for sewer service	1,547,988	-	-	1,547,988	-
Charges for electric	-	7,566,586	-	7,566,586	-
Municipal airport	-	-	513,328	513,328	-
Internal services	-	-	-	-	1,063,095
Operating grants	-	-	9,268	9,268	-
Total operating revenue	<u>4,167,041</u>	<u>7,566,586</u>	<u>522,595</u>	<u>12,256,223</u>	<u>1,063,095</u>
Operating expenses:					
Personnel	1,263,223	1,002,599	64,738	2,330,560	537,177
Purchased water	440,208	-	-	440,208	-
Purchased electricity	-	4,237,974	-	4,237,974	-
Other purchased services	1,042,380	1,299,891	69,482	2,411,753	162,943
Supplies and maintenance	1,143,414	355,454	414,271	1,913,139	480,447
Depreciation	665,544	175,966	51,325	892,836	19,926
Total operating expenses	<u>4,554,769</u>	<u>7,071,884</u>	<u>599,817</u>	<u>12,226,469</u>	<u>1,200,493</u>
Operating income	<u>(387,728)</u>	<u>494,702</u>	<u>(77,222)</u>	<u>29,753</u>	<u>(137,397)</u>
Nonoperating revenues (expenses):					
Investment earnings	519,126	44,571	812	564,509	-
Other revenue	96,067	68,649	-	164,716	-
Interest expense	<u>(567,776)</u>	<u>(32,855)</u>	<u>-</u>	<u>(600,632)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>47,417</u>	<u>80,365</u>	<u>812</u>	<u>128,593</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>(340,311)</u>	<u>575,067</u>	<u>(76,410)</u>	<u>158,347</u>	<u>(137,397)</u>
Capital contributions and transfers:					
Transfers in	2,260,305	214,280	47,000	2,521,585	-
Transfers out	<u>(598,213)</u>	<u>(633,680)</u>	<u>-</u>	<u>(1,231,893)</u>	<u>-</u>
Net capital contributions and transfers	<u>1,662,092</u>	<u>(419,400)</u>	<u>47,000</u>	<u>1,289,692</u>	<u>-</u>
Change in Net Position	1,321,782	155,667	(29,410)	1,448,039	(137,397)
Net Position, October 1, 2023	<u>2,052,024</u>	<u>2,255,088</u>	<u>822,832</u>	<u>5,129,944</u>	<u>70,545</u>
Net Position, September 30, 2024	<u>\$ 3,373,806</u>	<u>\$ 2,410,755</u>	<u>\$ 793,422</u>	<u>\$ 6,577,983</u>	<u>\$ (66,852)</u>

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

City of Bridgeport, Texas  
Statement of Cash Flows  
Proprietary Funds  
For the year ended September 30, 2024

	Enterprise Funds				Internal Service Fund
	Water and Sewer Fund	Electric Fund	Nonmajor Municipal Airport	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 4,237,604	\$ 7,543,966	\$ 528,759	\$ 12,310,329	\$ 1,063,095
Payments to suppliers	(2,689,825)	(5,847,403)	(442,197)	(8,979,426)	(631,480)
Cash paid to employees	(1,205,157)	(947,199)	(63,815)	(2,216,171)	(497,923)
Net cash provided by operating activities	<u>342,622</u>	<u>749,364</u>	<u>22,747</u>	<u>1,114,733</u>	<u>(66,307)</u>
Cash flow from noncapital financing activities:					
Transfers in	2,260,305	214,280	47,000	2,521,585	-
Transfers out	(598,213)	(633,680)	-	(1,231,893)	-
Net cash provided (used) by noncapital financing activities	<u>1,662,092</u>	<u>(419,400)</u>	<u>47,000</u>	<u>1,289,692</u>	<u>-</u>
Cash flow from capital and related financing activities:					
Capital outlay	(1,851,093)	(118,868)	(178,000)	(2,147,961)	-
Principal payments on long-term debt	(460,022)	(703,852)	(4,837)	(1,168,711)	(9,198)
Interest paid on long-term debt	(585,887)	(27,479)	-	(613,367)	-
Net cash (used) by capital and related financing activities	<u>(2,897,002)</u>	<u>(850,199)</u>	<u>(182,837)</u>	<u>(3,930,039)</u>	<u>(9,198)</u>
Cash flow from investing activities:					
Investment earnings	519,126	44,571	812	564,509	-
Net cash provided (used) by investing activities	<u>519,126</u>	<u>44,571</u>	<u>812</u>	<u>564,509</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(373,162)	(475,664)	(112,278)	(961,105)	(75,505)
Cash and cash equivalents, October 1, 2023	<u>8,152,392</u>	<u>3,881,529</u>	<u>35,023</u>	<u>12,068,944</u>	<u>183,107</u>
Cash and cash equivalents, September 30, 2024	<u>\$ 7,779,230</u>	<u>\$ 3,405,865</u>	<u>\$ (77,255)</u>	<u>\$ 11,107,839</u>	<u>\$ 107,602</u>
<b>Reconciliation of Operating Income to</b>					
<b>Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ (387,728)	\$ 494,702	\$ (77,222)	\$ 29,753	\$ (137,397)
Adjustments to reconcile operating income to					
net cash provided (used) by operating activities:					
Depreciation expense	665,544	175,966	51,325	892,836	19,926
Other revenue	96,067	68,649	-	164,716	-
(Increase) decrease in accounts receivable	(23,181)	(85,167)	7,495	(100,853)	-
(Increase) decrease in leases receivable	714	(1,538)	(1,331)	(2,155)	-
(Increase) decrease in inventory	(63,124)	(39,357)	36,267	(66,214)	(786)
Increase (decrease) in accounts payable	(700)	85,273	5,289	89,862	12,696
Increase (decrease) in accrued payroll and related liabilities	34,691	32,624	70	67,385	14,939
Increase (decrease) in compensated absences payable	(2,366)	11,459	-	9,093	11,111
Increase (decrease) in customer meter deposits	(3,037)	(4,564)	-	(7,601)	-
Increase (decrease) in net pension balances	21,068	7,028	968	29,064	13,236
Increase (decrease) in total OPEB balances	4,673	4,289	(115)	8,847	(32)
Total adjustments	<u>730,349</u>	<u>254,662</u>	<u>99,968</u>	<u>1,084,979</u>	<u>71,090</u>
Net cash provided by operating activities	<u>\$ 342,622</u>	<u>\$ 749,364</u>	<u>\$ 22,747</u>	<u>\$ 1,114,733</u>	<u>\$ (66,307)</u>
<b>Noncash Investing, Capital and Financing Activities</b>					
Capital acquired with lease financing	\$ 58,180	\$ -	\$ -	\$ -	\$ -
	<u>\$ 58,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

# CITY OF BRIDGEPORT, TEXAS

## Notes to Financial Statements

September 30, 2024

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The City of Bridgeport, Texas operates under a Mayor-Council form of government. The financial statements of the City of Bridgeport, Texas ("City") include all activities, organizations, and functions of the City. The criteria considered in determining activities to be reported within the City's financial statements included: the City's accountability for the entity's fiscal matters; the scope of public service of the entity; and the nature of any special financing relationships which may exist between the City and a given governmental entity.

The reporting entity consists of the City of Breckenridge, Texas ("City") and its component unit. Component units are legally separate entities for which the City is financially accountable or other organizations whose nature and significant relationship with the City are such that the exclusion would cause the City's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either the City's ability to improve its will on the organization or there is potential for the organization to provide a financial benefit to or impose a financial burden on the City.

The financial statements include on discretely presented component unit which has a September 30 year-end. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

#### *Discretely Presented Component Unit*

The Bridgeport Economic Development Corporation (the "BEDC") was incorporated under the Development Corporation Act of 1979 (the "Act"), with the approval of the City. The purpose of the BEDC is to promote the economic development of the City of Bridgeport through the use of a ½% 4B sales tax approved by the voters of the City. The BEDC receives its authority from the City of Bridgeport. While legally separate from the City, it is reported as part of the reporting entity under the discretely presented method because the City's elected officials are financially accountable for the BEDC. The City has the authority to appoint board members and approve budgets and contracts. The City is the sole beneficiary of the BEDC and will receive the remaining assets and assume the remaining liabilities upon termination. The BEDC does not issue separate financial statements.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds and individual enterprise funds are reported as separate columns in the fund financial statements.

# CITY OF BRIDGEPORT, TEXAS

## Notes to Financial Statements

September 30, 2024

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation

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

In the government-wide financial statements amounts reported as program revenues include 1) charges for customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized when payment is due.

Property taxes, sales and use taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives payment.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The City reports the following major governmental funds:

The *General Fund* is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund. The General Fund has a legally adopted budget.

The *Debt Service Fund* is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs of general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted to signify the amounts that are exclusively for debt service expenditures.

The *Grant Fund* is used to account for state and local grant fund projects.

The *Capital Improvements Fund* is used to account for the proceeds from the issuance of general obligation bonds to be used for the acquisition or construction of parks, buildings and other facilities.

## CITY OF BRIDGEPORT, TEXAS

### Notes to Financial Statements

September 30, 2024

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

The *Water and Wastewater Fund* is used to account for the provision of water and wastewater services to residents of the City. Activities of the fund include administration, operations, and maintenance of water and wastewater system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of long-term debt principal and interest and for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

The *Electric Fund* is used to account for the City's electric utility, including operations and maintenance and expansion of the system within the City's area of service.

The *Airport Fund* is used to account for the City's airport operations and maintenance.

The *Internal Service Fund* provides services primarily to other funds of the government, is presented in the summary form as part of the proprietary fund financial statements. The financial statement of the Internal Service Fund is allocated in the governmental column when presented at the government-wide level. Various operations are accounted for as an Internal Service Fund, such as costs related to maintaining and repairing City owned facilities, operational costs associated with the City's computer equipment within various departments, as well as jointly shared administrative departments. The fund is considered nonmajor in fiscal year 2024.

Proprietary funds, distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges and transfers between the governmental activities and the business-type activities, which cannot be eliminated.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **D. Assets, Liabilities and Net Position or Equity**

##### **1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and all highly liquid investments, including restricted assets. Amounts invested in Tex-Pool, TexStar and Texas Class public investment pools are considered cash and cash equivalents. Assets reported as cash and cash equivalents are considered cash and cash equivalents for the statement of cash flows.

##### **2. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

# CITY OF BRIDGEPORT, TEXAS

## Notes to Financial Statements

September 30, 2024

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All trade, fines and fees and property tax receivables are shown net of an allowance for uncollectibles. Property tax receivable allowance for the General Fund of \$30,394 and the Debt Service Fund of \$25,030 is based upon historical experience and is equal approximately 33% of outstanding delinquent property taxes at September 30. The fines and fees receivable is reported net of an allowance of \$118,820 which is 50% of the outstanding receivable. Trade accounts receivable in the Electric Fund and Water and Wastewater fund are reported net of allowances of \$601,908 and \$149,574 respectively which are estimated on a percentage of aged accounts receivable.

#### **3. *Property Tax***

Property taxes are levied each October 1, in conformity with Subtitle E, Texas Property Tax Code. The taxes are levied from valuations assessed as of the prior January 1. Taxes are due on October 1 immediately following the levy date and are delinquent after the following February 1. Tax liens are automatic on January 1 each year. Property tax revenues are recognized as revenue beginning on the date of levy, October 1, when they become available. Taxes not expected to be collected within sixty days of the fiscal year ending are recorded as deferred revenue and are recognized when they become available. The City's current tax rate is \$0.6195 per \$100 of assessed valuation.

#### **4. *Inventories and Prepaid Items***

Inventories are valued at cost using the first-in first-out (FIFO) method. Inventories consist of expendable supplies held for consumption or construction of plant and equipment. Inventories are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond September 30 are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid expenses in the governmental funds are accounted for using the purchases method.

#### **5. *Capital Assets***

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of two years or more. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the primary government and proprietary funds are depreciated using the straight-line method over the following estimated useful lives.

Building and improvements	20 - 50 years
Water and Wastewater system infrastructure	30 years
Storm drainage system infrastructure	30 years
Public domain infrastructure	50 years
Vehicles and equipment	5 - 10 years
Office equipment	5 - 10 years

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. *Compensated Absences***

City employees are granted vacation and sick pay in varying amounts. Eligible employees are reimbursed for their accumulated vacation pay upon separation due to resignation or retirement.

**7. *Long-term Obligations***

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance's cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refund are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**8. *Fund Balance – Governmental Funds***

In accordance with GASB No. 54, the City classified fund balances in the governmental funds as follows:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form (such as prepaids or inventory) or are legally or contractually required to be maintained intact (such as endowment funds).

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

- a. The aggregate fund balance of the debt service fund is legally restricted for payment of bonded indebtedness and is not available for other purposes until all bonded indebtedness is liquidated.
- b. The fund balance of the Capital Projects Fund – Bond Projects reflects amounts restricted for construction of major projects, and it usually represents unexpended proceeds from the sale of bonds, which primarily have restricted use.
- c. Other restrictions of fund balance are the proceeds of specific revenue sources which are restricted to expenditures for specified purposes as designated by grantors, contributors, by vote of citizens, or governmental entities over state or local program grants.

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Committed – includes amounts constrained to specific purposes by a government itself, using its highest decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint (City Council resolution).

Assigned – includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Action is required by the City Council to designate, remove or change the constraints on an item in this category. The City has delegated this authority to the Finance Division.

Unassigned – All amounts not included in other spendable classifications. The general fund is the only fund that reports a positive fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted fund balance to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been first spent out of committed funds, then assigned, and finally unassigned as needed.

**9. *Net Position***

Net position represents the difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The following is the reconciliation of restricted fund balance reported in the governmental fund financial statements the restricted net position of the governmental activities reported in the government-wide financial statements.

Restricted fund balance (Exhibit C-1)	\$ 4,907,789
Adjustments	
Unspent bond proceeds	(3,216,529)
Accrued interest payable	(62,467)
Deferred property tax revenue restricted for debt service	50,819
Total adjustments	<u>(3,228,177)</u>
Restricted net position (Exhibit A-1)	<u>\$ 1,679,612</u>



## **CITY OF BRIDGEPORT, TEXAS**

### **Notes to Financial Statements**

**September 30, 2024**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **11. *Use of Estimates***

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

#### **NOTE 2: DEPOSITS AND INVESTMENTS**

The Texas Public Funds Investment Act authorizes the government to invest in obligations of the U.S. Treasury, obligations of states, agencies, counties, cities and other political subdivisions, secured certificates of deposit, repurchase agreements, money market mutual funds, and investment pools. Investments are stated at fair value except for short-term highly liquid investments which are stated at cost or amortized cost. During the year ended September 30, 2024, the City did not own any types of securities other than those permitted by statute.

The City invests idle funds in certificates of deposit and the Texas Local Government Investment Pool (TexPool), TexSTAR and Texas Class investment pool. The City's investment pools are local government investment pools organized under the authority of the Interlocal Cooperation Act Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. All investments of the Pools are stated at amortized cost, which in most cases approximates the market value of the securities. The objective of the Pools is to maintain a stable \$1.00 net asset value; however, the \$1.00 net asset value is not guaranteed or insured by the State of Texas.

The State Comptroller of Public Accounts exercises oversight responsibilities over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. As a requirement to maintain its rating, weekly portfolio information must be submitted to Standards and Poor's, as well as the office of the Comptroller of Public Accounts for review.

TexSTAR has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. An advisory board composed of participants in TexSTAR and other persons who do not have a business relationship with TexSTAR has been established and maintained.

Texas CLASS follows Financial Accounting Standards Board (FASB) Accounting Standards Topic (ASC) 820 Fair Value Measurement and Disclosure for financial reporting purposes. ASC 820 defines fair value, establishes a single framework for measuring fair value, and requires disclosures about fair value measurement. Texas CLASS does not meet all of the specific criteria outlined in GASB 79 Paragraph 4, therefore Texas CLASS Participants should measure their investments in Texas CLASS at fair value as provided in Paragraph 11 of GASB Statement 31, as amended. Texas CLASS reports the amortized cost of investments, which approximates fair value, to its Participants. Texas CLASS measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in Texas CLASS is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72.

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 2: DEPOSITS AND INVESTMENTS (Continued)**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's funds are required to be deposited and invested under the terms of a depository contract. The City's deposits are required to be collateralized with securities held by the pledging institution's trust department or agent in the City's name. At September 30, 2024, all of the City's deposits were collateralized with securities or covered by FDIC insurance.

Credit Risk– Investments

The City controls credit risk by limiting its investments to those instruments allowed by the State Public Funds Investment Act described above and its investment policy.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its investment policy, the City manages interest rate risk by avoiding over-concentration of assets in a specific maturity sector, a specific issuer or a specific class of securities.

The City's investments at September 30, 2024 included the following:

Investment	Credit Rating	Maturities	% of Total Investments	Cost	Fair Value
Primary Government					
Tex-Pool	AAAm	31 days	0.20%	\$ 31,714	\$ 31,714
TexStar Pool	AAAm	30 days	85.37%	13,270,513	13,270,513
Texas Class	AAAm	36 days	14.43%	2,242,755	2,242,755
			100.00%	\$ 15,544,982	\$ 15,544,982

The Tex-Pool, TexStar Pool and Texas Class investments are reported with cash and cash equivalents in the financial statements.

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 3: INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS**

The composition of interfund transfers for the City's individual major funds and nonmajor funds as of September 30, 2024, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Debt Service	\$ 14,445	Debt Service
General	Airport Fund	254,970	Capital outlay
Debt Service	Capital Outlay	23,125	Debt Service
Total Governmental Funds		<u>\$ 292,540</u>	
Water and Wastewater	Debt Service	\$ 2,432	Debt Service
Electric Fund	Debt Service	1,265	Debt Service
		<u>\$ 3,697</u>	

The composition of interfund transfers for the City's individual major funds and nonmajor funds at September 30, 2024, is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General	Nonmajor funds	\$ 58,000	Special Events
General	Water and Wastewater	598,213	Expenditures
General	Electric Fund	633,680	Expenditures
Capital Improvements	General	108,964	Capital Outlay
Nonmajor funds	General	287,599	Capital Outlay
Nonmajor funds	Nonmajor funds	23,100	Capital Outlay
Total Governmental Funds Transfers		<u>\$ 1,709,556</u>	

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
Water and Wastewater	General	\$ 266,475	Debt Service
Water and Wastewater	Debt Service	447,065	Debt Service
Water and Wastewater	Grant Fund	1,546,765	Capital Outlay
Electric Fund	Debt Service	214,280	Debt Service
Airport Fund	Grant Fund	47,000	Capital Outlay
Total Enterprise Funds Transfers In		<u>\$ 2,521,585</u>	

**CITY OF BRIDGEPORT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 4:      DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify in this category, deferred charges on refunding bonds, deferred outflows related to pensions, and deferred outflows relating to OPEB reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resource (revenue) until that time. The City has four types of items in this category, unavailable revenues for governmental funds, deferred inflow of resources related to leases, and deferred inflows related to pensions and deferred inflows related to OPEB in the government-wide statement of net position and proprietary funds statements.

Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

At the end of the fiscal year, the components of deferred inflows in the governmental funds were as follows:

**Deferred inflows of resources - governmental funds**

Deferred property taxes receivable (general fund)	\$ 61,711
Deferred property taxes receivable (debt service fund)	50,819
Deferred fines and fees receivable (general fund)	<u>122,341</u>
Total deferred inflows for governmental funds	<u><u>\$ 234,871</u></u>

**CITY OF BRIDGEPORT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2024 was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Non - Depreciable Assets:				
Land	\$ 1,118,349	\$ -	\$ -	\$ 1,118,349
Construction in Progress	-	1,399,876	-	1,399,876
Total non-depreciable assets	1,118,349	1,399,876	-	2,518,225
Depreciable Assets:				
Land improvements	981,520	41,553	-	1,023,073
Buildings	10,545,232	-	-	10,545,232
Machinery and equipment	2,680,948	141,782	-	2,822,730
Transportation Equipment	3,520,063	-	(901,698)	2,618,365
Infrastructure	19,148,818	1,063,357	-	20,212,175
Intangible right-to-use software arrangements	117,099	41,613	-	158,712
Intangible right-to-use lease - equipment	1,005,145	1,222,341	(184,689)	2,042,797
Total capital assets being depreciated and amortized	37,998,825	2,510,646	(1,086,387)	39,423,084
Accumulated Depreciation and Amortization:				
Land improvements	(312,743)	(48,062)	-	(360,805)
Buildings	(5,070,950)	(357,375)	-	(5,428,325)
Machinery and equipment	(1,913,499)	(176,536)	-	(2,090,035)
Transportation equipment	(2,681,515)	(141,992)	901,698	(1,921,809)
Infrastructure	(12,751,648)	(399,422)	-	(13,151,070)
Intangible right-to-use software arrangements	(16,728)	(29,833)	-	(46,561)
Intangible right-to-use lease - equipment	(261,715)	(439,938)	184,689	(516,964)
Total accumulated depreciation and amortization	(23,008,798)	(1,593,158)	1,086,387	(23,515,569)
Governmental activities capital assets, net	\$ 16,108,376	\$ 2,317,364	\$ -	\$ 18,425,740

Depreciation and amortization expense was charged as a direct expense to programs of the governmental activities as follows:

Governmental activities:	
General government	\$ 225,175
Public safety	799,742
Highways and streets	455,374
Parks and recreation	112,867
Total depreciation expense - governmental activities	<u>\$ 1,593,158</u>

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 5: CAPITAL ASSETS (Continued)**

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Non - Depreciable Assets:				
Land	\$ 576,408	\$ -	\$ -	\$ 576,408
Construction in Progress	246,826	1,724,765	(1,757,265)	214,326
Total non-depreciable assets	<u>823,234</u>	<u>1,724,765</u>	<u>(1,757,265)</u>	<u>790,734</u>
Depreciable Assets:				
Buildings	335,300	-	-	335,300
Machinery and equipment	2,136,994	118,868	-	2,255,862
Transportation equipment	1,334,918	-	(101,577)	1,233,341
Waterworks and sewer system	29,243,810	2,061,591	-	31,305,401
Water Rights	544,755			544,755
Intangible assets	87,141			87,141
Intangible right-to-use lease - equipment	286,035	58,180		344,215
Total capital assets being depreciated	<u>33,968,953</u>	<u>2,180,459</u>	<u>(101,577)</u>	<u>36,106,015</u>
Accumulated Depreciation:				
Buildings	(296,389)	(12,613)	-	(309,002)
Machinery and equipment	(1,852,630)	(94,572)	-	(1,947,202)
Transportation equipment	(996,865)	(66,442)	101,577	(961,730)
Waterworks and sewer system	(21,415,281)	(640,025)	-	(22,055,306)
Intangible assets	(87,141)	-		(87,141)
Intangible right-to-use lease - equipment	(47,380)	(79,184)		(126,564)
Total accumulated depreciation	<u>(24,695,686)</u>	<u>(892,836)</u>	<u>101,577</u>	<u>(25,486,945)</u>
Business-type activities capital assets, net	<u>\$ 10,096,501</u>	<u>\$ 3,012,388</u>	<u>\$ (1,757,265)</u>	<u>\$ 11,409,804</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-type activities:	
Water and wastewater	\$ 665,544
Electric	\$ 175,966
Municipal airport	\$ 51,325
Total depreciation expense - business-type activities	<u>\$ 892,835</u>

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 5:      CAPITAL ASSETS (Continued)**

BEDC:	Beginning Balance	Increases	Decreases	Ending Balance
Non - Depreciable Assets:				
Land	\$ 3,434,708	\$ -	\$ -	\$ 3,434,708
Total non-depreciable assets	<u>3,434,708</u>	<u>-</u>	<u>-</u>	<u>3,434,708</u>
Depreciable Assets:				
Land improvements	767,677	-	-	767,677
Intangible assets	119,104	-	-	119,104
Buildings	415,775	-	-	415,775
System improvements	456,404	-	-	456,404
Machinery and equipment	57,951	-	-	57,951
Office furniture and equipment	16,000	-	-	16,000
Total capital assets being depreciated	<u>1,832,911</u>	<u>-</u>	<u>-</u>	<u>1,832,911</u>
Accumulated Depreciation:				
Land improvements	(317,455)	(31,630)	-	(349,085)
Intangible assets	(34,620)	-	-	(34,620)
Buildings	(177,401)	(12,665)	-	(190,066)
System improvements	(234,354)	(21,638)	-	(255,992)
Machinery and equipment	(51,982)	(5,970)	-	(57,952)
Office furniture and equipment	(16,000)	-	-	(16,000)
Total accumulated depreciation	<u>(831,812)</u>	<u>(71,903)</u>	<u>-</u>	<u>(903,715)</u>
Business-type activities capital assets, net	<u>\$ 4,435,807</u>	<u>\$ (71,903)</u>	<u>\$ -</u>	<u>\$ 4,363,904</u>

Depreciation expense was charged to the function/programs of the component unit, BEDC, for the year ended September 30, 2024 as follows:

BEDC:	
Economic development	\$ 71,903
Total depreciation expense	<u>\$ 71,903</u>

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 6: LEASES**

The City, as a lessee, has entered into lease agreements involving vehicles and copiers. The total of the City's lease assets are recorded at a cost of \$2,387,012, less accumulated amortization of \$643,528. With the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize a lease liability and an intangible right to use asset.

The lease agreements are summarized as follows:

<u>Description</u>	<u>Payment Terms</u>	<u>Interest Rate</u>	<u>Balance 9/30/2024</u>
<b>Governmental Activities</b>			
Leased vehicles	24-60 months	0.72% - 3.30%	\$ 1,583,985
Copiers	48 months	2.22%	14,504
Total Governmental Activities			<u>\$ 1,598,489</u>
<b>Business-type Activities</b>			
Leased vehicles	24-60 months	2.29% - 2.85%	\$ 238,303
Total Business-type Activities			<u>238,303</u>

The future lease payments under lease agreements are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 446,286	\$ 36,847	\$ 80,354	\$ 5,123
2026	397,697	25,913	66,911	3,258
2027	424,349	15,662	86,003	1,670
2028	233,100	6,340	5,035	24
2029	97,057	2,049	-	-
Total	<u>\$ 1,598,489</u>	<u>\$ 86,811</u>	<u>\$ 238,303</u>	<u>\$ 10,075</u>

**NOTE 7: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS**

GASB Statement No. 96, Subscription-Based Information Technology Agreements (SBITA) was effective for the fiscal year ended September 30, 2024. The City has entered into subscription-based information technology agreements involving:

- A SCADA (Supervisory Control and Data Acquisition) watch service suite regarding the City's water system.
- Various desktop and server software subscriptions
- Accounting and payroll services software

The City has two software arrangements that require recognition under GASB No. 96. The utility software, Sensus, is an 84 month agreement, initiated in fiscal year 2022 with a total cost of \$117,099 and a discount rate of 3.4450%



**CITY OF BRIDGEPORT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 7:      SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS (Continued)**

The accounting software, Debtbook, is a 36 month agreement, initiated in fiscal year 2023 with a total cost of \$41,613 and a discount rate of 3.00%.

The total cost of the City's subscription assets are recorded at \$158,712, less accumulated amortization of \$46,561.

<u>Description</u>	<u>Payment Terms</u>	<u>Interest Rate</u>	<u>Total Subscription Liability</u>	<u>Balance 9/30/2024</u>
Software	36-84 months	3.0% - 3.4%	\$ 158,712	\$ 113,754
Total			<u>\$ 158,712</u>	<u>\$ 113,754</u>

The future subscription payments under SBITA agreements are as follows:

	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 28,819	\$ 3,787	\$ 32,606
2026	32,754	2,852	35,606
2027	16,808	1,798	18,606
2028	17,387	1,219	18,606
2029	17,986	620	18,606
Total	<u>\$ 113,754</u>	<u>\$ 10,276</u>	<u>\$ 124,030</u>

**NOTE 8:      LONG-TERM LIABILITIES**

**A.      Bonds**

The City issues General Obligation Bonds, Combination Bonds, Revenue Bonds, Contractual Obligation Bonds, and Notes Payable for the acquisition and construction of major capital assets and projects. General Obligation Bonds are backed by the full faith and credit of the City. Certificates of Obligation Bonds are secured by property taxes and surplus revenues of the Water and Wastewater Fund and Electric Fund.

**CITY OF BRIDGEPORT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 8: LONG-TERM LIABILITIES (Continued)**

As of September 30 the City had the following bonds outstanding:

	Governmental Activities	Business-type Activities	BEDC
<b>General Obligation and Combination Bonds</b>			
\$147,613 Series 2011 General Obligation Refunding Bonds due in annual installments of through August 15, 2026, with interest at 4.5%	\$ -	\$ -	\$ 217,505
 \$147,613 Series 2014 Combination Bonds due in annual installments through August 15, 2025, with interest at 2.0% to 4.0%	 215,000	 -	 -
 \$4,720,000 Series 2016 General Obligation Refunding Bonds due in annual installments through 2032, with interest at 2.0% to 4.0%	 1,423,697	 1,026,303	 -
 \$5,118,613 Series 2020 Combination Bonds due in annual installments through August 15, 2040, with interest at 2.71%	 3,235,000	 -	 -
 \$2,310,000 Series 2018 Combination Bonds due in annual installments through August 15, 2038, with interest at 2.0% to 4.0%	 -	 1,935,000	 -
 \$1,645,000 Series 2021A General Obligation Refunding Bonds due in annual installments through August 15, 2031, with interest at 1.25% to 3.0%	 295,000	 885,000	 -
 \$4,255,000 Series 2021B General Obligation Refunding Bonds due in annual installments through August 15, 2033, with interest at 1.85% to 2.0%	 3,920,000	 -	 -
 \$11,705,000 Series 2023 Combination Bonds due in annual installments through August 15, 2053, with interest at 4.0% to 5.0%	 3,901,667	 7,803,334	 -
 Total General Obligation Bonds	 <u>\$ 12,990,364</u>	 <u>\$ 11,649,637</u>	 <u>\$ 217,505</u>

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 8: LONG-TERM LIABILITIES (Continued)**

**Revenue Bonds**

\$3,075,000 Series 2011 Utility System Revenue

Bonds due in annual installments through

August 15, 2032, with interest at 5.50%

\$	-	\$	1,680,000	\$	-
\$	-	\$	1,680,000	\$	-

**Contractual Obligations**

\$2,650,000 Series 2021 Combo Tax and Surplus

Bonds due in annual installments through

August 15, 2028, with interest from 0.07% to 1.56%

\$	-	\$	1,565,000	\$	-
\$	-	\$	1,565,000	\$	-

**Notes Payable**

\$682,681 Building and Land Note Payable

issued in 2009, due in annual installments

through 2024 with interest at 4.0%

\$	-	\$	-	\$	195,235
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\$805,070 State Comptroller Note Payable

issued in 2014, due in annual installments

through 2029 with interest at 0.00%

14,350	-	8,669
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\$772,779 Fire Truck Notes Payable

issued in 2020, due in annual installments

through 2029 with interest at 2.75%

453,552	-	-
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\$149,910 Dump Truck Notes Payable

issued in 2021, due in annual installments

through 2031 with interest at 2.59%

108,978	-	-
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\$255,000 Series 2023B Note Payable

issued in 2023, due in annual installments

through 2043 with interest at 4.00%

-	-	247,531
---	---	---------

\$268,936 Series 2023C Notes Payable

issued in 2023, due in annual installments

through 2043 with interest at 4.00%

-	-	262,128
---	---	---------

\$1,055,700 Land Notes Payable

issued in 2023, due in annual installments

through 2043 with interest at 6.50%

-	-	1,028,977
---	---	-----------

\$141,783 Rollers Notes Payable

issued in 2024, due in annual installments

through 2031 with interest at 5.997%

141,783	-	-
<u>\$ 718,663</u>	<u>\$ -</u>	<u>\$ 1,742,540</u>

# CITY OF BRIDGEPORT, TEXAS

## Notes to Financial Statements

September 30, 2024

### NOTE 8: LONG-TERM LIABILITIES (Continued)

The aggregate debt service payments to maturity of the general obligation bonds, certificates of obligation bonds and tax notes are as follows:

Governmental Activities	Bonds			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 888,385	\$ 414,507	\$ 1,302,892	\$ 117,104	\$ 23,234	\$ 140,338
2026	795,446	386,605	1,182,051	120,866	19,471	140,337
2027	912,058	362,723	1,274,781	124,764	15,572	140,336
2028	943,037	333,274	1,276,311	128,805	11,532	140,337
2029	974,859	303,103	1,277,962	132,999	7,337	140,336
2030-2034	4,328,152	1,082,511	5,410,663	79,775	5,520	85,295
2035-2039	1,816,586	646,468	2,463,054	-	-	-
2040-2044	1,103,244	362,571	1,465,815	-	-	-
2045-2049	626,605	205,978	832,583	-	-	-
2050-2054	601,992	65,053	667,045	-	-	-
Debt Service Requirements	12,990,364	4,162,793	17,153,157	704,313	82,666	786,979

Business-type Activities	Bonds		
	Principal	Interest	Total
2025	\$ 931,615	\$ 591,754	\$ 1,523,369
2026	949,554	568,447	1,518,001
2027	1,182,942	541,447	1,724,389
2028	1,191,965	502,755	1,694,720
2029	790,142	460,983	1,251,125
2030-2034	3,296,853	1,767,086	5,063,939
2035-2039	2,288,416	1,163,558	3,451,974
2040-2044	1,806,758	715,649	2,522,407
2045-2049	1,253,397	412,017	1,665,414
2050-2054	1,202,995	130,128	1,333,123
Debt Service Requirements	14,894,637	6,853,824	21,748,461

Component Unit Activities	Bonds			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 128,653	\$ 6,757	\$ 135,410	\$ 93,206	\$ 102,695	\$ 195,901
2026	88,852	1,422	90,274	89,002	98,229	187,231
2027	-	-	-	93,717	93,515	187,232
2028	-	-	-	98,694	88,537	187,231
2029	-	-	-	73,476	83,586	157,062
2030-2034	-	-	-	342,399	358,485	700,884
2035-2039	-	-	-	462,552	234,496	697,048
2040-2044	-	-	-	489,496	68,143	557,639
Debt Service Requirements	217,505	8,179	225,684	1,742,542	1,127,686	2,870,228

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 8: LONG-TERM LIABILITIES (Continued)**

**B. Change in Long-term Liabilities**

	09/30/2023	Additions	Retirements	09/30/2024	Due Within One Year
<b>Governmental activities</b>					
Bonds payable	\$ 13,792,417	\$ -	\$ 802,053	12,990,364	\$ 888,385
Notes payable	660,066	141,783	97,536	704,313	117,104
State comptroller payable	50,131	-	35,781	14,350	14,350
Bond premiums	658,091	-	70,548	587,543	70,548
Bond discounts	(72,771)	-	(8,062)	(64,709)	(8,062)
Right to use lease liability	859,463	1,222,341	483,315	1,598,489	446,286
SBITA liability	99,322	41,613	27,181	113,754	28,819
Net pension liability	2,343,822	-	203,647	2,140,175	-
Compensated absences	227,372	307,433	227,372	307,433	307,433
Total OPEB liability	149,449	22,967	-	172,416	4,359
Total governmental activities	<u>\$ 18,767,362</u>	<u>\$ 1,736,137</u>	<u>\$ 1,939,371</u>	<u>\$ 18,564,128</u>	<u>\$ 1,869,222</u>
<b>Business-type activities</b>					
General obligation bonds	\$ 4,289,669	\$ 7,803,334	\$ 443,366	11,649,637	\$ 376,615
Revenue bonds	9,648,334	(7,803,334)	165,000	1,680,000	175,000
Contractual obligation bonds	1,935,000	-	370,000	1,565,000	380,000
Notes payable	128,977	-	128,977	-	-
Bond premiums	680,287	-	50,647	629,640	50,648
Bond discount	(32,272)	-	(2,984)	(29,288)	(2,984)
Right to use lease liability	244,120	58,180	63,997	238,303	80,354
Net pension liability	794,600	-	54,252	740,348	-
Compensated absences	55,678	64,771	55,678	64,771	64,771
Total OPEB liability	50,666	13,540	-	64,206	-
Total business-type activities	<u>\$ 17,795,059</u>	<u>\$ 136,491</u>	<u>\$ 1,328,933</u>	<u>\$ 16,602,617</u>	<u>\$ 1,124,404</u>
<b>Component Unit activities</b>					
General obligation bonds	\$ 340,814	\$ -	\$ 123,309	217,505	\$ 128,653
Notes payable	1,826,731	-	92,859	1,733,872	84,537
State comptroller payable	26,559	-	17,890	8,669	8,669
Net pension liability	91,021	-	9,751	81,270	-
Compensated absences	5,176	4,411	5,176	4,411	4,411
Total OPEB liability	5,804	347	-	6,151	-
Total business-type activities	<u>\$ 2,296,105</u>	<u>\$ 4,758</u>	<u>\$ 248,985</u>	<u>\$ 2,051,878</u>	<u>\$ 226,270</u>
Total long-term liabilities	<u>\$ 38,858,526</u>	<u>\$ 1,877,386</u>	<u>\$ 3,517,289</u>	<u>\$ 37,218,623</u>	<u>\$ 3,219,896</u>

The compensated absences, net pension liability and total OPEB liability are liquidated by the General Fund, Water and Wastewater Fund, Electric Fund, Airport Fund and Economic Development Corporation.

**CITY OF BRIDGEPORT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 9:      RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Texas Municipal League Joint Self Insurance Fund to provide both general liability and property insurance. The City, along with other participating entities, contributes annual amounts determined by Texas Municipal League. As claims arise, they are submitted to and paid by Texas Municipal League. The City is not liable for payments beyond their annual contributions. There have been no significant changes in coverage and the amount of settlements during the past three years has not exceeded the insurance coverage.

**NOTE 10:      DEFINED BENEFIT PENSION PLANS**

Plan Description

The City of Bridgeport participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent of the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at [tmrs.com](http://tmrs.com).

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

Benefits Provided

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

At retirement, the member's benefit is calculated as if the sum of the member's contributions, with interest, and the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Member may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

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

	<u>Plan Year 2023</u>
Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI

# CITY OF BRIDGEPORT, TEXAS

## Notes to Financial Statements

September 30, 2024

### NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

TMRS

Inactive employees or beneficiaries currently receiving benefits	57
Inactive employees entitled to but not yet receiving benefits	91
Active employees	<u>88</u>
	236

#### Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 13.33% and 14.56% in calendar years 2023 and 2024, respectively. The city's contributions to TMRS for the year ended September 30, 2024, were \$861,567.

#### Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

#### *Actuarial Assumptions:*

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with Public Safety table used for males and the General Employee table used for females. Mortality rates for health retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for health retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and a 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of experience of TMRS over the four-year period from December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through

**CITY OF BRIDGEPORT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)**

2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the protection of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return (Arithmetic)</u>
Global Equities	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other Public and Private Markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

*Discount Rate*

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



**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)**

*Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2022	\$ 17,358,764	\$ 14,129,321	\$ 3,229,443
Changes for the year:			
Service cost	948,455	-	948,455
Interest	1,178,613	-	1,178,613
Change of benefit terms	-	-	-
Difference between expected and actual experience	527,272	-	527,272
Changes of assumptions	(177,130)	-	(177,130)
Contributions - employer	-	728,848	(728,848)
Contributions - employee	-	392,155	(392,155)
Net investment income	-	1,634,335	(1,634,335)
Benefit payments, including refunds of employee contributions	(744,103)	(744,103)	-
Administrative expense	-	(10,404)	10,404
Other changes	-	(73)	73
Net changes	1,733,107	2,000,758	(267,651)
Balance at 12/31/2023	<u>\$ 19,091,871</u>	<u>\$ 16,130,079</u>	<u>\$ 2,961,792</u>

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability/(Asset)	\$ 6,167,322	\$ 2,961,792	\$ 404,782

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

**CITY OF BRIDGEPORT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)**

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

For the year ended September 30, 2024, the City recognized pension expense/(income) of \$1,015,958.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 476,890	\$ -
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	361,761	119,054
Contributions subsequent to the measurement date	651,256	-
Total TMRS	<u>\$ 1,489,907</u>	<u>\$ 119,054</u>

\$651,256 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>TMRS</u>
Year Ended September 30:	
2024	\$ 335,231
2025	232,721
2026	287,763
2027	(136,118)
2028	-
Thereafter	-
Total	<u>\$ 719,597</u>

**NOTE 11: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

Plan Description

TMRS administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 11: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

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

**Benefits Provided**

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

**OPEB**

Inactive employees or beneficiaries currently receiving benefits	38
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>82</u>
	135

**Total OPEB Liability**

The City's total OPEB liability was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 11.50% including inflation
Retirees' share of benefit related costs	\$0

All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. Their rates are projected on a fully generational basis with scale UMP.

Mortality rates for disabled retirees were based on 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

*Discount Rate*

The discount rate used to measure the Total OPEB Liability was 3.77%. The discount rate was based on Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 11: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

*Changes in the OPEB Liability*

	Total OPEB Liability
Balance at 12/31/2022	\$ 205,922
Changes for the year:	
Service cost	19,048
Interest	8,589
Change of benefit terms	-
Difference between expected and actual experience	2,278
Changes of assumptions	13,659
Benefit payments	<u>(6,723)</u>
Net changes	36,851
Balance at 12/31/2023	<u><u>\$ 242,773</u></u>

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

The following represents the total OPEB liability of the City, calculated using the discount rate of 3.77% as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's Total OPEB Liability	\$ 290,864	\$ 242,773	\$ 205,337

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2024, the City recognized OPEB expense of \$12,006.

For the year ended September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

**CITY OF BRIDGEPORT, TEXAS**

**Notes to Financial Statements**

**September 30, 2024**

**NOTE 11: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,829	\$ 20,077
Changes in assumptions and other inputs	20,054	64,036
Contributions subsequent to the measurement date	4,564	-
Total	<u>\$ 26,447</u>	<u>\$ 84,113</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:	
2024	\$ (22,853)
2025	(25,789)
2026	(16,973)
2027	3,138
2028	247
Thereafter	-
Total	<u>\$ (62,230)</u>

**NOTE 12: CONTINGENT LIABILITIES**

**A. Federal and State Programs**

Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made, in compliance with program guidelines, to the grantor agency.

These programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, the City has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of fund monies may be required.

As it pertains to other matters of compliance, in the opinion of the City's administration, there are no significant contingent liabilities relating to matters of compliance and accordingly, no provision has been made in the accompanying financial statements for such contingencies.

**B. Litigation**

The City has claims or lawsuits arising from the normal course of business. Although the outcome of these claims and lawsuits is not presently determinable, it is the opinion of City management that they will not have a material adverse effect on the financial condition of the City.

**NOTE 13: SUBSEQUENT EVENTS**

Subsequent events were evaluated through April 23, 2025, which is the date the financial statements were available to be issued.

***REQUIRED SUPPLEMENTARY  
INFORMATION***

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City of Bridgeport, Texas  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
General property	\$ 2,060,568	2,060,568	2,198,353	\$ 137,785
Sales and use	2,095,750	2,095,750	2,086,341	(9,409)
Franchise	1,607,222	1,607,222	1,579,419	(27,803)
Fines and fees	350,000	350,000	305,719	(44,281)
Licenses and permits	127,250	127,250	215,696	88,446
Charges for service	33,200	33,200	34,371	1,171
Intergovernmental revenue	358,000	358,000	365,098	7,098
Interest income	61,000	61,000	110,402	49,402
Other revenue	84,416	84,416	159,337	74,921
Total revenues	<u>6,777,406</u>	<u>6,777,406</u>	<u>7,054,735</u>	<u>277,329</u>
<b>EXPENDITURES:</b>				
Current				
General government	1,442,586	1,407,094	1,562,436	(155,342)
Public Safety	4,242,374	4,219,968	4,290,523	(70,555)
Development services	583,636	583,636	595,028	(11,392)
Highways and streets	591,324	611,878	582,548	29,330
Library	377,121	377,721	362,172	15,549
Culture and recreation	638,630	638,630	638,062	568
Capital outlay	-	-	183,396	(183,396)
Debt Service:				
Principal	14,026	14,026	41,210	(27,184)
Interest and fiscal charges	3,181	3,181	6,603	(3,422)
Total expenditures	<u>7,892,878</u>	<u>7,856,134</u>	<u>8,261,978</u>	<u>(405,844)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,115,472)</u>	<u>(1,078,728)</u>	<u>(1,207,242)</u>	<u>(128,514)</u>
Other financing sources (uses):				
Transfers in	1,383,049	1,383,049	1,289,893	(93,156)
Transfers out	(266,475)	(663,038)	(662,963)	75
SBITA financing	-	-	41,613	41,613
Note payable issued	-	-	141,783	141,783
Total other financing sources (uses)	<u>1,116,574</u>	<u>720,011</u>	<u>810,325</u>	<u>(51,468)</u>
Net change in fund balance	1,102	(358,717)	(396,917)	(179,983)
Fund Balance, October 1, 2023	<u>3,036,825</u>	<u>3,036,825</u>	<u>3,036,825</u>	<u>-</u>
Fund Balance, September 30, 2024	<u>\$ 3,037,927</u>	<u>\$ 2,678,108</u>	<u>\$ 2,639,908</u>	<u>\$ (179,983)</u>

The notes to the required supplementary information are an integral part of this schedule.



City of Bridgeport, Texas  
Schedule of Changes in Net Pension Liability and Related Ratios  
Texas Municipal Retirement System  
Last 10 Years (will ultimately be displayed)

	2014	2015	2016
<b>Total Pension Liability</b>			
Service Cost	\$ 443,248	\$ 479,428	\$ 459,105
Interest (on the Total Pension Liability)	700,900	723,804	752,777
Difference between expected and actual experience	(394,586)	88,743	71,438
Change of assumptions	-	(19,592)	-
Benefit payments, including refunds of employee contributions	(442,087)	(438,822)	(461,230)
Net Change in Total Pension Liability	307,475	833,561	822,090
Total Pension Liability - Beginning	10,012,283	10,319,758	11,153,319
Total Pension Liability - Ending	<u>\$ 10,319,758</u>	<u>\$ 11,153,319</u>	<u>\$ 11,975,409</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 365,640	\$ 376,130	\$ 382,826
Contributions - Employee	209,279	204,884	200,733
Net Investment Income	455,252	12,601	586,487
Benefit payments, including refunds of employee contributions	(442,087)	(438,822)	(461,230)
Administrative Expense	(4,752)	(7,675)	(6,630)
Other	(391)	(379)	(357)
Net Change in Plan Fiduciary Net Position	582,941	146,739	701,829
Plan Fiduciary Net Position - Beginning	7,956,905	8,539,846	8,686,585
Plan Fiduciary Net Position - Ending	<u>\$ 8,539,846</u>	<u>\$ 8,686,585</u>	<u>\$ 9,388,414</u>
<b>Net Pension (Asset)/Liability Ending</b>	<u>\$ 1,779,912</u>	<u>\$ 2,466,734</u>	<u>\$ 2,586,995</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.75%	77.88%	78.40%
Covered Payroll	\$ 2,989,694	\$ 2,926,910	\$ 2,867,612
Net Pension Liability as a Percentage of Covered Payroll	59.53%	84.28%	90.21%

The notes to the required supplementary information are an integral part of this schedule.

2017	2018	2019	2020	2021	2022	2023
\$ 456,985	\$ 453,600	\$ 495,312	\$ 592,432	\$ 622,762	\$ 739,571	\$ 948,455
808,477	860,989	878,279	926,895	988,236	1,064,902	1,178,613
41,306	(436,590)	(138,131)	27,291	106,758	449,151	527,272
-	-	-	-	-	-	(177,130)
		92,309				
(452,928)	(601,316)	(684,089)	(628,101)	(677,941)	(602,804)	(744,103)
853,840	276,683	643,680	918,517	1,039,815	1,650,820	1,733,107
11,975,409	12,829,249	13,105,932	13,749,612	14,668,129	15,707,944	17,358,764
<u>\$ 12,829,249</u>	<u>\$ 13,105,932</u>	<u>\$ 13,749,612</u>	<u>\$ 14,668,129</u>	<u>\$ 15,707,944</u>	<u>\$ 17,358,764</u>	<u>\$ 19,091,871</u>
\$ 384,949	\$ 391,863	\$ 424,378	\$ 505,526	\$ 521,774	\$ 606,130	\$ 728,848
200,557	200,901	214,024	258,865	267,772	321,189	392,155
1,300,164	(323,490)	1,618,438	912,514	1,703,543	(1,085,748)	1,634,335
(452,928)	(601,316)	(684,089)	(628,101)	(677,941)	(602,804)	(744,103)
(6,743)	(6,261)	(9,151)	(5,913)	(7,891)	(9,405)	(10,403)
(340)	(327)	(275)	(231)	54	11,222	(73)
1,425,659	(338,630)	1,563,325	1,042,660	1,807,311	(759,416)	2,000,759
9,388,414	10,814,073	10,475,443	12,038,768	13,081,428	14,888,739	14,129,323
<u>\$ 10,814,073</u>	<u>\$ 10,475,443</u>	<u>\$ 12,038,768</u>	<u>\$ 13,081,428</u>	<u>\$ 14,888,739</u>	<u>\$ 14,129,323</u>	<u>\$ 16,130,082</u>
<u>\$ 2,015,176</u>	<u>\$ 2,630,489</u>	<u>\$ 1,710,844</u>	<u>\$ 1,586,701</u>	<u>\$ 819,205</u>	<u>\$ 3,229,441</u>	<u>\$ 2,961,789</u>
84.29%	79.93%	87.56%	89.18%	94.78%	81.40%	84.49%
\$ 2,865,107	\$ 2,858,224	\$ 3,057,481	\$ 3,698,078	\$ 3,825,319	\$ 4,559,622	\$ 5,602,217
70.34%	92.03%	55.96%	42.91%	21.42%	70.83%	52.87%

The notes to the required supplementary information are an integral part of this schedule.

City of Bridgeport, Texas  
Schedule of Contributions  
Texas Municipal Retirement System  
Last 10 Fiscal Years (will ultimately be displayed)

Fiscal Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Contribution as a % of Covered Payroll
2015	\$ 390,241	\$ 390,241	-	\$ 2,989,694	13.05%
2016	376,130	376,130	-	2,926,910	12.85%
2017	388,308	388,308	-	2,860,299	13.58%
2018	393,466	393,466	-	2,861,100	13.75%
2019	410,700	410,700	-	2,939,575	13.97%
2020	473,850	473,850	-	3,407,287	13.91%
2021	534,041	534,041	-	3,848,334	13.88%
2022	578,015	578,015	-	4,270,941	13.53%
2023	715,517	715,517	-	4,270,941	16.75%
2024	861,567	861,567	-	6,180,344	13.94%

The notes to the required supplementary information are an integral part of this schedule.

City of Bridgeport, Texas  
Schedule of Changes in Total OPEB Liability and Related Ratios  
Texas Municipal Retirement System  
Last 10 Years (will ultimately be displayed)

	2017	2018	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>							
Service Cost	\$ 5,730	\$ 6,860	\$ 8,561	\$ 19,230	\$ 24,100	\$ 29,638	\$ 19,048
Interest (on the Total OPEB Liability)	6,368	6,497	6,956	6,791	5,947	5,905	8,589
Difference between expected and actual experience	-	(7,304)	(108)	(16,869)	(14,745)	(22,141)	2,278
Change of assumptions	16,281	(14,341)	40,391	42,567	10,306	(111,298)	13,659
Benefit payments	(1,146)	(1,143)	(1,529)	(1,849)	(5,355)	(4,563)	(6,723)
Net Change in Total OPEB Liability	27,233	(9,431)	54,271	49,870	20,253	(102,459)	36,851
Total OPEB Liability - Beginning	166,179	193,412	183,981	238,252	288,122	308,378	205,922
Total OPEB Liability - Ending	<u>\$ 193,412</u>	<u>\$ 183,981</u>	<u>\$ 238,252</u>	<u>\$ 288,122</u>	<u>\$ 308,375</u>	<u>\$ 205,919</u>	<u>\$ 242,773</u>
 Covered Employee Payroll	 \$ 2,865,107	 \$ 2,858,224	 \$ 3,057,481	 \$ 3,698,078	 \$ 3,825,319	 \$ 4,559,622	 \$ 5,602,217
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 6.75%	 6.44%	 7.79%	 7.79%	 8.06%	 4.52%	 4.33%

The notes to the required supplementary information are an integral part of this schedule.

**City of Bridgeport Texas**  
**Notes to Required Supplementary Information**  
**September 30, 2024**

**1. Budgetary Information**

The City follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedule.

- a. Public hearings are conducted to obtain taxpayer comments.
- b. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- c. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Therefore, the legal level of control is at the fund level.
- d. Budgeted amounts are as originally adopted or as amended by the City Council or management. During the year, the additional appropriations are submitted as budget amendments and approved by the City Council.
- e. Capital Projects Fund is not budgeted. Since project length financial plans usually extend into 2 or more fiscal years, this makes comparisons confusing and misleading.
- f. Formal budgetary integration is employed as a management control decide during the year. The legally adopted budgets for the General Fund, certain Special Revenue Funds, and the Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the following funds:

General Fund

Nonmajor Special Revenue Funds

Hotel/Motel Occupancy Tax Fund  
Court Technology/Security Fund  
Cemetery Fund  
Recreation Fund  
Bridgeport Stage Fund  
TIRZ #1 Fund  
TIRZ #2 Fund  
Fleet Management Fund

Debt Service Fund

**2. Excess of Expenditures over Appropriations**

General fund expenditures were \$405,844 more than budgeted. Within the general government, public safety, development services, principal and interest and fiscal charges expenditures exceeded appropriations by \$155,342, \$70,555, \$11,392, \$27,184, and \$3,422, respectively. These expenditures were covered with revenues that exceeded budget. Capital outlay exceeded budget by \$183,396 for equipment and software that were financed.

**City of Bridgeport Texas**  
**Notes to Required Supplementary Information**  
**September 30, 2024**

**3. Schedule of Contributions – Texas Municipal Retirement System**

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study for the period ending 2022.
Mortality	Post retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MO-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information

Notes There were no benefit changes during the year.

**4. Schedule of Changes in OPEB Liability**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

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***OTHER SUPPLEMENTARY  
INFORMATION***



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## **COMBINING FINANCIAL STATEMENTS NONMAJOR GOVERNMENTAL FUNDS**

**Hotel/Motel Occupancy Tax Fund** – The Hotel/Motel Occupancy Tax Fund is used to account for the proceeds generated from taxes collected for the special purpose of renting a room or space in a hotel/motel in the City of Bridgeport and the activities related to local grants and advertising dollars given to local businesses.

**Donations Fund** – The Donations Fund accounts for all proceeds and expenditures related to donations given to the City or a specific department of the City for a specified purpose.

**Court Technology/Security Fund** – The Court Technology Security Fund accounts for a specified portion of revenues collected through security fees and court costs collected from defendants convicted at trial for misdemeanor offenses and expenses related to financing security services and technological enhancements for the municipal court.

**Bridgeport Stage Fund** – The Bridgeport Stage Fund is used to account for all revenues and expenditures associated with operating and maintaining the Bridgeport Stage, a multi-use theater owned by the City.

**Cemetery Fund** – The Cemetery Fund accounts for all activities related to operating and maintaining the city-owned cemetery.

**Recreation Fund** – The Recreation Fund accounts for the proceeds generated through user fees for certain programs and parks such as the After School Program, recreational sports leagues, the Off-Highway Vehicle Park, and the swimming pool and the expenses required for operations and maintenance of those parks and programs.

**Main Street Fund** – The Main Street Fund accounts for special donations and revenues from local main street businesses that are used to promote and advertise Bridgeport's main street.

**TIRZ #1 Fund** – The TIRZ #1 Fund accounts for all proceeds transferred to the Fund from both the City of Bridgeport and Wise County based upon a portion of the ad valorem taxes collected on the incremental appraised value of all properties within the tax increment zone boundaries above the established tax base for the specific purpose of reinvesting the money into properties within the TIRZ #1 boundaries.

**TIRZ #2 Fund** – The TIRZ #2 Fund accounts for all proceeds transferred to the Fund from both the City of Bridgeport and Wise County based upon a portion of the ad valorem taxes collected on the incremental appraised value of all properties within the tax increment zone boundaries above the established tax base for the specific purpose of reinvesting the money into properties within the TIRZ #2 boundaries.

**Fire Truck Contingency Fund** – The Fire Truck Contingency Fund accounts for activities related to the transfer of funds from the General Fund to be used for the specific purpose of purchasing or maintenance on the City of Bridgeport Volunteer Fire Department's pump and ladder trucks

**Fleet Management Fund** – The Fleet Management Fund accounts for all activity related to leased vehicles for governmental activities.

City of Bridgeport, Texas  
Nonmajor Funds  
Combining Balance Sheet  
September 30, 2024

	Hotel/Motel Occupancy Tax	Donations	Court Technology Security	Bridgeport Stage	Cemetery
Assets:					
Cash and cash equivalents	\$ 116,579	\$ 362,238	\$ 33,418	\$ 15,041	\$ 38,656
Receivables (Net of allowances for uncollectibles)					
Miscellaneous receivables	10,475	-	-	-	-
Total assets	<u>\$ 127,054</u>	<u>\$ 362,238</u>	<u>\$ 33,418</u>	<u>\$ 15,041</u>	<u>\$ 38,656</u>
Liabilities and fund balance:					
Liabilities:					
Accounts payable	\$ 1,195	\$ 35,643	\$ 2	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-	-
Total liabilities	<u>1,195</u>	<u>35,643</u>	<u>2</u>	<u>-</u>	<u>-</u>
Fund Balance:					
Restricted Fund Balance					
Restricted Fund Balance	125,859	326,595	33,417	15,041	38,656
Committed Fund Balance					
Capital improvements	-	-	-	-	-
Total fund balances	<u>125,859</u>	<u>326,595</u>	<u>33,417</u>	<u>15,041</u>	<u>38,656</u>
Total liabilities and fund balances	<u>\$ 127,054</u>	<u>\$ 362,238</u>	<u>\$ 33,418</u>	<u>\$ 15,041</u>	<u>\$ 38,656</u>

<u>Recreation</u>	<u>Main Street</u>	<u>TIRZ #1</u>	<u>TIRZ #2</u>	<u>Fire Truck Contingency</u>	<u>Fleet Management</u>	<u>Total Nonmajor Funds</u>
\$ 55,459	\$ 59,944	\$ 836,265	\$ 150,446	\$ 25,000	\$ 111,140	\$ 1,804,187
3,891	-	-	-	-	-	14,366
<u>\$ 59,350</u>	<u>\$ 59,944</u>	<u>\$ 836,265</u>	<u>\$ 150,446</u>	<u>\$ 25,000</u>	<u>\$ 111,140</u>	<u>\$ 1,818,553</u>
\$ 9,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,118
<u>7,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,158</u>
<u>16,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,276</u>
42,914	59,944	-	-	25,000	111,140	778,566
<u>-</u>	<u>-</u>	<u>836,265</u>	<u>150,446</u>	<u>-</u>	<u>-</u>	<u>986,711</u>
<u>42,914</u>	<u>59,944</u>	<u>836,265</u>	<u>150,446</u>	<u>25,000</u>	<u>111,140</u>	<u>1,765,277</u>
<u>\$ 59,350</u>	<u>\$ 59,944</u>	<u>\$ 836,265</u>	<u>\$ 150,446</u>	<u>\$ 25,000</u>	<u>\$ 111,140</u>	<u>\$ 1,818,553</u>

City of Bridgeport, Texas  
Nonmajor Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the year ended September 30, 2024

	Hotel/Motel Occupancy Tax	Donations	Court Technology Security	Bridgeport Stage	Cemetery
Revenues:					
Hotel/motel taxes	\$ 97,372	\$ -	\$ -	\$ -	\$ -
Fines and fees	-	-	20,814	-	-
Charges for services	-	-	-	-	14,200
Other Revenue	-	459,416	-	2,650	-
Total revenue	<u>97,372</u>	<u>459,416</u>	<u>20,814</u>	<u>2,650</u>	<u>14,200</u>
Expenditures:					
Current:					
General Government	61,519	37,425	-	-	15,820
Public safety	-	40,787	1,260	-	-
Culture & recreation	6,300	3,803	-	13,196	-
Library	-	14,947	-	-	-
Capital outlay	-	627,508	26,293	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>67,819</u>	<u>724,468</u>	<u>27,554</u>	<u>13,196</u>	<u>15,820</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,553</u>	<u>(265,052)</u>	<u>(6,740)</u>	<u>(10,546)</u>	<u>(1,620)</u>
Other financing sources (uses):					
Transfers in	-	-	-	10,900	-
Transfers out	(23,175)	-	-	-	-
Debt Proceeds	-	-	-	-	-
Total other financing sources (uses):	<u>(23,175)</u>	<u>-</u>	<u>-</u>	<u>10,900</u>	<u>-</u>
Net change in fund balances	6,378	(265,052)	(6,740)	354	(1,620)
Fund Balance, October 1, 2023	<u>119,481</u>	<u>591,647</u>	<u>40,156</u>	<u>14,687</u>	<u>40,276</u>
Fund Balance, September 30, 2024	<u>\$ 125,859</u>	<u>\$ 326,595</u>	<u>\$ 33,417</u>	<u>\$ 15,041</u>	<u>\$ 38,656</u>

Recreation	Main Street	TIRZ #1	TIRZ #2	Fire Truck Contingency	Fleet Management	Total Nonmajor Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,372
-	-	-	-	-	-	20,814
500,832	-	-	-	-	545,775	1,060,808
35,675	2,000	52,064	9,277	-	-	561,082
<u>536,507</u>	<u>2,000</u>	<u>52,064</u>	<u>9,277</u>	<u>-</u>	<u>545,775</u>	<u>1,740,076</u>
83,258	3,829	-	-	-	90,533	292,383
-	-	-	-	-	-	42,047
448,734	-	-	-	-	-	472,033
-	-	-	-	-	-	14,947
-	-	-	-	-	861,758	1,515,559
-	-	-	-	-	308,222	308,222
-	-	-	-	-	79,070	79,070
<u>531,991</u>	<u>3,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,339,582</u>	<u>2,724,261</u>
<u>4,516</u>	<u>(1,829)</u>	<u>52,064</u>	<u>9,277</u>	<u>-</u>	<u>(793,807)</u>	<u>(984,185)</u>
12,200	-	253,012	34,587	-	-	310,699
(58,000)	-	-	-	-	-	(81,175)
-	-	-	-	-	861,758	861,758
<u>(45,800)</u>	<u>-</u>	<u>253,012</u>	<u>34,587</u>	<u>-</u>	<u>861,758</u>	<u>1,091,282</u>
(41,284)	(1,829)	305,076	43,864	-	67,951	107,097
84,198	61,774	531,189	106,582	25,000	43,189	1,658,180
<u>\$ 42,914</u>	<u>\$ 59,944</u>	<u>\$ 836,265</u>	<u>\$ 150,446</u>	<u>\$ 25,000</u>	<u>\$ 111,140</u>	<u>\$ 1,765,277</u>

City of Bridgeport, Texas  
Hotel/Motel Occupancy Tax Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Hotel motel taxes	\$ 99,500	\$ 99,500	\$ 97,372	\$ (2,128)
Total revenues	<u>99,500</u>	<u>99,500</u>	<u>97,372</u>	<u>(2,128)</u>
<b>EXPENDITURES:</b>				
Current				
General government	94,500	94,500	61,519	32,981
Culture and recreation	<u>5,000</u>	<u>5,000</u>	<u>6,300</u>	<u>(1,300)</u>
Total expenditures	<u>99,500</u>	<u>99,500</u>	<u>67,819</u>	<u>31,681</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>29,553</u>	<u>29,553</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(23,175)</u>	<u>(23,175)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(23,175)</u>	<u>(23,175)</u>
Net change in fund balance	-	-	6,378	6,378
Fund Balance, October 1, 2023	<u>119,481</u>	<u>119,481</u>	<u>119,481</u>	<u>-</u>
Fund Balance, September 30, 2024	<u>\$ 119,481</u>	<u>\$ 119,481</u>	<u>\$ 125,859</u>	<u>\$ 6,378</u>

City of Bridgeport, Texas  
 Court Technology and Security Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines and fees	\$ 16,000	\$ 16,000	\$ 20,814	\$ 4,814
Total revenues	<u>16,000</u>	<u>16,000</u>	<u>20,814</u>	<u>4,814</u>
<b>EXPENDITURES:</b>				
Current				
Public Safety	12,879	12,879	1,260	11,619
Capital Outlay	-	-	26,293	(26,293)
Total expenditures	<u>12,879</u>	<u>12,879</u>	<u>27,554</u>	<u>(14,675)</u>
Net change in fund balance	3,121	3,121	(6,740)	(9,861)
Fund Balance, October 1, 2023	<u>40,156</u>	<u>40,156</u>	<u>40,156</u>	<u>-</u>
Fund Balance, September 30, 2024	<u>\$ 43,277</u>	<u>\$ 43,277</u>	<u>\$ 33,417</u>	<u>\$ (9,861)</u>



City of Bridgeport, Texas  
 Bridgeport Stage Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Other revenue	\$ 1,500	\$ 1,500	\$ 2,650	\$ 1,150
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>2,650</u>	<u>1,150</u>
<b>EXPENDITURES:</b>				
Current				
Culture and recreation	9,821	9,821	13,196	(3,375)
Total expenditures	<u>9,821</u>	<u>9,821</u>	<u>13,196</u>	<u>(3,375)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(8,321)</u>	<u>(8,321)</u>	<u>(10,546)</u>	<u>(2,225)</u>
Other financing sources (uses):				
Transfers in	10,900	10,900	10,900	-
Total other financing sources (uses)	<u>10,900</u>	<u>10,900</u>	<u>10,900</u>	<u>-</u>
Net change in fund balance	2,579	2,579	354	(2,225)
Fund Balance, October 1, 2023	<u>14,687</u>	<u>14,687</u>	<u>14,687</u>	<u>-</u>
Fund Balance, September 30, 2024	<u>\$ 17,266</u>	<u>\$ 17,266</u>	<u>\$ 15,041</u>	<u>\$ (2,225)</u>

City of Bridgeport, Texas  
Cemetery Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 15,750	\$ 15,750	\$ 14,200	\$ (1,550)
Total revenues	<u>15,750</u>	<u>15,750</u>	<u>14,200</u>	<u>(1,550)</u>
<b>EXPENDITURES:</b>				
Current				
General government	15,500	15,500	15,820	(320)
Total expenditures	<u>15,500</u>	<u>15,500</u>	<u>15,820</u>	<u>(320)</u>
Net change in fund balance	250	250	(1,620)	(1,870)
Fund Balance, October 1, 2023	<u>40,276</u>	<u>40,276</u>	<u>40,276</u>	<u>-</u>
Fund Balance, September 30, 2024	<u>\$ 40,526</u>	<u>\$ 40,526</u>	<u>\$ 38,656</u>	<u>\$ (1,870)</u>

City of Bridgeport, Texas  
Recreation Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 455,350	\$ 455,350	\$ 500,832	\$ 45,482
Other revenue	12,250	12,250	35,675	23,425
Total revenues	<u>467,600</u>	<u>467,600</u>	<u>536,507</u>	<u>68,907</u>
<b>EXPENDITURES:</b>				
Current				
General government	98,186	98,186	83,258	14,928
Culture and recreation	310,382	310,382	448,734	(138,352)
Total expenditures	<u>408,568</u>	<u>408,568</u>	<u>531,991</u>	<u>(123,423)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>59,032</u>	<u>59,032</u>	<u>4,516</u>	<u>(54,516)</u>
Other financing sources (uses):				
Transfers in	12,200	12,200	12,200	-
Transfers out	<u>(58,000)</u>	<u>(58,000)</u>	<u>(58,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(45,800)</u>	<u>(45,800)</u>	<u>(45,800)</u>	<u>-</u>
Net change in fund balance	13,232	13,232	(41,284)	(54,516)
Fund Balance, October 1, 2023	<u>84,198</u>	<u>84,198</u>	<u>84,198</u>	<u>-</u>
Fund Balance, September 30, 2024	<u>\$ 97,430</u>	<u>\$ 97,430</u>	<u>\$ 42,914</u>	<u>\$ (54,516)</u>

City of Bridgeport, Texas  
Tax Increment Reinvestment Zone #1 Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Other revenue	\$ 30,100	\$ 30,100	\$ 52,064	\$ 21,964
Total revenues	<u>30,100</u>	<u>30,100</u>	<u>52,064</u>	<u>21,964</u>
<b>EXPENDITURES:</b>				
Other financing sources (uses):				
Transfers in	-	253,012	253,012	-
Total other financing sources (uses)	<u>-</u>	<u>253,012</u>	<u>253,012</u>	<u>-</u>
Net change in fund balance	30,100	283,112	305,076	21,964
Fund Balance, October 1, 2023	<u>531,189</u>	<u>531,189</u>	<u>531,189</u>	<u>-</u>
Fund Balance, September 30, 2024	<u>\$ 561,289</u>	<u>\$ 814,301</u>	<u>\$ 836,265</u>	<u>\$ 21,964</u>

City of Bridgeport, Texas  
Tax Increment Reinvestment Zone #2 Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Other revenue	\$ 6,000	\$ 6,000	\$ 9,277	\$ 3,277
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>9,277</u>	<u>3,277</u>
<b>EXPENDITURES:</b>				
Other financing sources (uses):				
Transfers in	-	34,587	34,587	-
Total other financing sources (uses)	<u>-</u>	<u>34,587</u>	<u>34,587</u>	<u>-</u>
Net change in fund balance	6,000	40,587	43,864	3,277
Fund Balance, October 1, 2023	<u>106,582</u>	<u>106,582</u>	<u>106,582</u>	<u>-</u>
Fund Balance, September 30, 2024	<u>\$ 112,582</u>	<u>\$ 147,169</u>	<u>\$ 150,446</u>	<u>\$ 3,277</u>

City of Bridgeport, Texas  
Fleet Management Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 378,676	\$ 545,775	\$ 545,775	\$ -
Total revenues	<u>378,676</u>	<u>545,775</u>	<u>545,775</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current				
General government	-	112,500	90,533	21,968
Capital outlay	-	-	861,758	(861,758)
Debt Service:				
Principal	297,700	303,956	308,222	(4,266)
Interest and fiscal charges	80,976	81,776	79,070	2,706
Total expenditures	<u>378,676</u>	<u>498,232</u>	<u>1,339,582</u>	<u>(841,350)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>47,543</u>	<u>(793,807)</u>	<u>(841,350)</u>
Other financing sources (uses):				
Debt proceeds	<u>-</u>	<u>-</u>	<u>861,758</u>	<u>861,758</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>861,758</u>	<u>861,758</u>
Net change in fund balance	-	47,543	67,951	20,408
Fund Balance, October 1, 2023	<u>43,189</u>	<u>43,189</u>	<u>43,189</u>	<u>-</u>
Fund Balance, September 30, 2024	<u>\$ 43,189</u>	<u>\$ 90,732</u>	<u>\$ 111,140</u>	<u>\$ 20,408</u>

City of Bridgeport, Texas  
Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
General property	\$ 1,839,587	\$ 1,839,587	\$ 1,951,519	\$ 111,932
Interest income	1,000	1,000	1,012	12
Other revenue	40,030	40,030	28,750	(11,280)
Total revenues	<u>1,880,617</u>	<u>1,880,617</u>	<u>1,981,281</u>	<u>100,664</u>
<b>EXPENDITURES:</b>				
Current				
General government	2,100	2,100	3,000	(900)
Debt Service:				
Principal	890,000	890,000	869,669	20,331
Interest and fiscal charges	<u>791,076</u>	<u>791,076</u>	<u>361,027</u>	<u>430,049</u>
Total expenditures	<u>1,683,176</u>	<u>1,683,176</u>	<u>1,233,696</u>	<u>449,480</u>
Excess (deficiency) of revenue over (under) expenditures	<u>197,441</u>	<u>197,441</u>	<u>747,585</u>	<u>550,144</u>
Other financing sources (uses):				
Transfers out	<u>(196,768)</u>	<u>(196,768)</u>	<u>(661,345)</u>	<u>(464,577)</u>
Total other financing sources (uses)	<u>(196,768)</u>	<u>(196,768)</u>	<u>(661,345)</u>	<u>(464,577)</u>
Net change in fund balance	673	673	86,240	85,567
Fund Balance, October 1, 2023	<u>81,902</u>	<u>81,902</u>	<u>81,902</u>	<u>-</u>
Fund Balance, September 30, 2024	<u>\$ 82,575</u>	<u>\$ 82,575</u>	<u>\$ 168,142</u>	<u>\$ 85,567</u>

# STATISTICAL SECTION

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b><u>Table #s</u></b>
<b>Financial Trends</b> <i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	<b>1 - 5</b>
<b>Revenue Capacity</b> <i>These tables contain information to help the reader assess the City's most significant local revenue sources: property tax.</i>	<b>6 – 9</b>
<b>Debt Capacity</b> <i>These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue in the future.</i>	<b>10 – 14</b>
<b>Demographics and Economic Information</b> <i>These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	<b>15 – 17</b>
<b>Operating Information</b> <i>These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.</i>	<b>18 – 19</b>

*Source: Unless otherwise noted, the information in these tables is derived from the comprehensive annual reports for the relevant year.*



# CITY OF BRIDGEPORT, TEXAS

## NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Governmental Activities:</b>					
Net Investments in Capital Assets	\$ 5,706,764	\$ 5,214,247	\$ 5,171,895	\$ 5,466,739	\$ 4,099,027
Restricted	1,679,612	1,695,036	1,225,535	1,239,995	875,273
Assigned	-	-	-	-	-
Unrestricted	2,180,605	2,582,889	2,306,563	2,142,732	2,373,970
<b>Total Governmental Activities Net Position</b>	<u>\$ 9,566,981</u>	<u>\$ 9,492,172</u>	<u>\$ 8,703,993</u>	<u>\$ 8,849,466</u>	<u>\$ 7,348,270</u>
<b>Business-type Activities:</b>					
Net Investments in Capital Assets	\$ 6,047,917	\$ 5,014,677	\$ 4,343,183	\$ 4,444,524	\$ 5,364,670
Restricted	-	-	-	-	-
Unrestricted	530,066	115,267	1,555,769	1,182,518	2,604,481
<b>Total Governmental Activities Net Position</b>	<u>\$ 6,577,983</u>	<u>\$ 5,129,944</u>	<u>\$ 5,898,952</u>	<u>\$ 5,627,042</u>	<u>\$ 7,969,151</u>
<b>Primary Government:</b>					
Net Investments in Capital Assets	\$ 11,754,681	\$ 10,228,924	\$ 9,515,078	\$ 9,911,263	\$ 9,463,697
Restricted	1,679,612	1,695,036	1,225,535	1,239,995	875,273
Assigned	-	-	-	-	-
Unrestricted	2,710,671	2,698,156	3,862,332	3,325,250	4,978,451
<b>Total Governmental Activities Net Position</b>	<u>\$ 16,144,964</u>	<u>\$ 14,622,116</u>	<u>\$ 14,602,945</u>	<u>\$ 14,476,508</u>	<u>\$ 15,317,421</u>

**Source:** City of Bridgeport Financial Services Annual Financial Reports

**Table 1**

<b>Fiscal Year</b>				
<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
\$ 3,651,746	\$ 3,079,212	\$ 3,054,442	\$ 2,924,853	\$ 2,890,882
539,704	871,138	496,367	950,149	1,337,666
1,337,037	-	-	-	-
1,170,490	1,691,022	1,730,207	1,403,352	1,032,266
<u>\$ 6,698,977</u>	<u>\$ 5,641,372</u>	<u>\$ 5,281,016</u>	<u>\$ 5,278,354</u>	<u>\$ 5,260,814</u>
\$ 5,318,516	\$ 2,143,165	\$ 5,041,046	\$ 3,924,931	\$ 4,567,009
-	-	-	-	-
1,960,877	3,893,219	791,066	1,808,550	1,450,358
<u>\$ 7,279,393</u>	<u>\$ 6,036,384</u>	<u>\$ 5,832,112</u>	<u>\$ 5,733,481</u>	<u>\$ 6,017,367</u>
\$ 8,970,262	\$ 5,222,377	\$ 8,095,488	\$ 6,849,784	\$ 7,457,891
539,704	871,138	496,367	950,149	1,337,666
1,337,037	-	-	-	-
3,131,367	5,584,241	2,521,273	3,211,902	2,482,624
<u>\$ 13,978,370</u>	<u>\$ 11,677,756</u>	<u>\$ 11,113,128</u>	<u>\$ 11,011,835</u>	<u>\$ 11,278,181</u>

# CITY OF BRIDGEPORT, TEXAS

## CHANGES IN NET POSITION

### Last Ten Fiscal Years

#### (Accrual Basis of Accounting)

#### (Unaudited)

	Fiscal Year				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses					
Governmental Activities:					
General Government	\$ 2,574,758	\$ 2,610,981	\$ 2,090,218	\$ 1,765,999	\$ 1,509,500
Public Safety	5,348,067	4,447,283	3,410,355	2,972,379	2,636,055
Development Services	611,527	327,120	216,050	200,187	183,115
Culture and Recreation	1,782,799	1,562,241	1,286,639	1,067,665	1,028,949
Highways and Streets	1,195,738	857,286	726,723	711,139	705,325
Interest and Fiscal Charges	458,508	523,078	440,265	400,400	364,308
Total Governmental Activities	11,971,397	10,327,989	8,170,250	7,117,769	6,427,252
Business-type Activities:					
Water/Wastewater	5,122,545	5,184,197	3,883,097	3,585,772	3,463,254
Electric	7,104,739	5,521,789	5,476,137	4,840,243	4,515,668
Municipal Airport	599,817	712,607	882,632	755,832	643,773
Total Business-type Activities	12,827,101	11,418,593	10,241,866	9,181,847	8,622,695
Total Expenses	24,798,498	21,746,582	18,412,116	16,299,616	15,049,947
Program Revenues					
Governmental Activities:					
Charges for Services					
General Government	590,677	180,113	25,421	26,304	26,399
Public Safety	389,587	513,668	389,747	321,644	265,710
Development Services	215,696	125,995	106,250	103,073	76,846
Library	1,225	-	-	-	-
Culture and Recreation	541,157	477,709	434,582	333,011	274,641
Highways and Streets				-	-
Operating Grants and Contributions	903,089	915,448	275,507	575,631	479,749
Capital Grants and Contributions	1,974,557	679,313		965,643	116,623
Total Governmental Activities	4,615,988	2,892,246	1,231,507	2,325,306	1,239,968
Business-type Activities:					
Charges for Services					
Water/Wastewater	4,167,041	3,887,199	3,715,266	3,532,477	3,429,122
Electric	7,566,586	6,291,969	6,127,260	5,446,733	5,463,655
Municipal Airport	513,328	691,090	826,257	644,720	611,590
Operating Grants and Contributions	9,268	18,582	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Business-type Activities	12,256,223	10,888,840	10,668,783	9,623,930	9,504,367
Total Program Revenues	16,872,211	13,781,086	11,900,290	11,949,236	10,744,335
Net (Expense)/Revenue					
Governmental Activities	(7,355,409)	(7,435,743)	(6,938,743)	(4,792,463)	(5,187,284)
Business-type Activities	(570,878)	(529,753)	426,917	442,083	881,672
Total Net Expense	\$ (7,926,287)	\$ (7,965,496)	\$ (6,511,826)	\$ (4,350,380)	\$ (4,305,612)

Source: City of Bridgeport Financial Services Annual Financials

Table 2

Fiscal Year				
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,662,024	\$ 1,288,446	\$ 1,734,203	\$ 958,246	\$ 1,219,371
2,401,834	2,304,678	2,296,581	2,323,239	2,346,964
144,724	150,870	133,148	116,155	116,001
1,137,785	1,111,594	981,132	1,007,253	939,809
669,215	647,788	676,771	1,198,693	766,900
379,786	354,530	427,561	431,908	522,537
6,395,367	5,857,906	6,249,396	6,035,494	5,911,582
3,075,706	3,324,321	3,006,498	2,939,848	3,272,089
4,998,334	6,477,560	6,318,158	6,462,610	7,302,791
530,956	518,769	338,238	210,716	155,383
8,604,996	10,320,650	9,662,894	9,613,174	10,730,263
15,000,363	16,178,556	15,912,290	15,648,668	16,641,845
30,289	6,342	88,063	141,163	160,638
308,754	249,642	211,385	255,299	299,314
107,086	94,978	57,052	39,801	45,167
-	-	-	-	-
363,809	339,357	337,789	301,417	257,560
-	-	-	-	-
823,603	356,369	192,887	207,700	133,997
-	-	695,721	19,448	-
1,633,541	1,046,688	1,582,897	964,828	896,676
3,373,610	2,989,198	2,480,441	2,461,181	2,597,729
5,932,296	6,871,382	6,705,756	6,841,251	7,382,338
504,248	412,736	268,197	131,995	141,265
-	334,018	-	44,007	6,430
-	-	244,293	117,352	206,323
9,810,154	10,607,334	9,698,687	9,595,786	10,334,085
11,443,695	11,654,022	11,281,584	10,560,614	11,230,761
(4,761,826)	(4,811,218)	(4,666,499)	(5,070,666)	(5,014,906)
1,205,158	286,684	35,793	(17,388)	(396,178)
\$ (3,556,668)	\$ (4,524,534)	\$ (4,630,706)	\$ (5,088,054)	\$ (5,411,084)

**CITY OF BRIDGEPORT, TEXAS**  
**CHANGES IN NET POSITION (CONTINUED)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>General Revenues</b>				
Governmental Activities:				
Property Taxes	\$ 4,193,699	\$ 3,365,487	\$ 2,923,504	\$ 2,579,140
Sales Taxes	2,086,341	2,035,097	2,041,080	2,048,886
Hotel/Motel Taxes	97,372	101,328	102,582	77,349
Franchise Taxes	1,562,608	1,535,729	1,170,799	998,728
Alcoholic Beverage Taxes	16,811	15,218	14,033	11,070
Miscellaneous	345,393	334,733	255,793	224,062
Unrestricted Investment Earnings	417,686	236,384	28,297	15,137
Special Item	-	-	-	-
Transfers In/Out	(1,289,692)	512,912	417,181	339,287
Total General Revenues and Transfers	<u>7,430,218</u>	<u>8,136,888</u>	<u>6,953,269</u>	<u>6,293,659</u>
<b>Business-type Activities:</b>				
Unrestricted Investment Earnings	564,509	191,795	108,295	63,133
Gain/(Loss) on Sale of Capital Assets	-	-	-	-
Miscellaneous	164,716	81,862	153,882	95,457
Debt Issuance Cost	-	-	-	-
Special Item	-	-	-	-
Transfers In/Out	1,289,692	(512,912)	(417,181)	(339,287)
Extraordinary / Special Item	-	-	-	(2,603,495)
Total Business-type Activities	<u>2,018,917</u>	<u>(239,255)</u>	<u>(155,004)</u>	<u>(2,784,192)</u>
Total Primary Government	<u>9,449,135</u>	<u>7,897,633</u>	<u>6,798,265</u>	<u>3,509,467</u>
<b>Change in Net Position</b>				
Governmental Activities	74,809	701,145	14,526	1,501,196
Business-type Activities	1,448,039	(769,008)	271,913	(2,342,109)
Total Primary Government	<u>\$ 1,522,848</u>	<u>\$ (67,863)</u>	<u>\$ 286,439</u>	<u>\$ (840,913)</u>

**Source:** City of Bridgeport Financial Services Annual Financials

Table 3

Fiscal Year					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,604,846	\$ 2,524,920	\$ 2,368,544	\$ 2,340,777	\$ 2,491,608	\$ 2,371,526
1,673,030	1,638,884	1,504,210	1,355,731	1,359,210	1,666,965
85,106	107,346	101,583	86,811	71,486	98,916
864,619	1,083,787	1,000,449	798,223	697,653	732,398
7,275	4,527	9,217	4,142	4,326	4,336
180,458	137,061	43,327	112,018	148,557	58,700
70,127	153,489	86,475	30,780	17,598	8,838
(25,412)	-	-	-	-	-
339,264	169,417	179,970	71,240	297,768	327,348
5,799,313	5,819,431	5,293,775	4,799,722	5,088,206	5,269,027
61,106	113,624	101,770	21,663	4,810	2,726
-	-	-	-	-	-
74,162	93,644	36,522	112,414	26,459	2,154
-	-	-	-	-	-
-	-	-	-	-	-
(339,264)	(169,417)	(179,970)	(71,240)	(297,768)	(327,348)
(203,996)	37,851	(41,678)	62,837	(266,499)	(322,468)
5,595,317	5,857,282	5,252,097	4,862,559	4,821,707	4,946,559
612,029	1,057,605	482,557	133,223	17,540	254,121
677,676	1,243,009	245,006	98,630	(283,887)	(718,646)
\$ 1,289,705	\$ 2,300,614	\$ 727,563	\$ 231,853	\$ (266,347)	\$ (464,525)

**CITY OF BRIDGEPORT, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund:				
Nonspendable	\$ 12,745	\$ 9,698	\$ 10,222	\$ 10,130
Restricted	10,325	19,655	19,887	16,537
Committed	-	-	-	-
Unassigned	2,616,838	3,007,472	2,714,140	2,508,795
Total General Fund	<u>2,639,908</u>	<u>3,036,825</u>	<u>2,744,249</u>	<u>2,535,462</u>
Other Governmental Funds:				
Nonspendable				
Restricted	4,897,464	1,675,381	1,205,648	1,223,458
Committed	986,711	637,771	575,834	436,012
Assigned	-	5,317,828	1,726,310	2,511,145
Unassigned	-	-	-	-
Total Other Governmental Funds	<u>5,884,175</u>	<u>7,630,980</u>	<u>3,507,792</u>	<u>4,170,615</u>
All Governmental Funds:				
Nonspendable	12,745	9,698	10,222	10,130
Restricted	4,907,789	1,695,036	1,225,535	1,239,995
Committed	986,711	637,771	575,834	436,012
Assigned	-	5,317,828	1,726,310	2,511,145
Unassigned	2,616,838	3,007,472	2,714,140	2,508,795
Total All Governmental Funds	<u>\$ 8,524,083</u>	<u>\$ 10,667,805</u>	<u>\$ 6,252,041</u>	<u>\$ 6,706,077</u>

**Source:** City of Bridgeport Financial Services Annual Financials

Table 4

Fiscal Year					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 8,262	\$ 8,432	\$ 8,081	\$ 9,402	\$ 8,456	\$ 8,353
9,966	2,721	2,208	-	-	-
-	-	-	-	-	-
2,564,739	2,567,085	2,152,719	2,048,611	2,791,525	2,892,331
2,582,967	2,578,238	2,163,008	2,058,013	2,799,981	2,900,684
-	-	-	-	-	-
865,307	536,983	415,325	438,535	448,276	6,859,624
321,640	284,179	445,173	2,068,710	3,194,614	460,496
4,848,806	1,337,037	-	-	-	-
-	-	971,541	(46,645)	(286,708)	(257,463)
6,035,753	2,158,199	1,832,039	2,460,600	3,356,182	7,062,657
10,130	8,262	8,432	8,081	9,402	8,456
875,273	539,704	417,533	438,535	448,276	6,859,624
321,640	284,179	445,173	2,068,710	3,194,614	460,496
4,848,806	1,337,037	-	-	-	-
2,564,739	2,567,085	3,124,260	2,001,966	2,504,817	2,634,868
\$ 8,620,588	\$ 4,736,267	\$ 3,995,398	\$ 4,517,292	\$ 6,157,109	\$ 9,963,444



# CITY OF BRIDGEPORT, TEXAS

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

### Last Ten Fiscal Years

#### (Modified Accrual Basis of Accounting)

#### (Unaudited)

	Fiscal Year			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>REVENUES:</b>				
Taxes:				
Property	\$ 4,149,872	\$ 3,360,033	\$ 2,914,794	\$ 2,564,179
Sales	2,086,341	1,999,316	2,005,299	1,833,644
Franchise	1,579,419	1,535,729	1,170,799	998,728
Hotel/Motel	97,372	101,328	102,582	77,349
Liquor	-	15,218	14,033	11,070
Charges for Services	1,095,179	734,944	523,387	437,077
Licenses, Permits, and Fees	215,696	125,995	106,250	86,223
Court Fines	326,533	437,639	347,592	261,363
Grants	2,418,230	1,087,192	191,752	1,110,318
Donations	459,416	507,569	83,755	430,956
Rents	37,309	154,101	68,751	53,190
Investment Earnings	417,686	236,384	28,297	15,137
Miscellaneous	252,443	180,632	109,719	170,872
Total Revenues	<u>13,135,496</u>	<u>10,476,080</u>	<u>7,667,010</u>	<u>8,050,106</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	2,249,197	2,364,827	2,022,477	1,728,865
Public Safety	4,404,072	3,858,948	3,007,165	2,671,521
Development Services	606,592	327,120	216,050	200,187
Culture and Recreation	1,162,877	1,089,097	935,636	765,547
Highways and Streets	582,548	446,545	317,187	339,806
Library	377,119	349,154	293,712	274,925
Debt Service:				
Principal Retirement	1,367,230	1,110,052	1,083,393	5,760,579
Interest and Fiscal Charges	460,931	339,458	384,715	443,142
Bond Issuance Costs	-	105,545	-	77,997
Capital Outlay	4,184,699	1,459,163	569,171	2,990,461
Total Expenditures	<u>15,395,265</u>	<u>11,449,909</u>	<u>8,829,506</u>	<u>15,253,030</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>(2,259,769)</u>	<u>(973,829)</u>	<u>(1,162,496)</u>	<u>(7,202,924)</u>
OTHER FINANCING SOURCES (USES):				
Bond Issued	-	3,901,667	-	4,666,250
Premium on Bonds Issues	-	203,878	-	134,546
Payment to Refunded Bond Escrow Agent	-	-	-	(37,311)
Loan/Lease Proceeds	1,405,737	771,136	203,320	-
Proceeds from Sale of Asset	-	-	87,842	242,647
Proceeds from the issuance of debt	-	-	-	-
Special Item Inflow (Outflow)	-	-	-	-
Net Transfers In (Out)	(1,289,692)	512,912	417,181	282,376
Total Other Financing Sources (Uses)	<u>116,045</u>	<u>5,389,593</u>	<u>708,343</u>	<u>5,288,508</u>
NET CHANGE IN FUND BALANCES	<u>\$ (2,143,724)</u>	<u>\$ 4,415,764</u>	<u>\$ (454,153)</u>	<u>\$ (1,914,416)</u>
Debt Service as a Percentage of Noncapital Expenditures	15.9%	15.6%	17.8%	51.2%

Source: City of Bridgeport Financial Services Annual Financials

Table 5

Fiscal Year					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,617,172	\$ 2,522,458	\$ 2,382,911	\$ 2,293,945	\$ 2,480,632	\$ 2,386,405
1,655,139	1,603,103	1,468,429	1,337,841	1,359,210	1,613,294
864,619	1,083,787	1,000,449	798,223	697,653	732,398
85,106	107,346	101,583	86,811	71,486	98,916
7,275	4,527	9,217	4,142	4,326	4,336
380,216	463,540	434,640	434,256	400,643	376,437
61,296	93,986	81,478	57,052	39,801	45,167
202,666	283,336	173,196	206,351	246,780	293,193
573,346	780,504	214,864	228,438	151,191	47,120
154,812	43,099	18,543	78,026	6,429	36,527
52,702	64,296	65,263	51,005	86,375	99,692
70,127	153,488	86,475	30,780	17,598	8,838
127,756	72,765	92,991	111,829	148,557	58,700
6,852,232	7,276,235	6,130,039	5,718,699	5,710,681	5,801,023
1,337,547	1,507,905	1,149,878	1,465,728	986,255	1,375,477
2,432,533	2,184,584	2,111,605	2,142,542	2,081,170	2,120,066
183,115	144,724	141,106	131,515	113,818	116,668
667,320	752,002	988,212	877,214	863,186	824,771
343,675	308,073	282,533	522,437	464,203	373,457
266,259	264,759	-	-	-	-
923,093	967,448	945,285	899,105	1,019,733	839,268
358,731	380,650	404,677	427,561	438,101	522,537
74,435	-	-	-	51,957	79,861
1,618,058	292,812	817,206	963,654	4,091,364	244,929
8,204,766	6,802,957	6,840,502	7,429,756	10,109,787	6,497,034
(1,352,534)	473,278	(710,463)	(1,711,057)	(4,399,106)	(696,011)
237,548	-	-	-	2,650,000	1,905,000
-	-	-	-	264,898	122,444
-	-	-	-	(2,859,894)	(1,944,021)
-	98,175	-	-	240,000	-
-	-	8,600	-	-	-
4,622,779	-	-	-	-	-
-	-	-	-	-	-
339,264	169,416	179,969	71,240	297,768	327,348
5,199,591	267,591	188,569	71,240	592,772	410,771
\$ 3,847,057	\$ 740,869	\$ (521,894)	\$ (1,639,817)	\$ (3,806,334)	\$ (285,240)
20.6%	20.7%	22.4%	20.5%	25.1%	23.1%

# CITY OF BRIDGEPORT, TEXAS

## *ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY*

**Last Ten Fiscal Years**

**(Unaudited)**

<b>Fiscal Year</b>	<b>Estimated Market Value</b>			
	<b>Real Property</b>	<b>Personal Property</b>	<b>Minerals</b>	<b>Industrial/Utility</b>
2015	311,719,570	50,015,140	2,574,420	99,510,810
2016	328,847,058	59,194,192	2,353,930	67,330,800
2017	342,049,750	83,587,360	797,370	9,593,330
2018	395,472,445	59,940,940	1,707,760	8,530,869
2019	448,107,858	68,624,151	1,727,630	11,091,020
2020	465,168,291	69,684,492	673,545	10,861,100
2021	520,434,898	66,782,169	704,850	11,646,740
2022	649,046,671	69,376,492	2,332,741	14,632,355
2023	783,459,506	85,035,540	2,572,813	23,073,410
2024	731,913,145	81,791,910	1,313,977	78,098,837

Source: Wise County Appraisal District, City of Bridgeport Financial Services

Note: Total Taxable Assessed Value represents original certified taxable values. This does not include valuation of protested property at certification date.

(1) Exemptions reflected in the assessed valuations of the estimated market value.

**Table 6**

<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
64,194,822	399,625,118	0.587500
71,648,928	386,077,052	0.639000
71,728,058	364,299,752	0.639000
78,397,993	387,254,021	0.639000
119,269,617	410,281,042	0.644000
115,947,042	430,440,386	0.626000
134,336,271	465,232,386	0.594428
194,681,138	540,707,121	0.621800
233,184,127	660,957,142	0.620000
210,598,203	682,519,666	0.619500

# CITY OF BRIDGEPORT, TEXAS

## *DIRECT AND OVERLAPPING PROPERTY TAX RATES (per \$100 of Assessed Value)*

Last Ten Fiscal Years

(Unaudited)

### City Direct Rates

Fiscal Year	Operating/ General Rate	General Obligation Debt Service	Total Direct	Bridgeport Independent School District
2015	0.300300	0.287200	0.587500	1.235000
2016	0.261220	0.377780	0.639000	1.232800
2017	0.267850	0.371150	0.639000	1.220000
2018	0.291700	0.347300	0.639000	1.244500
2019	0.306400	0.337600	0.644000	1.248200
2020	0.321976	0.304024	0.626000	1.178200
2021	0.324917	0.269511	0.594428	1.124095
2022	0.378439	0.243361	0.621800	1.061170
2023	0.400138	0.219862	0.620000	1.061170
2024	0.327000	0.292500	0.619500	1.061170

**Source:** City of Bridgeport Financial Services, Wise County Appraisal District

**Note:** The Wise County Appraisal District is responsible for the City of Bridgeport and all overlapping entities.

**Table 7**

<b>Overlapping Rates</b>			
<b>Wise County</b>	<b>Weatherford College Wise County Branch Maintenance</b>	<b>Wise County FM Flood- Lateral Road</b>	<b>Wise County Water Control &amp; Improvement District</b>
0.298900	0.046148	0.080000	0.010000
0.313900	0.046148	0.065000	0.010000
0.346400	0.046148	0.032500	0.010000
0.322500	0.044000	0.037500	0.009358
0.307500	0.044000	0.042500	0.009332
0.307500	0.044000	0.042500	0.008981
0.295000	0.040000	0.045000	0.008789
0.295000	0.040000	0.045000	0.008789
0.255000	0.037500	0.045000	0.008108
0.220000	0.032500	0.045000	0.007702

**CITY OF BRIDGEPORT, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Year and Ten Years Ago**  
**(Unaudited)**

**Table 8**

Fiscal Year 2024			Fiscal Year 2015		
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
CTR PARTNERSHIP LP	\$ 9,200,000	1.35%	BRIDGEPORT TANK TRUCKS	\$ 10,091,610	2.59%
BKV BARNETT LLC	6,537,720	0.96%	BKV BARNETT LLC.	8,606,640	2.20%
MC ASSETS LLC	6,531,955	0.96%	BKV BARNETT	7,850,300	2.01%
BROOKSHIRE GROCERY COMPANY	6,500,000	0.95%	CTR PARTNERSHIP LP	7,018,330	1.80%
DECATUR HEALTH SERVICES, LLC	6,240,750	0.91%	EXPRESS ENERGY SERVICES	5,293,500	1.36%
FIRST STATE BANK	5,134,470	0.75%	COIL TUBING	4,989,710	1.28%
PANTHER BRIDGEWOOD LLC	4,376,990	0.64%	BASIC ENERGY SERVICES	3,937,190	1.01%
T TOP MANUFACTURING	4,154,544	0.61%	WEATHERFORD US, LP	3,686,920	0.94%
COMMUNITY BANK	3,698,921	0.54%	ROC SERVICE COMPANY, LLC	3,000,000	0.77%
LONESTAR ELITE TRUCKING LLC	3,533,895	0.52%	THOMAS PETROLEUM	2,952,550	0.76%
Total Assessed Value of Top Ten Taxpayers:	55,909,245	8.19%	Total Assessed Value of Top Ten Taxpayers:	57,426,750	14.71%
Total Assessed Value of Other Taxpayers:	626,610,421	91.81%	Total Assessed Value of Other Taxpayers:	332,902,687	85.29%
Total Assessed Value:	<u>\$ 682,519,666</u>		Total Assessed Value:	<u>\$ 390,329,437</u>	

**Source:** Wise County Appraisal District

**CITY OF BRIDGEPORT, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Table 9**

Fiscal Year	Taxes Levied for the Fiscal Year	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2015	2,466,730	(1,647)	2,465,083	2,403,872	97.52%	43,624	2,447,496	99.29%
2016	2,328,372	(6,017)	2,322,355	2,237,619	96.35%	14,152	2,251,771	96.96%
2017	2,325,504	3,651	2,329,155	2,257,504	96.92%	14,070	2,271,574	97.53%
2018	2,347,524	-	2,347,524	2,268,074	96.62%	9,148	2,277,222	97.01%
2019	2,466,532	24,805	2,491,337	2,438,946	97.90%	39,865	2,478,811	99.50%
2020	2,568,360	7,581	2,575,941	2,534,811	98.40%	33,699	2,568,510	99.71%
2021	2,558,658	(7,431)	2,551,227	2,497,421	97.89%	19,723	2,517,144	98.66%
2022	2,892,884	(5,191)	2,887,694	2,834,449	98.16%	37,859	2,872,308	99.47%
2023	3,354,945	(9,045)	3,345,900	3,284,120	98.15%	30,287	3,314,407	99.06%
2024	4,098,767	-	4,098,767	4,030,268	98.33%	58,923	4,089,191	99.77%

**Source:** Wise County Tax Office



# CITY OF BRIDGEPORT, TEXAS

## *RATIO OF OUTSTANDING DEBT BY TYPE*

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities				Business-type	
	General Obligation and Combination Bonds	Notes Payable	Lease and SBITA Liabilities	Other Obligations	General Obligation and Combination Bonds	Revenue Bonds
2015	13,467,735	-	-	673,138	4,595,762	2,880,000
2016	12,324,160	-	-	770,276	4,764,683	2,775,000
2017	11,376,993	-	-	665,782	4,445,633	2,660,000
2018	10,621,120	-	-	393,590	6,462,305	2,540,000
2019	9,617,231	-	-	444,356	6,039,542	2,415,000
2020	12,745,541	-	-	1,175,315	5,639,232	2,285,000
2021	11,861,816	-	-	1,094,360	5,237,866	2,145,000
2022	11,223,313	-	-	1,060,005	4,917,282	2,000,000
2023	14,377,737	660,066	958,785	50,131	14,676,018	1,845,000
2024	13,513,198	704,313	1,712,243	14,350	13,814,989	1,680,000

**Source:** Annual Comprehensive Financial Reports

**Note:** Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

**Table 10**

<b>Activities</b>					
<b>Lease and SBITA Liabilities</b>	<b>Other Obligations</b>	<b>State Revolving Funds</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
-	669,732	900,000	23,186,367	20.59%	3,681
-	775,314	780,000	22,189,433	19.55%	3,444
-	675,045	655,000	20,478,453	18.90%	3,224
-	573,443	530,000	21,120,458	18.12%	3,233
-	340,453	400,000	19,256,582	16.47%	2,894
-	251,978	270,000	22,367,066	18.64%	3,776
-	2,936,170	135,000	23,410,212	18.99%	3,920
-	2,612,489	-	21,813,089	12.37%	3,109
244,120	128,977	-	32,940,834	18.68%	5,543
238,303	-	-	31,677,396	21.84%	4,685

**CITY OF BRIDGEPORT, TEXAS**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Table 11**

Fiscal Year	Governmental Activities		Business-type Activities	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts Available in Debt Service	General Obligation Refunding Bonds			
2015	13,467,735	(9,470)	4,595,762	18,072,967	4.63%	2,869
2016	12,324,160	123	4,764,683	17,088,720	4.28%	2,653
2017	11,376,993	10,508	4,445,633	15,812,118	4.10%	2,490
2018	10,621,120	56,264	6,462,305	17,027,161	4.67%	2,607
2019	9,617,231	141,565	6,039,542	15,515,208	4.01%	2,332
2020	12,745,541	198,455	5,639,232	18,186,318	4.23%	3,070
2021	11,861,816	8,453	5,237,866	17,091,229	3.67%	2,862
2022	11,223,313	4,983	4,917,282	16,135,612	2.98%	2,300
2023	14,377,737	44,180	4,937,684	19,271,241	2.92%	3,243
2024	13,513,198	168,142	4,446,655	17,949,854	2.63%	2,655

**Source:** Annual Comprehensive Financial Reports

**Note:** Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

# CITY OF BRIDGEPORT, TEXAS

Table 12

## ***DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT*** As of September 30, 2024 (Unaudited)

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable <sup>a</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Debt Repaid with Property Taxes			
Bridgeport Independent School District	\$ 6,483,618	30.22%	\$ 1,959,349
Chico Independent School District	\$ 23,865,000	1.27%	\$ 303,086
Wise County	\$ -	4.81%	\$ -
Subtotal, Overlapping Debt			2,262,435
City of Bridgeport, Direct Debt	\$ 15,944,104	100.00%	\$ 15,944,104
Total Direct and Overlapping Debt			<u>\$ 18,206,539</u>

<sup>a</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is within the City's boundaries and dividing by the entities' total taxable assessed value.

**Source:** City of Bridgeport Financial Services, Municipal Advisory Council of Texas, Wise County Appraisal District

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Bridgeport. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residential and commercial taxpayer should be taken into account. However, this does not imply that every Bridgeport taxpayer is a property owner and therefore responsible for repaying the debt of any particular overlapping government.

**CITY OF BRIDGEPORT, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**(UNAUDITED)**

**Table 13**

As a home rule city, the City of Bridgeport is not limited by law in the amount of debt it may issue.

Under Article XI, Section 5 of the Texas Constitution, no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of the City.

All taxable property within the City is subject to assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal and interest on the bonds within the limits prescribed by law. Under rules promulgated by the Office of the Attorney General of Texas, such office will not approve tax bonds of the City unless the City can demonstrate its ability to pay debt service requirements on all outstanding City tax bonds, including the issue to be approved.

**Tax Rate Limitation Calculation for Fiscal Year 2024**

Taxable assessed valuation.....	\$682,519,666
Constitutional tax rate limit.....	2.50% of assessed valuation
Maximum constitutional revenue available.....	\$17,062,992
Tax rate to achieve maximum tax revenue.....	\$2.50 per \$100 of valuation
Tax rate for FY 2023-2024.....	\$0.6195 per \$100 of valuation
Available unused constitutional max tax rate	\$1.88 per \$100 of valuation
Debt applicable to limit:	
General obligation debt .....	\$15,944,104

**DEBT TAX RATE ADEQUACY**

2024 Principal and Interest Requirements	\$	1,876,471
\$0.2925 Tax Rate at 98% Collection Produces		1,914,766
Average Annual Principal and Interest Requirement, 2024-2053.....		1,417,516
\$0.2098 Tax Rate at 99% Collection Produces .....		1,417,516
Maximum Principal and Interest Requirements.....		1,876,471
\$0.2777 Tax Rate at 99% Collection Produces.....		1,876,471

**DEBT SERVICE FUND BUDGET PROJECTION**

Tax Obligation Debt Service Requirements, Fiscal Year Ending 9/30/2024		1,876,471
Debt Service Fund, 9/30/24.....	\$9,999	
Debt Service Fund Tax Levy - \$0.2777 Tax Rate @ 99% Collection .....	1,866,472	1,876,471

**CITY OF BRIDGEPORT, TEXAS****Table 14****PLEDGED-REVENUE COVERAGE****Last Ten Fiscal Years****(Unaudited)**

<b>Water/Wastewater and Electric Systems Revenue Bonds and State Revolving Funds</b>					
<b>Fiscal Year</b>	<b>Total Revenues <sup>a</sup></b>	<b>Less: Operating Expenses <sup>b</sup></b>	<b>Net Available Revenue</b>	<b>Average Annual Requirement</b>	<b>Times Coverage</b>
2015	10,515,324	10,031,179	484,145	401,113	1.21
2016	9,779,958	8,824,899	955,059	402,577	2.37
2017	9,320,058	8,408,301	911,757	405,537	2.25
2018	10,357,384	8,952,013	1,405,371	698,445	2.01
2019	9,776,247	7,273,925	2,502,322	649,353	3.85
2020	9,308,091	7,329,503	1,978,588	651,376	3.04
2021	9,403,463	7,630,073	1,773,390	559,085	3.17
2022	10,365,001	8,776,452	1,588,549	698,856	2.27
2023	10,805,352	10,104,900	700,452	603,334	1.16
2024	14,936,622	12,017,036	2,919,586	749,946	3.89

Bond covenants require a revenue coverage of 1.25 times the average annual debt service.

**Notes:** <sup>a</sup> Includes operating revenues (charges for services and miscellaneous income), investment income, and transfers in of the Water/Wastewater Fund and the Electric Fund

<sup>b</sup> Includes operating expenses minus depreciation, plus transfers out of the Water/Wastewater Fund, and the Electric Fund

**Source:** City of Bridgeport Financial Services

**CITY OF BRIDGEPORT, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Table 15**

<b>Fiscal Year</b>	<b>Estimated Population</b>	<b>Total Personal Income (\$000s)</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2015	6,299	112,614	18,522	35.0	2,080	4.7%
2016	6,442	113,484	18,604	35.1	2,090	4.7%
2017	6,351	108,342	17,674	35.4	2,080	4.5%
2018	6,532	116,536	18,949	35.5	2,200	3.5%
2019	6,653	116,915	18,949	35.5	2,200	3.5%
2020	5,923	119,970	20,255	35.5	2,200	3.5%
2021	5,972	123,298	20,646	36.1	2,080	3.6%
2022	7,016	176,389	25,141	36.1	2,080	4.1%
2023	5,943	176,389	25,141	36.1	2,080	3.7%
2024	6,762	145,025	32,188	33.8	2,127	3.9%

**Sources:** Estimated population provided by the North Central Texas Council of Governments. US Census population used in census years. Per capita income, unemployment rates and median age provided by US Census Bureau's American Community Survey. School enrollment (for all campuses located in Bridgeport) provided by the Bridgeport Independent School District webpage.

# CITY OF BRIDGEPORT, TEXAS

Table 16

## PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

(Unaudited)

Fiscal Year 2024			Fiscal Year 2015		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Bridgeport ISD	358	9.38%	Devon Energy	350	9.43%
Bridgeport Medical Lodge	175	4.59%	Bridgeport ISD	335	9.03%
Crisp Industries	175	4.59%	Bridgeport Tank Trucks Ltd	200	5.39%
Hanson Aggregates	150	3.93%	Senior Care Center	171	4.61%
Enlink	140	3.67%	Crisp Industries	170	4.58%
BKV Barnett	125	3.28%	MTC - Bridgeport CCA	110	2.96%
MTC - Bridgeport Core Civic	106	2.78%	Brookshire's Grocery	80	2.16%
Wise Health	100	2.62%	Smith Oilfield Services	75	2.02%
Brookshire's Grocery	80	2.10%	Hanson Aggregates	70	1.89%
City of Bridgeport	77	2.02%	Exterran	68	1.83%
Total City Employment	3,815	38.95%		3,710	43.91%

Source: Bridgeport Economic Development Corporation



# CITY OF BRIDGEPORT, TEXAS

Table 17

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years  
(Unaudited)

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government and Administration	14.0	13.0	12.5	12.5	12.5	13.0	9.8	10.3	16.0	16.5
Public Safety										
Police	14.0	14.0	14.0	14.0	15.0	16.0	16.0	20.0	20.0	20.0
Police Administration	7.5	7.5	7.5	7.5	7.5	7.5	7.5	6.3	8.0	10.0
Fire	-	-	-	-	-	1.0	1.0	1.0	1.0	1.0
Code Enforcement	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Animal Control	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Infrastructure										
Administration	2.0	2.0	2.0	2.0	2.0	1.0	2.0	2.0	2.0	1.0
Water and Wastewater	6.0	4.0	4.0	4.0	4.0	7.0	8.0	9.0	9.0	12.0
Electric Services	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	6.0	6.0
Highways and Streets	5.0	4.0	3.0	3.0	3.0	4.0	4.0	3.0	3.0	4.0
Culture and Recreation	16.0	15.3	15.3	15.3	15.3	16.3	17.3	11.5	11.5	11.0
Development Services	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	3.0	3.0
Fleet Services	1.0	1.0	1.0	1.0	1.0	1.0	1.5	2.0	2.0	2.0
Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Facilities Maintenance	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.5	3.0
Total	75.3	70.6	69.1	69.1	70.1	78.6	79.4	77.4	88.3	93.8

Source: City of Bridgeport Financial Services

**CITY OF BRIDGEPORT, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Table 18**

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police										
Number of Employees	24.8	24.8	24.8	25.8	24.8	26.8	26.8	29.6	31.3	33.3
Number of Violations (Citations)	1,757	1,725	1,703	1,500	2,304	3,315	2,251	3,519	3,290	1,953
Fire										
Number of Employees (1 paid, others are Volunteers)	19	17	17	17	17	25	18	30	30	30
Development Services										
Street Resurfacing (miles)	-	1.7	1.3	0.4	0.4	-	0.3	0.3	1.3	4.9
Cultural and Recreational										
Parks and Recreation										
Participants in After School Program	60	65	115	130	130	40	93	132	114	121
Participants at Public Pool	6,500	10,000	8,700	6,050	6,050	-	4,900	13,103	8,315	10,377
Library										
Volumes in Collection	59,421	60,923	61,373	61,823	60,469	60,469	68,562	68,562	67,703	63,690
Water and Wastewater										
Number of Water Customers	2,098	2,096	2,090	2,068	2,096	2,104	2,115	2,073	2,146	2,148
Average Daily Water Consumption (gallons/customer)	269.3	380.3	349.0	307.0	388.0	334.9	328.3	321.0	326.1	305.6
Maximum Storage Capacity (gallons)	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Electricity										
Number of Electric Customers	2,335	2,334	2,323	2,306	2,344	2,342	2,361	2,361	2,380	2,384
Average Daily Electric Consumptions (kWh/customer)	63.3	60.5	58.5	64.4	67.7	60.0	59.4	67.0	64.3	64.1
Maximum Load Capacity (MWh)	20	20	20	20	20	20	20	20	20	20
Municipal Airport										
Average Daily Fuel Consumption (gallons)	43.3 (1)	151.5	185.0	240.0	357	402.0	489.0	670.0	341.0	264.8
Hangar Utilization (%)	84.5%	87.9%	87.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Source:** City Departments

**Notes:**

**CITY OF BRIDGEPORT, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Table 19**

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Patrol Units	9	9	9	9	9	9	11	11	11	11
Fire Stations	1	1	1	1	1	1	1	1	1	1
Number of Fire Engines	4	4	4	4	4	7	7	7	7	7
Development Services										
Streets - Asphalt Paved (miles)	25	23	23	23	23	23	23	23	23	23
Streets - Concrete Paved (miles)	9	11	11	11	11	11	11	11	11	11
Cultural and Recreational										
Parks (acres)	326	326	526	526	526	526	526	526	526	526
Playgrounds	4	4	4	4	4	4	4	4	4	4
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Off-Highway Vehicle Trails (miles)	25	25	25	25	25	25	25	25	25	25
Recreation/Community Centers	1	1	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1	1	1
Water and Wastewater										
Water Mains (miles)	87	87	87	87	87	87	87	87	87	87
Fire Hydrants	263	266	266	266	266	268	268	268	268	268
Sanitary Sewers (miles)	34	34	34	34	34	34	34	34	34	34
Electricity										
Distribution Lines (miles)	67	67	67	67	67	67	67	67	67	67
Municipal Airport										
Runway Length (feet)	4,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Number of Hangars	58	58	58	58	58	58	58	58	58	58

***OVERALL COMPLIANCE AND  
INTERNAL CONTROL  
SECTION***

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bridgeport, Texas (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 23, 2025.

**Report on Internal Control over Financial Reporting**

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

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

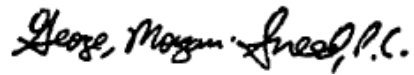
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did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

**Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "George, Morgan & Sneed, P.C." in a cursive, stylized font.

George, Morgan & Sneed, P.C.  
Weatherford, Texas  
April 23, 2025

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

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

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

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

We have audited the City of Bridgeport, Texas's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

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

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

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

***Responsibilities of Management for Compliance***

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



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

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*George Morgan Frost, P.C.*

Weatherford, Texas

April 23, 2025

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**CITY OF BRIDGEPORT, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?        Yes   X   No

Significant deficiency identified that are not considered to be material weaknesses?        Yes   X   None Reported

Noncompliance material to financial statements noted        Yes   X   No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(s) identified that are not considered to be material weaknesses?        Yes   X   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?        Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?        Yes   X   No

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

**CITY OF BRIDGEPORT, TEXAS**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

None.

**CITY OF BRIDGEPORT, TEXAS**  
**CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Contact for Corrective Action Plan:

Corey Ingram  
Finance Director

Financial Statement Findings

None.

Federal Award Findings and Questioned Costs

None.

**CITY OF BRIDGPORT, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Pass-through Texas Department of Agriculture				
Community Development Block Grants/State's program	14.228	CDM22-0097	-	9,750
Community Development Block Grants/State's program	14.228	CPC21-0557	-	7,826
Community Development Block Grants/State's program	14.228	CDV23-0287		13,670
Total U.S. Department of Transportation			-	31,246
<u>U.S. Department of Treasury</u>				
Passed Through from Texas Division of Emergency Management				
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	TX1720	-	1,403,323
Total U.S. Department of Treasury			-	1,403,323
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 1,434,569

The accompanying notes are an integral part of this schedule.



**CITY OF BRIDGEPORT, TEXAS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Reporting Entity

The City of Bridgeport is a municipal corporation governed by an elected mayor and five-member council. The financial statements of the City of Bridgeport, Texas ("City") include all governmental activities, organizations, and functions for which the City exercises significant oversight responsibilities.

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal program activity of the City of Bridgeport, Texas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Indirect Cost Rate

The City has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform guidance. The City did not allocate indirect costs to federal programs.