BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

	Exhibit	Page
INTRODUCTORY SECTION		
Certificate of Board		1
FINANCIAL SECTION		
Independent Auditor's Report		2-4
Management's Discussion and Analysis (Required Supplementary Information)		5-15
BASIC FINANCIAL STATEMENTS:		
Statement of Net Position	A-1	16
Statement of Activities	B-1	17
Balance Sheet - Governmental Funds	C-1	18-19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	C-1R	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C-2	21-22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	C-3	23
Statement of Net Position – Internal Service Fund	D-1	24
Statement of Revenues, Expenses and Changes in Net Position - Internal Service Fund	D-2	25
Statement of Cash Flows – Internal Service Fund	D-3	26
Statement of Fiduciary Net Position	E-1	27
Statement of Changes in Fiduciary Net Position	E-2	28
Notes to the Financial Statements		29-53
REQUIRED SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedule - General Fund	G-1	54-55
Schedule of District's Proportionate Share of the Net Pension Liability – Teacher Retirement System of Texas	G-2	56-57
Schedule of District's Pension Contributions – Teacher Retirement System of Texas	G-3	58-59
Schedule of District's Proportionate Share of the Net Other Post-Employment Benefit (OPEB) Liability - Teacher Retirement System of Texas	G-4	60-61
Schedule of District's Other Post-Employment Benefit (OPEB) Contributions – Teacher Retirement System of Texas	G-5	62-63
Notes to the Required Supplementary Information		64-65

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS (CONT'D.)

	Exhibit	Page
OTHER SUPPLEMENTARY INFORMATION:		
Required Texas Education Agency Schedules		
Schedule of Delinquent Tax Receivable	J-1	66-67
National School Lunch and Breakfast Program – Budgetary Comparison Schedule	J-2	68
Debt Service Fund – Budgetary Comparison Schedule	J-3	69
Schedule of Required Responses Relative to Compensatory and Bilingual Education Programs	J-4	70
Internal Control and Compliance		
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*		71-72
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance		73-75
Schedule of Findings and Questioned Costs		76
Corrective Action Plan		77
Summary Schedule of Prior Audit Findings		78
Federal Awards		
Schedule of Expenditures of Federal Awards	K-1	79
Notes to the Schedule of Expenditures of Federal Awards		80
Schedule of Required Responses to Selected School FIRST Indicators (Unaudited)	L-1	81

INTRODUCTORY SECTION

CERTIFICATE OF BOARD

Bridgeport Independent School District	Wise	249-903
Name of School District	County	Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ✓ approved _____ disapproved for the year ended June 30, 2025, at a meeting of the Board of Trustees of such school district on the 8 day of December, 2025.

Signature of Board Secretary

Signature of Board President

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)

FINANCIAL SECTION

EDGIN, PARKMAN, FLEMING & FLEMING, PC
CERTIFIED PUBLIC ACCOUNTANTS

1401 HOLLIDAY ST., SUITE 216 • P.O. BOX 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 • FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA
JOSHUA R. HARMAN, CPA

Independent Auditor's Report

Board of Trustees
Bridgeport Independent School District
2107 15th Street
Bridgeport, Texas 76426

Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bridgeport Independent School District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District'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, each major fund, and the aggregate remaining fund information of Bridgeport Independent School District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, and schedules related to the District's participation in the Teacher Retirement System of Texas identified as Required Supplementary Information in the table of contents 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 District's basic financial statements. The accompanying other supplementary information comprised of required Texas Education Agency schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 other supplementary information comprised of required Texas Education Agency schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Required Responses to Selected School FIRST Indicators but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 1, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 District'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 District's internal control over financial reporting and compliance.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

Edgin, Parkman, Fleming & Fleming, PC

December 1, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Bridgeport Independent School District, we offer readers of the District's Annual Financial Report this narrative overview and analysis of the District's financial performance during the year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2025 by $41,192,464 (net position). The District's unrestricted net position was $3,775,584.

- During the year, the District's total net position increased by $5,185,880. The District's expenses, which totaled $29,055,327 and prior period adjustment for the implementation of GASB No. 101, Compensated Absences which was a reduction to net position of $1,535,584 were less than the District's program revenues of $7,693,702 and general revenues of $28,083,089.

- The total cost of the District's programs increased $3,040,886 or 12% from the prior year.

- The governmental funds reported a fund balance at year-end of $20,122,556, which is a decrease of $893,120.

- At the end of the current fiscal year, the unassigned fund balance of the General Fund was $16,520,981, or 73% of the total General Fund expenditures. The fund balance increased $9,127,973.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

All of the District's services are reported in the government-wide financial statements, including instruction, student support services, student transportation, general administration, school leadership, and food services. Property taxes, state and federal aid, and investment earnings finance most of the activities. Additionally, all capital and debt financing activities are reported here.

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

The *statement of net position* presents information on all the District's assets, liabilities, and deferred inflows and outflows 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 District's financial position is improving or deteriorating.

The *statement of activities* details how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected property taxes and earned but unused vacation leave).

Fund Financial Statements

The District uses fund accounting to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Some funds are required by State law and or bond covenants. Other funds may be established by the District to control and manage money for particular purposes or to evidence appropriate use of certain taxes, grants, and other special revenues.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 short-term inflows and outflows 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 the District's short-term financing requirements.

Because the focus on *governmental funds* is narrower than that of 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 District's short-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. These reconciliations facilitate the comparison between *governmental funds* and *governmental activities*.

The District maintained multiple governmental funds in fiscal year 2024-25. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance for the General Fund, SSA Special Education Fund, and Debt Service Fund, which are considered to be major funds. Financial data for the other governmental funds are combined into a single, aggregated presentation.

The ***proprietary fund*** is used to account for operations that are financed similar to those in the private sector. This fund provides both long- and short-term financial information. The District maintains only one type of proprietary fund, the *internal service fund*. The *internal service fund* is a device used to accumulate and allocate costs internally among the various functions. The District uses the *internal service fund* to report the activities for its self-funded workers' compensation program.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The District is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the District's fiduciary activities are reported in a separate statement of fiduciary net position.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements. Immediately following the *required supplementary information* is the *other supplementary information* which includes required TEA schedules.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a government's financial position. Exhibited below in Table 1 is the District's net position summarized for the *governmental activities*.

Table 1 - District's Net Position

	Governmental Activities			
	2025	2024	Change	% Change
Current and other assets	$ 24,122,592	$ 25,426,930	$ (1,304,338)	-5%
Capital assets, net	39,635,284	40,622,371	(987,087)	-2%
Total Assets	63,757,876	66,049,301	(2,291,425)	-3%
Deferred outflows	3,923,176	4,844,850	(921,674)	-19%
Current liabilities	3,112,980	3,668,288	(555,308)	-15%
Noncurrent liabilities	16,771,656	23,881,154	(7,109,498)	-30%
Total Liabilities	19,884,636	27,549,442	(7,664,806)	-28%
Deferred inflows	6,603,952	7,338,125	(734,173)	-10%
Net position:				
Net investment in capital assets	36,865,849	30,082,338	6,783,511	23%
Restricted	551,031	10,658,675	(10,107,644)	-95%
Unrestricted	3,775,584	(4,734,429)	8,510,013	-180%
Total Net Position	$ 41,192,464	$ 36,006,584	$ 5,185,880	14%

The net investment in capital assets (e.g. land, buildings, furniture, and equipment less any related debt used to acquire those assets that is still outstanding) is $36,865,849. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in 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 capital assets themselves cannot be used to liquidate these liabilities.

A portion of the District's net position, $551,031, represents resources that are subject to external restrictions on how they may be used, mostly for food service. The remaining balance of net position of $3,775,584 is reported as unrestricted net position.

Changes in Net Position

The District's total revenues, both program and general, were $35,776,791. A significant portion, 51%, of the District's revenue comes from property taxes. State aid formula grants provided 24% of the revenues, and 19% comes from operating grants and contributions. Exhibited below in Table 2 are the District's revenues for the year ended June 30, 2025 and ten months ended June 30, 2024 for the District's *governmental activities*.

Table 2 - District's Revenues

	Governmental Activities			
	2025	Percent	2024	Percent
Charges for services	$ 696,486	2%	$ 767,022	2%
Operating grants and contributions	6,908,102	19%	6,012,612	17%
Capital grants and contributions	89,114	0%	64,773	0%
Property taxes	18,371,557	51%	20,148,106	58%
State aid formula grants	8,499,942	24%	7,113,295	20%
Grants and contributions not restricted	-	0%	38,742	0%
Investment earnings	989,848	3%	786,866	2%
Miscellaneous	221,742	1%	190,119	1%
Total Revenues	$ 35,776,791	100%	$ 35,121,535	100%

Exhibited below in Table 3 are the District's expenses for the year ended June 30, 2025 and ten months ended June 30, 2024 for the District's *governmental activities*. The total cost of all programs and services was $29,055,327. Instructional and related costs totaled 50% of these costs while student support was 19%, nonstudent support was 16%, and all other costs were 15%.

Table 3 - District's Expenses

	Governmental Activities			
	2025	Percent	2024	Percent
Instructional & related	$ 14,718,474	50%	$ 13,404,691	51%
Leadership	2,176,001	7%	1,861,630	7%
Student support	5,410,681	19%	5,366,960	21%
Administrative support	1,621,595	6%	1,274,235	5%
Nonstudent support	4,691,155	16%	3,927,176	15%
Other	437,421	2%	179,749	1%
Total Expenses	$ 29,055,327	100%	$ 26,014,441	100%

Governmental Activities

Table 4 presents the various revenue categories and gross costs of each of the District's functional areas for both the current and prior year. Following the table, we provide explanations for the significant or unusual fluctuations between the two years.

Table 4 - Changes in Net Position

	Governmental Activities			
	2025	2024	Change	% Change
Revenues:				
Program revenues:				
Charges for services	$ 696,486	$ 767,022	$ (70,536)	-9%
Operating grants and contributions	6,908,102	6,012,612	895,490	15%
Capital grants and contributions	89,114	64,773	24,341	38%
General revenues:				
Property taxes	18,371,557	20,148,106	(1,776,549)	-9%
State aid formula grants	8,499,942	7,113,295	1,386,647	19%
Grants and contributions not restricted	-	38,742	(38,742)	-100%
Investment earnings	989,848	786,866	202,982	26%
Miscellaneous	221,742	190,119	31,623	17%
Total revenues	35,776,791	35,121,535	655,256	2%
Expenses:				
Instruction	14,493,761	13,262,068	1,231,693	9%
Instructional resources and media services	105,402	126,494	(21,092)	-17%
Curriculum and staff development	119,311	16,129	103,182	640%
Instructional leadership	440,026	263,797	176,229	67%
School leadership	1,735,975	1,597,833	138,142	9%
Guidance, counseling, & evaluation services	1,422,743	1,494,342	(71,599)	-5%
Health services	312,121	288,610	23,511	8%
Student transportation	875,269	800,651	74,618	9%
Food services	1,466,898	1,460,843	6,055	0%
Cocurricular/extracurricular activities	1,333,650	1,322,514	11,136	1%
General administration	1,621,595	1,274,235	347,360	27%
Facilities maintenance and operations	3,600,064	3,028,029	572,035	19%
Security and monitoring services	656,627	421,867	234,760	56%
Data processing services	434,464	477,280	(42,816)	-9%
Interest on long-term debt	111,579	(64,143)	175,722	-274%
Bond issuance costs and fees	14,300	250	14,050	5620%
Other intergovernmental charges	311,542	243,642	67,900	28%
Total expenses	29,055,327	26,014,441	3,040,886	12%
Change in net position	$ 6,721,464	$ 9,107,094	$(2,385,630)	-26%

- Operating grants and contributions increased $895,490, or 15%, mostly due to an increase in state textbook and state school safety grants from the prior year and an increase in special education federal grant funding from the prior year partly due to only a ten month fiscal year in the prior year due to the change from an August 31 to June 30 year end in the prior year.

- Property taxes decreased $1,776,549, or 9%, due to the decrease in the tax rate by approximately 12% while the taxable values only increased by approximately 4%.

- State aid formula grants increased $1,386,647, or 19%, mostly due to increased state per capita and foundation funding.

- Instruction increased $1,231,693, or 9%, from the prior year. Most of the increase is due to additional special education grant funding for instruction costs and only ten months of operations in the prior year resulting from the change to a June year-end in the prior year.

- Facilities maintenance and operations increased $572,035, from the prior year. Most of the increase is due to only ten months of operations in the prior year resulting from the change to a June year-end in the prior year.

Table 5 presents the net cost of the District's governmental functions (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars, state aid, and other miscellaneous general revenues.

Table 5 - Net Cost of Selected District Functions

	Governmental Activities			
	2025	Percent	2024	Percent
Instructional & related	$ 11,265,261	54%	$ 10,732,584	55%
Leadership	1,721,208	8%	1,494,644	8%
Student support	2,223,100	10%	2,222,331	12%
Administrative support	1,571,293	7%	1,123,898	6%
Nonstudent support	4,152,569	19%	3,659,631	19%
Other	428,194	2%	(63,054)	0%
Total Net Costs	$ 21,361,625	100%	$ 19,170,034	100%

Financial Analysis of the District's Funds

As previously stated, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and segregation for particular purposes.

Governmental Funds

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

As of June 30, 2025, the District's governmental funds reported a combined ending fund balance of $20,122,556, a decrease of $893,120 from the previous year. Table 6 illustrates the fund balances of the governmental funds.

Table 6 - Governmental Funds - Fund Balances
June 30, 2025

	General Fund	SSA Special Ed Fund	Debt Service Fund	Other Nonmajor Funds	Totals
Nonspendable:					
Prepaid items	$ 23,406	$ -	$ -	$ -	$ 23,406
Restricted for:					
Federal/state funds grant restrictions	-	-	-	551,031	551,031
Committed for:					
Construction	1,450,000	-	-	-	1,450,000
Self-insurance	50,000	-	-	-	50,000
Assigned	1,238,237	-	-	288,901	1,527,138
Unassigned	16,520,981	-	-	-	16,520,981
Total Fund Balances	$ 19,282,624	$ -	$ -	$ 839,932	$20,122,556

General Fund

At the end of the current fiscal year, the ending fund balance for the General Fund was $19,282,624. $23,406 of the fund balance was nonspendable for prepaid items, $1,450,000 was committed for future construction, $50,000 was committed for self-insurance, $1,238,237 was assigned for the 2025-26 adopted budget deficit, and the remaining $16,520,981 is unassigned. The unassigned fund balance represents 73%, or 8 months, of the total General Fund expenditures for the year ended June 30, 2025. The fund balance increased $9,127,973 in the current fiscal year.

General Fund revenues totaled $23,517,762, an increase of $1,964,454, or 9%, from the preceding year. The revenues categories with significant changes were local and intermediate sources and state program revenues. Local and intermediate sources increased $657,673, or 5%, mostly due to an increase in maintenance and operations tax revenue caused by an increase in the property tax values by 4% while the maintenance and operations tax rate did not change significantly from the prior year. State program revenues increased $1,417,846, or 18% due to increased state-aid funding.

General Fund expenditures totaled $22,561,390, an increase of $800,523, or 4%, from the preceding year. The most significant changes between years are as follows:

- Instruction expenditures increased $820,483, or 8%. The increase is mostly due to additional special education grant funding for instruction costs and only ten months of operations in the prior year resulting from the change to a June year-end in the prior year.
- General administration expenditures increased $406,859, or 32%. The increase is mostly due to the change to a June year-end in the prior year. Staff recorded to the function that are 12-month employees only had 10 months of wages and there were only 10 months of operating costs in the prior year.
- Facilities maintenance and operations expenditures increased by $632,265, or 23%. The increase is mostly due to the change to a June year-end. Staff recorded to the function that are 12-month employees only had 10 months of wages and there were only 10 months of operating costs in the prior year.
- Principal on long-term debt expenditures increased $563,075, or 464%. The increase is due to changing to a June year-end in the prior year resulting in fewer scheduled debt payments occurring in the prior year than the current year.

- Facilities acquisition and construction expenditures decreased from $2,138,028 to $0 due to the one-time purchase of land in the prior year.

The General Fund other sources and uses was a net other sources of $8,171,601 in the current year compared to a net other uses of $11,313 in the prior year. This was due to $8,171,601 transferred from the debt service fund to close the debt service fund after the remaining bonds were defeased in the current year.

SSA Special Education Fund

For 2025 the SSA Special Education Fund is a major reportable fund. This fund has no fund balance as it simply reports the revenues and expenditures of the Wise County Special Education Cooperative. The fund had revenues of $2,913,414 which was an increase of $455,940 due to additional contributions from member district needed for increased operating costs. The fund had expenditures of $2,913,414 which was an increase of $455,940 due to general increase in operating costs. The fund had no other sources or uses in the current or prior year.

Debt Service Fund

The Debt Service Fund ended fiscal year 2025 with a fund balance of $0 because the District defeased its remaining bonds in the current year and transferred the remaining fund balance of the Debt Service Fund to the General Fund. The fund balance decreased $9,617,776 in the current year.

Total revenues decreased $2,024,824, or 26%. The revenues categories with significant changes were local and intermediate sources and state program revenues. Local and intermediate sources decreased $1,907,523, or 25%, mostly due to a decrease in interest and sinking tax revenue caused by a decrease in the interest and sinking tax rate. State program revenues decreased $117,301, or 50% due to decreased state existing debt allotment funding in the current year. Total expenditures increased $1,927,800, or 1,212%, and all for debt service costs due to the change to a June year-end in the prior year resulted in the scheduled August debt payments to not fall in the prior year.

The Debt Service Fund other financing uses totaled $13,289,119 in the current year compared to $0 in the prior year. This was due to a payment to escrow of $5,117,518 for the defeasance of the Series 2020 bonds during the current year and a transfer out of $8,171,601 of the remaining fund balance of the Debt Service Fund to the General Fund after the defeasance of the bonds.

Nonmajor Funds

Nonmajor funds consist of the various special revenue funds. The total ending fund balance for nonmajor funds combined was $839,932, a decrease of $403,317 from the previous year. All restricted ending fund balance of $551,031 is for the national school lunch and breakfast program, and all of the assigned ending fund balance of $288,901 is for campus activities.

Overall, revenues increased $1,117,819, or 29%, from the preceding year. The revenues categories with significant changes were state program revenues and federal program revenues. State program revenues increased $459,472, or 142% due to increased state textbook and state school safety grant funding in the current year. Federal program revenues increased $709,811, or 25% mostly because special education grant funding increased from the prior year

Expenditures increased $1,535,878, or 40%, from the prior year. The most significant variances related to the following:

- Instruction expenditures increased $694,251, or 102%, mostly due to additional special education carryover funding for instruction costs.

- Curriculum and staff development expenditures increased from $0 to $108,700 due to increased contracted services for Title II, Part A – teacher/principal training.

- Food services expenditures increased $406,561, or 26%, mostly due to additional food service equipment purchased in the current year.

- Security and monitoring services expenditures increased from $296,566, or 173%, mostly due to the increased state school safety grant funding expended in the current year.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. With these adjustments, actual expenditures were $333,706 less than the final budget amounts. No individual functional expenditure area had a significant budget variance.

Concerning budgeted revenues, resources available were $872,823 more than the final budgeted amount. The only individual revenue category that had a significant budget variance was state program revenue which was $721,469 above final budgeted amount due to state aid funding greater than expected.

As noted previously, the original budget was amended throughout the year. Some of the budget line items in the original budget were materially different than the final adopted budget as follows:

- Local and intermediate sources increased $824,761 to allow for anticipated greater maintenance and operations tax collections than in the original budget.

- State program revenues increased $396,487 due to the anticipation of an increase in state aid funding than in the original budget.

- Instruction expenditures increased $237,376 mostly to allow for one-time incentive payments to all employees and additional instruction staff for the increase in students than in the original budget.

- Facilities maintenance and operations expenditures decreased $285,061 mostly due to lower utility costs than originally budgeted and fewer maintenance projects than originally budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the District had invested in a broad range of capital assets totaling $39,635,284, net of accumulated depreciation, including land, buildings and improvements, furniture and equipment, and right-to-use leased furniture and equipment. See Table 7 below.

Table 7 - Capital Assets, Net

	2025	2024	Change	% Change
Land	$ 3,188,381	$ 3,188,381	$ -	0%
Buildings and improvements	34,185,323	35,193,494	(1,008,171)	-3%
Furniture and equipment	2,125,207	2,049,293	75,914	4%
Right-to-use leased furniture and equipment	136,373	191,203	(54,830)	-29%
Totals	$39,635,284	$40,622,371	$ (987,087)	-2%

Capital assets, net of accumulated depreciation, decreased $987,087, or 2%, from the previous year. Additional information about the District's capital assets is presented in the notes to the financial statements.

Long-term Debt

At June 30, 2025, the District had $2,351,463 in long-term debt outstanding as shown in Table 8 below.

Table 8 - Long-term Debt

	2025	2024	Change	% Change
General obligation bonds	$ -	$ 6,350,000	$ (6,350,000)	-100%
Bond premiums	-	1,192,221	(1,192,221)	-100%
Notes payable	2,233,005	2,863,895	(630,890)	-22%
Right-to-use lease liabilities	118,458	183,680	(65,222)	-36%
Totals	$ 2,351,463	$ 10,589,796	$ (8,238,333)	-78%

The District's bonds presently carry a rating of "AAA" with S&P Global Ratings and an underlying rating of "A+". Additional information about the District's long-term debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Revenues in the General Fund's 2025-26 budget are $22,401,227, a decrease of $1,116,535, or 5%, from the General Fund's actual 2024-25 revenues. Local revenues are budgeted to decrease $54,747 due to the decrease in maintenance and operations property tax and state program revenues are budgeted to decrease $1,067,773 due to the state-aid funding decrease.

The General Fund budgeted expenditures for 2025-26 are $23,639,464, an increase of $1,078,074, or 5%, from the prior year's actual expenditures. The most significant changes between years are:

- Instruction expenditures are budgeted to increase $358,183, or 3%, mostly due to increased curriculum purchases from the General Fund in fiscal year 2025-26 because state instructional material funding will be used primarily for Chromebook and student technology purchases. In addition, increased medical contributions are anticipated for ACA compliance.

- Facilities maintenance and operations expenditures are budgeted to increase $397,713, or 12%, mostly due to anticipated increased utility and property insurance costs and all budgeted open positions are included in the budget.

- Payments to shared services arrangements expenditures are budgeted to increase $191,489, or 25%, due to increased contributions required to be made to the special education cooperative mostly due to exhausted special education federal ARP and IDEA-B carryover funding for the special education program in prior years.

If the budget is maintained, the District's General Fund's fund balance is budgeted to decrease $1,238,237 from the balance at June 30, 2025. The budgeted decrease is included in the District's assigned fund balance at June 30, 2025.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office.

BASIC FINANCIAL STATEMENTS

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

Data Control Codes		1 Governmental Activities
	Assets	
1110	Cash and cash equivalents	$ 774,096
1120	Current investments	18,013,145
1225	Property taxes receivable, net	919,566
1240	Due from other governments	4,392,379
1410	Unrealized expenses	23,406
	Capital assets:	
1510	Land	3,188,381
1520	Buildings and improvements, net	34,185,323
1530	Furniture and equipment, net	2,125,207
1550	Right-to-use leased assets, net	136,373
1000	Total assets	63,757,876
	Deferred outflows of resources	
1705	Pension-related outflows	1,597,944
1706	OPEB-related outflows	2,325,232
1700	Total deferred outflows of resources	3,923,176
	Liabilities	
2110	Accounts payable	526,490
2140	Accrued interest payable	35,921
2150	Payroll deductions and withholdings	6,393
2160	Accrued wages payable	1,897,147
2180	Due to other governments	469,869
2200	Accrued expenses	172,131
2300	Unearned revenues	5,029
	Noncurrent liabilities:	
2501	Portion due or payable within one year	1,781,704
2502	Portion due or payable after one year	2,046,120
2540	Net pension liability	7,507,641
2545	Net OPEB liability	5,436,191
2000	Total liabilities	19,884,636
	Deferred inflows of resources	
2601	Deferred gain on refunding bonds	417,972
2605	Pension-related inflows	829,000
2606	OPEB-related inflows	5,356,980
2600	Total deferred inflows of resources	6,603,952
	Net Position	
3200	Net investment in capital assets	36,865,849
	Restricted for:	
3850	Food service	551,031
3900	Unrestricted	3,775,584
3000	Total net position	$ 41,192,464

See accompanying notes to the basic financial statements.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues: Charges for Services	4 Program Revenues: Operating Grants and Contributions	5 Program Revenues: Capital Grants and Contributions	6 Net (Expense) Revenue and Changes in Net Position: Governmental Activities
	Governmental activities:					
11	Instruction	$ 14,493,761	$ 7,200	$ 3,333,182	$ -	$ (11,153,379)
12	Instructional resources and media services	105,402	-	4,131	-	(101,271)
13	Curriculum and staff development	119,311	-	108,700	-	(10,611)
21	Instructional leadership	440,026	-	62,760	-	(377,266)
23	School leadership	1,735,975	-	392,033	-	(1,343,942)
31	Guidance, counseling, & evaluation services	1,422,743	-	1,088,407	-	(334,336)
33	Health services	312,121	-	47,445	-	(264,676)
34	Student transportation	875,269	-	27,701	-	(847,568)
35	Food services	1,466,898	332,672	1,312,893	-	178,667
36	Cocurricular/extracurricular activities	1,333,650	356,614	21,849	-	(955,187)
41	General administration	1,621,595	-	50,302	-	(1,571,293)
51	Facilities maintenance and operations	3,600,064	-	56,614	-	(3,543,450)
52	Security and monitoring services	656,627	-	378,687	89,114	(188,826)
53	Data processing services	434,464	-	14,171	-	(420,293)
72	Interest on long-term debt	111,579	-	9,227	-	(102,352)
73	Bond issuance costs and fees	14,300	-	-	-	(14,300)
99	Other intergovernmental charges	311,542	-	-	-	(311,542)
	Total governmental activities	$ 29,055,327	$ 696,486	$ 6,908,102	$ 89,114	(21,361,625)
	General revenues:					
MT	Property taxes, levied for general purposes					13,168,077
DT	Property taxes, levied for debt service					5,203,480
IE	Investment earnings					989,848
SF	State aid formula grants					8,499,942
MI	Miscellaneous					221,742
TR	Total general revenues					28,083,089
CN	Change in net position					6,721,464
NB	Net position - beginning, as originally stated					36,006,584
PA	Change in accounting principle					(1,535,584)
	Net position - beginning, as restated					34,471,000
NE	Net position - ending					$ 41,192,464

See accompanying notes to the basic financial statements.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2025

Data Control Codes		10 General Fund	SSA Special Ed Fund	50 Debt Service Fund
	Assets			
1110	Cash and cash equivalents	$ 142,903	$ 624,865	$ -
1120	Current investments	17,609,209	344,263	-
1225	Property taxes receivable (net)	919,566	-	-
1240	Due from other governments	3,087,453	-	-
1260	Due from other funds	389,656	-	-
1410	Unrealized expenditures	23,406	-	-
1000	Total assets	$ 22,172,193	$ 969,128	$ -
	Liabilities			
2110	Accounts payable	$ 372,076	$ 64,143	$ -
2150	Payroll deductions and withholdings	6,393	-	-
2160	Accrued wages payable	1,476,686	178,859	-
2170	Due to other funds	-	240,282	-
2180	Due to other governments	-	469,869	-
2200	Accrued expenditures	114,848	15,975	-
2300	Unearned revenues	-	-	-
2000	Total liabilities	1,970,003	969,128	-
	Deferred inflows of resources			
	Unavailable property taxes	919,566	-	-
2600	Total deferred inflows of resources	919,566	-	-
	Fund balances			
	Nonspendable:			
3430	Prepaid items	23,406	-	-
	Restricted:			
3450	Federal/state funds grant restrictions	-	-	-
	Committed:			
3525	Retirement of long-term debt	1,450,000	-	-
3540	Self-insurance	50,000	-	-
3590	Assigned	1,238,237	-	-
3600	Unassigned	16,520,981	-	-
3000	Total fund balances	19,282,624	-	-
4000	Total liabilities, deferred inflows of resources and fund balances	$ 22,172,193	$ 969,128	$ -

See accompanying notes to the basic financial statements.

Nonmajor Funds	98 Total Governmental Funds
$ -	$ 767,768
59,673	18,013,145
-	919,566
1,304,926	4,392,379
-	389,656
-	23,406
$ 1,364,599	$ 24,505,920
$ 90,271	$ 526,490
-	6,393
241,602	1,897,147
149,374	389,656
-	469,869
38,391	169,214
5,029	5,029
524,667	3,463,798
-	919,566
-	919,566
-	23,406
551,031	551,031
-	1,450,000
-	50,000
288,901	1,527,138
-	16,520,981
839,932	20,122,556
$ 1,364,599	$ 24,505,920

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total fund balances - governmental funds (Exhibit C-1)		$ 20,122,556
Amounts reported for *governmental activities* in the Statement of Net Position (Exhibit A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. Capital assets at year-end consist of:		
Gross capital assets	$ 72,976,166	
Related accumulated depreciation	33,340,882	39,635,284
Property taxes receivable are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.		919,566
Long-term liabilities are not due and payable in the current period and therefore not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Notes payable	2,233,005	
Right-to-use lease liabilities	118,458	
Compensated absences	1,476,361	(3,827,824)
Deferred gain on refunding are expended in the fund level financial statements; however, they are capitalized and amortized in the government-wide financial statements:		(417,972)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, interest expenditures are recorded only when due.		(35,921)
The District's net pension liability and related deferred outflows and inflows related to its proportionate share of the Teacher Retirement System pension and OPEB plans are not due and payable in the current period and are, therefore, not reported in the governmental funds financial statements. These items consist of:		
Net pension liability	7,507,641	
Deferred outflows - pension related items	(1,597,944)	
Deferred inflows - pension related items	829,000	
Net OPEB liability	5,436,191	
Deferred outflows - OPEB related items	(2,325,232)	
Deferred inflows - OPEB related items	5,356,980	(15,206,636)
An internal service fund is used by management to charge the costs of workers' compensation claims to the individual funds. The assets and liabilities of the internal service fund are included with the governmental activities.		3,411
Total net position - governmental activities (Exhibit A-1)		$ 41,192,464

See accompanying notes to the basic financial statements.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		10 General Fund	SSA Special Ed Fund	50 Debt Service Fund
	Revenues			
5700	Local and intermediate sources	$ 14,026,747	$ 2,770,976	$ 5,640,053
5800	State program revenues	9,476,371	142,438	118,090
5900	Federal program revenues	14,644	-	-
5020	Total revenues	23,517,762	2,913,414	5,758,143
	Expenditures			
	Current:			
0011	Instruction	10,612,238	2,260,634	-
0012	Instructional resources and media services	107,326	-	-
0013	Curriculum and staff development	10,611	-	-
0021	Instructional leadership	400,422	66,031	-
0023	School leadership	1,354,585	494,506	-
0031	Guidance, counseling, & evaluation services	444,895	24,854	-
0033	Health services	281,280	46,060	-
0034	Student transportation	772,940	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	1,004,917	-	-
0041	General administration	1,679,417	-	-
0051	Facilities maintenance and operations	3,340,809	8,507	-
0052	Security and monitoring services	270,190	-	-
0053	Data processing services	385,592	-	-
	Debt service:			
0071	Principal on long-term debt	684,306	11,243	1,800,000
0072	Interest on long-term debt	132,160	1,579	272,500
0073	Bond issuance costs and fees	-	-	14,300
	Intergovernmental charges:			
0093	Payments to shared service arrangements	768,160	-	-
0099	Other intergovernmental charges	311,542	-	-
6030	Total expenditures	22,561,390	2,913,414	2,086,800
1100	Excess of revenues over (under) expenditures	956,372	-	3,671,343
	Other Financing Sources (Uses)			
7915	Transfers in	8,171,601	-	-
8911	Transfers out	-	-	(8,171,601)
8949	Other uses	-	-	(5,117,518)
7080	Total other financing sources (uses)	8,171,601	-	(13,289,119)
1200	**Net change in fund balance**	9,127,973	-	(9,617,776)
0100	**Fund balances - beginning**	10,154,651	-	9,617,776
3000	**Fund balances - ending**	$ 19,282,624	$ -	$ -

See accompanying notes to the basic financial statements.

Nonmajor Funds	98 Total Governmental Funds
$ 610,809	$ 23,048,585
783,186	10,520,085
3,530,484	3,545,128
4,924,479	37,113,798
1,376,909	14,249,781
2,560	109,886
108,700	119,311
-	466,453
13,658	1,862,749
1,053,683	1,523,432
3,509	330,849
-	772,940
1,972,177	1,972,177
327,223	1,332,140
-	1,679,417
1,576	3,350,892
467,801	737,991
-	385,592
-	2,495,549
-	406,239
-	14,300
-	768,160
-	311,542
5,327,796	32,889,400
(403,317)	4,224,398
-	8,171,601
-	(8,171,601)
-	(5,117,518)
-	(5,117,518)
(403,317)	(893,120)
1,243,249	21,015,676
$ 839,932	$ 20,122,556

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds (Exhibit C-2)		$ (893,120)
Amounts reported for *governmental activities* in the Statement of Activities (Exhibit B-1) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. The net difference between the two is as follows:		
Capital outlay during the year	$ 699,348	
Depreciation expense for the year	1,686,435	(987,087)
Because property tax receivables will not be collected for several months after the District's fiscal year ends, they are not considered 'available' revenues and are deferred in the governmental funds. Deferred inflows increased by this amount this year.		6,453
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year long-term debt principal payments are summarized as follows:		
General obligation bonds	1,800,000	
Notes payable	630,890	
Right-to-use lease liabilities	65,222	2,496,112
During the year, the District refunded previously issued bonds. The payment to the escrow agent was recorded as an other use in the fund-level financial statements. However, the difference between the amount and the remaining general obligation bonds payable and unamorized bond premium is capitalized and amortized as part of the gain on refunding bonds in the government-wide financial statements.		5,117,518
Changes in liabilities for compensated absences are not reflected in the governmental fund financial statements, but are reported as the net change in long-term liabilities of the government-wide statements. The liability for compensated absences increased by:		59,223
Interest is accrued on long-term debt in the government-wide financial statements, whereas interest is reported when due in the governmental fund financial statements. Accrued interest decreased by:		137,129
The premium on the current interest bonds and the deferred loss on refunding is amortized over the term of the respective bonds. The net amortization for the year was:		156,968
The District participates in a defined benefit pension plan. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, pension expenses are recognized on an actuarial basis. Payments were less than the actuarial expense in the current year.		(182,550)
The District participates in an OPEB plan through TRS. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, OPEB expenses are recognized on an actuarial basis. Payments were more than the actuarial expense in the current year.		810,310
An internal service fund is used by management to charge the costs of workers' compensation claims to the individual funds. The net revenue of the internal service fund is reported with governmental activities.		508
Change in net position of governmental activities (Exhibit B-1)		$ 6,721,464

See accompanying notes to the basic financial statements.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
JUNE 30, 2025

Data Control Codes		Governmental Activities Internal Service Fund
	Assets	
	Current assets:	
1110	Cash and cash equivalents	$ 6,328
	Total current assets	6,328
1000	Total assets	6,328
	Liabilities	
	Current liabilities:	
2200	Accrued expenses	2,917
	Total current liabilities	2,917
2000	Total liabilities	2,917
	Net Position	
3900	Unrestricted	3,411
3000	Total net position	$ 3,411

See accompanying notes to the basic financial statements.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Governmental Activities Internal Service Fund
	Operating revenues:	
5700	Internal service charges	$ 859
5020	Total operating revenues	859
	Operating expenses:	
6100	Payroll costs	351
6030	Total operating expenses	351
1300	Change in net position	508
	Net position - beginning	2,903
	Net position - ending	$ 3,411

See accompanying notes to the basic financial statements.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities Internal Service Fund
Cash flows from operating activities:	
Cash received from user charges	$ 859
Cash payments to employees for services	(351)
Net cash flows provided by operating activities	508
Net Increase in Cash and Cash Equivalents	508
Cash and Cash Equivalents - Beginning	5,820
Cash and Cash Equivalents - Ending	$ 6,328
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 508
Adjustments to reconcile operating income to net cash flows provided by operating activities:	
Decrease (increase) in assets and deferred outflows:	
None	-
Increase (decrease) in liabilities and deferred inflows:	
None	-
Total adjustments	-
Net cash flows provided by operating activities	$ 508

See accompanying notes to the basic financial statements.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

Data Control Codes		Private-Purpose Trust Fund Local Scholarship Funds	Custodial Funds Student Activity
	Assets		
1110	Cash and cash equivalents	$ -	$ 68,181
1410	Deferred expenses	-	814
1800	Restricted assets	22,465	-
1900	Long-term investments	310,365	-
1000	Total assets	332,830	68,995
	Liabilities		
	Current Liabilities:		
2110	Accounts payable	-	1,607
2000	Total liabilities	-	1,607
	Net Position		
3800	Held in trust	332,830	67,388
	Total net position	$ 332,830	$ 67,388

See accompanying notes to the basic financial statements.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Private-Purpose Trust Fund	Custodial Funds
	Local Scholarship Funds	Student Activity
Additions		
Gifts and contributions	$ 48,810	$ -
Investment income	6,593	-
Student activity	-	57,889
Total additions	55,403	57,889
Deductions		
Scholarship awards	48,137	-
Student activity	-	71,638
Total deductions	48,137	71,638
Change in net position	7,266	(13,749)
Net position - beginning of year	325,564	81,137
Net position - end of year	$ 332,830	$ 67,388

See accompanying notes to the basic financial statements.

A. Summary of Significant Accounting Policies

The basic financial statements of Bridgeport Independent School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (Resource Guide). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees (Board), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity except for the Bridgeport ISD Education Foundation, Inc. (Foundation).

The Foundation was established as a not-for-profit entity to provide assistance and support for teachers and students to develop special programs and projects and support other District activities. This entity is a related organization of the District as defined by GASB Statement No. 14. The members of the board of the Foundation are appointed by an outside taxpayer group; however, the sole purpose of the organization is for the support of the District and due to the fact that the assets held by the Education Foundation are material, the assets, liabilities, net position, current year earnings and expense have been included as a fiduciary fund component unit.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

SSA – Special Education Fund: This special revenue fund accounts for the activities of the Wise County SSA, for which the District is the fiscal agent. The SSA provides special education services to students in the six member districts. This is not a budgeted fund.

Debt Service Fund: This fund is used to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

In addition, the District reports the following fund types:

Governmental Funds:

Special Revenue Funds: The District accounts for activities funded with restricted or committed revenues in special revenue funds. Most federal and some state grant programs are accounted for in these funds.

Proprietary Funds:

Internal Service Fund: This fund is used to account for revenues and expenses related to self-funded workers' compensation services provided to parties inside the District. This fund facilitates distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

The Internal Service Fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Internal Service Fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds:

Private-Purpose Trust Fund: The District accounts for donations for which the donor stipulated that both the principal and income may be used for purposes that benefit parties outside the District.

Custodial Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are reported in the fiduciary fund financial statements. Because their assets are held in a custodial capacity and are, therefore, not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual

concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash and cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

At June 30, 2025, net property taxes receivable is calculated as follows:

Gross property taxes receivable	$1,173,416
Allowance for uncollectible taxes	(253,850)
Net property taxes receivable	$ 919,566

c. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Deferred Outflows/Inflows of Resources

Deferred outflows of resources refers to the consumption of net assets that are applicable to a future reporting period. Deferred outflows of resources has a positive effect on net position, similar to assets. Notwithstanding the similarities, Concepts Statement 5 clearly establishes that deferred outflows of resources are not assets.

Deferred inflows of resources refers to the acquisition of net assets that are applicable to a future reporting period. Deferred inflows of resources has a negative effect on net position, similar to liabilities. Notwithstanding the similarities, Concepts Statement 5 clearly establishes that deferred inflows of resources are not liabilities.

e. Compensated Absences

The District implemented GASB Statement 101, *Compensated Absences,* during the year ended June 30, 2025. District policy permits employees to accumulate earned, but unused state, local, vacation and employee wellness leave with no limit to accumulated days except a maximum of 20 days for local leave and vacation days which do not accumulate but are paid at termination. No other leave is paid at termination or retirement. When calculating the compensated absences liability, the District uses the first-in, first-out policy and caps the unlimited accumulated leave at 30 days per employee for state and local leave based on expected days of the balance to be used considering the loss of days from employees leaving the District and retiring.

f. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. 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. A capitalization threshold of $5,000 is used.

Capital assets are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Lives
Buildings	60 years
Building improvements	7 - 40 years
Furniture and equipment	5 - 20 years
Right-to-use leased furniture and equipment	4 - 5 years

g. Right-to-Use Leases

The District is a lessee for four noncancellable leases for furniture and equipment. The District recognizes lease liabilities, reported with long-term debt, and right-to-use lease assets (lease assets), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease.

Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the District is reasonably certain to exercise, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

h. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables, except for delinquent taxes receivable, which are not scheduled for collection within one year of year end. Of the $1,173,416 outstanding at June 30, 2025, it is expected that the District will collect approximately $500,000 during the upcoming year.

i. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line on the government-wide statement of net position.

j. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

The amount of Foundation revenues a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is reasonably possible that Foundation revenue estimates as of June 30, 2025 will change.

k. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

l. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action (passage of resolution) by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. At June 30, 2025, the Board of Trustees have committed fund balances of $1,450,000 for the retirement of long-term debt and $50,000 for self-insurance.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Per the fiscal management policies adopted by the Board of Trustees, the Board of Trustees, Superintendent and Chief Financial Officer are authorized to assign amounts for specific purposes. Specific amounts that are not restricted or committed in a special revenue, capital projects, or debt service fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself. At June 30, 2025, $1,238,237 has been assigned for the adopted deficit budget in the General Fund for the year ending June 30, 2026.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

m. Fund Balance Flow Assumptions

The District will sometimes fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, and then, finally, unassigned fund balance.

n. Net Position Flow Assumptions

Consistent with the aforementioned policy for fund balance flow assumptions, the District considers amounts to have been spent first out of restricted net position when an expense is incurred for which restricted and unrestricted net position are available.

o. Pension

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS' fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

p. Other Post-Employment Benefits

The fiduciary net position of the TRS's Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

The District had no violations of finance-related legal and contractual provisions for the year ended June 30, 2025, except for expending more than the General Fund budgeted amounts in the functional areas of interest on long-term debt ($5,142) and payments to shared service arrangements ($41,782).

2. Deficit Fund Balance or Fund Net Position of Individual Funds

The District did not incur a deficit fund balance in any fund during the current school year.

C. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

1. Cash Deposits:

At June 30, 2025, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $774,095 and the bank balance was $1,038,794. The District's cash deposits at June 30, 2025, and during the year ended June 30, 2025, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act (Act) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District's investments at June 30, 2025, are shown below.

Investment or Investment Type	Weighted Average Maturity (Days)	Fair Value
TexPool Investment Pool	41	$18,013,145

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability. The District values its investment in TexPool investment pool at net asset value per unit/share.

Public Funds Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. The District participates in the following public funds investment pool:

TexPool Investment Pool

The TexPool Local Government Investment Pool (TexPool) is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAm by Standard & Poor's. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average $1.00 per unit net asset value; however, the $1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

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

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate charges. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Private-Purpose Trust Funds

The Bridgeport ISD Education Foundation is reported as a private-purpose trust fund and had long-term investments in the Statement of Fiduciary Net Position consisting of the following as of June 30, 2025:

Investment or Investment Type	Weighted Average Maturity (Days)	Fair Value
Certificates of deposit	149	$147,542
Money market	1	4,701
Variable annuity	1	158,122
		$310,365

The certificate of deposit and money market accounts are valued based on their bank statements and the variable annuity is valued at fair value based on published values (Level 2).

D. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 3,188,381	$ -	$ -	$ 3,188,381
Total capital assets not being depreciated	3,188,381	-	-	3,188,381
Capital assets being depreciated:				
Buildings and improvements	60,730,295	125,116	-	60,855,411
Furniture and equipment	7,819,549	574,232	-	8,393,781
Right-to-use leased furniture and equipment	538,593	-	-	538,593
Total capital assets being depreciated	69,088,437	699,348	-	69,787,785
Less accumulated depreciation for:				
Buildings and improvements	25,536,801	1,133,287	-	26,670,088
Furniture and equipment	5,770,256	498,318	-	6,268,574
Right-to-use leased furniture and equipment	347,390	54,830	-	402,220
Total accumulated depreciation	31,654,447	1,686,435	-	33,340,882
Total capital assets being depreciated, net	37,433,990	(987,087)	-	36,446,903
Governmental activities capital assets, net	$40,622,371	($ 987,087)	$ -	$39,635,284

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	$1,006,743
School Leadership	11,604
Student Transportation	133,571
Food Services	50,702
Extracurricular Activities	36,163
General Administration	5,833
Facilities Maintenance and Operations	366,715
Security and Monitoring Services	10,332
Data Processing Services	64,772
Total governmental depreciation	$1,686,435

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and from other funds at June 30, 2025, consist of the following:

Due To Fund	Due From Fund		Amount	Purpose
General Fund	SSA Special Ed. Fund		$240,282	Short-term loan
General Fund	Nonmajor Funds		149,374	Short-term loan
		Total	$389,656	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Balances transferred to and from other funds during the year ended June 30, 2025, consisted of the following:

Transfers From	Transfers To	Amount	Purpose
Debt Service Fund	General Fund	$8,171,601	Close fund

F. Long-Term Obligations

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	$ 6,350,000	$ -	$6,350,000	$ -	$ -
Premium on bonds	1,192,221	-	1,192,221	-	-
Notes payable	2,863,895	-	630,890	2,233,005	664,315
Right-to-use leases payable	183,680	-	65,222	118,458	67,879
Compensated absences*	1,535,584	-	59,223	1,476,361	1,049,510
Total Governmental Activities	$12,125,380	$ -	$8,297,556	$3,827,824	$1,781,704

* Compensated absences displayed as increases or decreases represent the net change in the liability. Compensated absences are typically liquidated in the General Fund.

The decrease of general obligation bonds include $4,550,000 of bonds defeased and the decrease in premium on bonds includes $985,490 of bonds defeased during the year ended June 30, 2025.

2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2025, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2026	$ 732,194	$ 99,756	$ 831,950
2027	671,192	64,441	735,633
2028	544,459	34,452	578,911
2029	403,618	10,312	413,930
Totals	$2,351,463	$208,961	$2,560,424

3. General Obligation Bonds

A summary of changes in general obligation bonds for the year ended June 30, 2025, is as follows:

	Amounts Outstanding 7/1/24	Issued	Retired	Amounts Outstanding 6/30/25
Unlimited Tax Refunding Bonds, Series 2020, Original Issue of $14,560,000, Interest 5.00%	$6,350,000	$ -	$6,350,000	$ -

4. Advanced Refunding of Debt

The District defeased the Series 2020 unlimited tax refunding bonds in the current year by placing the necessary funds in an irrevocable trust to provide for the future debt service payments of those bonds. This refunding decreased the total future debt service requirements by $5,109,250 and resulted in an economic loss of $8,268.

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt" provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of June 30, 2025, the balance of the Series 2020 unlimited tax refunding bonds that has been refunded and defeased in-substance by placing the existing assets in an irrevocable trust to provide for the future debt service payments totaled $4,550,000. This amount will be paid in subsequent years when they become callable.

5. Notes Payable

A summary of changes in notes payable for the year ended June 30, 2025, is as follows:

	Amounts Outstanding 7/1/24	Issued	Retired	Amounts Outstanding 6/30/25
2013 QSCB Maintenance Tax Notes, original issue of $5,900,000, interest at 5.11%, annual principal payments of $275,000 to $535,000 through 8/15/2028, secured by pledge of maintenance and operations taxes	$2,393,618	$ -	$460,000	$1,933,618
KS State Bank note payable, original amount of $492,240, interest at 6.00%, monthly payments of $9,516 until November 2026	252,839	-	99,629	153,210

CSI Leasing payable, original amount $292,397, interest at 1.70%, annual payments of $74,958 until July 2026	217,438	-	71,261	146,177
	$2,863,895	$ -	$630,890	$2,233,005

Debt service requirements for the above listed notes payable are as follows:

Year Ending June 30,	Notes Payable Principal	Interest	Total
2026	$ 664,315	$ 96,253	$ 760,568
2027	630,072	63,460	693,532
2028	535,000	34,294	569,294
2029	403,618	10,312	413,930
Totals	$2,233,005	$204,319	$2,437,324

The notes are authorized by Title 1 Texas Administrative Code, Chapter 5.401.

6. Right-to-use Leases Payable

The Public Property Finance Act authorizes the District to enter into lease agreements for the purchase of personal property.

The District leased copiers with an initial lease value of $216,130. Forty-eight monthly payments of $4,880 are due each month beginning in December 2022. The lease is computed at the District's incremental borrowing rate of 4.00%.

The District leased copiers with an initial lease value of $58,018. Sixty monthly payments of $1,068 are due each month beginning in April 2023. The lease is computed at the District's incremental borrowing rate of 4.00%.

The assets under right-to-use leases payable and related accumulated depreciation at June 30, 2025 are included in right-to-use leased furniture and equipment in Note D.

Debt service requirements on the right-to-use leases payable at June 30, 2025 are as follows:

Year Ending June 30,	Right-to-use Leases Payable Principal	Interest	Total
2026	$ 67,879	$3,503	$ 71,382
2027	41,120	981	42,101
2028	9,459	158	9,617
Totals	$118,458	$4,642	$123,100

G. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2025, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

The District has elected to participate in a self-insurance plan for workers' compensation benefits. The plan is authorized by Section 504.011 of the Labor Code. Claims Administrative Services, Inc. acts as third-party administrator of the Texas Educational Insurance Association.

H. Defined Benefit Pension Plan

1. Plan Description

The District participates in a multiple-employer, cost-sharing, defined benefit pension plan that has a special funding situation. The plan is administered by TRS. It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

2. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at attention Finance Division, P.O. Box 149676, Austin, Texas 78714-0185; or by calling 1-800-223-8778.

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using a 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on the date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc COLA.

One-Time Stipends

Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- A one-time $7,500 stipend to eligible annuitants who are 75 years of age and older
- A one-time $2,400 stipend to eligible annuitants age 70 to 74

Cost-of-Living Adjustment

A COLA was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

Texas Government Code section 821.006 prohibits benefit improvements if, as a result of a particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

4. Contributions

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution, which requires the Texas Legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 thru 2025.

Contribution Rates	2024	2025
Members (Employees)	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employer (District)	8.25%	8.25%
Members (Employees)	$1,158,403	$1,360,136
Non-Employer Contributing Entity (State)	$ 824,517	$ 953,816
Employer (District)	$ 585,614	$ 690,791

Contributors to the Plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools, and state agencies including TRS. In each respective role, the State contributes to the Plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as employer for senior colleges, universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is a surcharge an employer is subject to:

- All public schools, charter schools, and regional education service centers must contribute 1.9% of the member's salary beginning in fiscal year 2024, gradually increasing to 2% in fiscal year 2025.

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

5. Actuarial Assumptions

The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2024	3.87% - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a Portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

6. Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.54% of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan 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.

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2024 are summarized below:

Asset Class	Target Allocation % **	Long-term Expected Geometric Real Rate of Return ***	Expected Contribution to Long-term Portfolio Returns
Global Equity			
USA	18.0%	4.4%	1.0%
Non-U.S. Developed	13.0%	4.2%	0.8%
Emerging Markets	9.0%	5.2%	0.7%
Private Equity	14.0%	6.7%	1.2%
Stable Value			
Government Bonds	16.0%	1.9%	0.4%
Stable Value Hedge Funds	5.0%	3.0%	0.2%
Absolute Return *	0.0%	4.0%	0.0%
Real Return			
Real Estate	15.0%	6.6%	1.2%
Energy, Natural Resources and Infrastructure	6.0%	5.6%	0.4%
Commodities	0.0%	2.5%	0.0%
Risk Parity	8.0%	4.0%	0.4%
Asset Allocation Leverage			
Cash	2.0%	1.0%	0.0%
Asset Allocation Leverage	-6.0%	1.3%	-0.1%
Inflation Expectation			2.4%
Volatility Drag ****			-0.7%
Expected Return	100.00%		7.9%

* Absolute Return includes Credit Sensitive Investments.
** Target allocations are based on the FY2024 policy model.
*** Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023).
****The volatility drag results from the conversion between arithmetic and geometric mean returns.

7. Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.00%, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	$11,991,604	$7,507,641	$3,792,358

8. Pension Liabilities, Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a liability of $7,507,641 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for the State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 7,507,641
State's proportionate share that is associated with the District	10,393,022
Total	$17,900,663

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At August 31, 2024, the District's proportion of the collective net pension liability was 0.0122906473%, which was a decrease of 0.0010963320% from its proportion measured as of August 31, 2023.

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

The Texas 2023 Legislature passed SB 10, which provided a stipend payment to certain retirees and variable ad hoc COLAs to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and HJR 2 of the 88th Regular Legislative Session appropriated payments of $1.645 billion for one-time stipends and $3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

The amount of pension expense recognized by the District in the reporting period was $878,161.

For the year ended June 30, 2025, the District recognized pension expense of $1,242,140 and revenue of $958,814 for support provided by the State.

At June 30, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual actuarial experience	$ 413,811	$ 58,616
Changes in actuarial assumptions	387,636	51,969
Difference between projected and actual investment earnings	45,636	-
Changes in proportion and difference between District contributions and proportionate share of contributions	162,258	718,415
Contributions paid to TRS subsequent to the measurement date of the net pension liability	588,603	-
Total	$1,597,944	$829,000

$588,603 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the plan year ending August 31, 2025. The net amounts of the District's balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended August 31	Pension Expense Amount	Balance of Deferred Outflows (Deferred Inflows)
2025	($128,936)	$309,277
2026	689,609	(380,332)
2027	(21,456)	(358,876)
2028	(318,804)	(40,072)
2029	(40,072)	-

I. Defined Other Post-Employment Benefit Plans

1. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing, defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

2. OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in the separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at P.O. Box 149676, Austin, Texas 78714-0185; or by calling 1-800-223-8778.

3. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public and charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table.

TRS-Care Monthly Premium Rates		
	Medicare	Non-Medicare
Retiree or Surviving Spouse	$ 135	$200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

4. Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and participating employees are based on active employee compensation. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is .75% of each active employee's pay for fiscal year 2024. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates

	2024	2025
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%
Employer Contributions	$138,488	$153,903
Member Contributions	$ 91,268	$107,162
NECE On-behalf Contributions	$159,992	$187,597

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether they participate in the TRS Care OPEB program). When hiring a TRS retiree, employers are required to pay to TRS Care a monthly surcharge of $535 per retiree.

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total OPEB liability to August 31, 2024. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

Rates of Mortality	Rates of Disability
Rates of Retirement	General Inflation
Rates of Termination	Wage Inflation

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Aging Factors	Based on the Societies of Actuaries' 2013 Study "Health Care Costs – From Birth to Death"
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	2.95% to 8.95%, including inflation
Healthcare Trend Rates	The initial medical trend rate was 6.75% for non-Medicare retirees. For Medicare retirees, trend rates are higher in the first two years due to anticipated growth but thereafter match those of non-Medicare retirees. The initial prescription drug trend rate was 7.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 11 years.
Election Rates	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

6. Discount Rate

A single discount rate of 3.87% was used to measure the total OPEB liability. This was a decrease of 0.26% in the discount rate since the previous year.

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the single discount rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Bond Buyer's "20-Bond GO Index" as of August 31, 2024, using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (3.87%) in measuring the net OPEB liability.

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
District's proportionate share of the net OPEB liability	$6,458,449	$5,436,191	$4,610,191

The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$4,426,970	$5,436,191	$6,751,306

8. OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEBs

At June 30, 2025, the District reported a liability of $5,436,191 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for the State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	$ 5,436,191
State's proportionate share that is associated with the District	6,811,473
Total	$12,247,664

The net OPEB liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At August 31, 2024, the District's proportion of the collective net OPEB liability was 0.0179107623%, which was a decrease of 0.0005901798% from its proportion measured as of August 31, 2023.

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

- The discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- The tables used to model the impact of aging on the underlying claims were revised.

Changes of Benefit Terms Since the Prior Measurement Date

There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was negative $656,201.

For the year ended June 30, 2025, the District recognized OPEB expense of negative $885,366 and revenue of $203,851 for support provided by the State.

At June 30, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual economic experience	$1,041,935	$2,712,954
Changes in actuarial assumptions	695,768	1,773,766
Difference between projected and actual investment earnings	-	15,223
Changes in proportion and difference between District contributions and proportionate share of contributions	457,622	855,037
Contributions paid to TRS subsequent to the measurement date	129,907	-
Total	$2,325,232	$5,356,980

$129,907 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the plan year ending August 31, 2025. The remaining net amounts of the District's balances of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended August 31	OPEB Expense Amount	Balance of Deferred Outflows (Deferred Inflows)
2025	($797,700)	($2,363,955)
2026	(551,489)	(1,812,466)
2027	(661,409)	(1,151,057)
2028	(564,540)	(586,517)
2029	(361,961)	(224,556)
Thereafter	(224,556)	-

9. Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments have been recognized as equal revenues and expenditures by the District in the amount of $108,624 for the year ended June 30, 2025, $95,715 for the ten months ended June 30, 2024, and $89,663 for the year ended August 31, 2023.

J. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the

grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the District as of June 30, 2025.

K. Workers' Compensation Coverage

During the year ended June 30, 2025, the District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers' Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

The Fund and its members are protected against higher-than-expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of $2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds these reserves. As of August 31, 2024, the Fund carries a discounted reserve of $50,247,590 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended June 30, 2025, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions.

The Fund engages the services of independent auditors to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2024 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Prior to September 1, 2011 and September 1, 2015, the District and Wise County Shared Services, respectively, had participated in a self-funded plan through Hibbs-Hallmark & Company / Claims Administrative Services (CAS) in the West Texas Education Insurance Association.

As of June 30, 2025, the workers' compensation benefit obligation consisted of $2,917 in reported unpaid claims and estimated incurred but not reported claims. These amounts represent estimated ultimate costs to settle claims. Net position at year-end contains a balance of $3,411. A summary of the changes in the benefit obligation is as follows:

Balance as of July 1, 2024		$2,917
Incurred claims/adjustments:		
Provision for insured events for 2024-25	$ -	
Provision for insured events for prior years	(-)	
Total incurred claims/adjustments		(-)
Payments:		
Claims attributable to insured events for 2024-25	-	
Claims attributable to insured events for prior years	-	
Total payments		-
Balance as of June 30, 2025		$2,917

L. Economic Dependency

The District's top two taxpayers' tax levy equals $2,395,664, or approximately 13%, of the total levy for 2024-25. A significant decline in tax receipts from either of those entities could have a material adverse effect on the District's operations.

M. Shared Services Arrangements

Shared Services Arrangement – Fiscal Agent

The District is the fiscal agent for a Shared Services Arrangement (SSA) which provides special education services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in a special revenue fund and will be accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

Member Districts	Special Education Expenditures
Alvord ISD	$ 466,210
Boyd ISD	426,822
Bridgeport ISD	768,160
Chico ISD	271,830
Paradise ISD	598,184
Slidell ISD	197,197
Total	$2,728,403

N. Change in Accounting Principle

During the year ended June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. This adoption led to recognizing an additional liability for Local and State leave that is estimated to be payable. The effect of reporting this change in accounting principle in the Statement of Net Position resulted in an increase to the Governmental Activities beginning noncurrent liabilities – portion due or payable within one year of $1,057,092 and an increase to the Governmental Activities noncurrent liabilities – portion due or payable after one year of $478,492. The increased liability resulted in a decrease of $1,535,584 to the Governmental Activities beginning net position in the Statement of Activities.

REQUIRED SUPPLEMENTARY INFORMATION

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget - Positive (Negative)
	Revenues				
5700	Local and intermediate sources	$ 13,047,000	$ 13,871,761	$ 14,026,747	$ 154,986
5800	State program revenues	8,358,415	8,754,902	9,476,371	721,469
5900	Federal program revenues	98,325	18,276	14,644	(3,632)
5020	Total revenues	21,503,740	22,644,939	23,517,762	872,823
	Expenditures				
	Instruction & instructional related services:				
0011	Instruction	10,396,346	10,633,722	10,612,238	21,484
0012	Instructional resources and media services	119,707	121,327	107,326	14,001
0013	Curriculum and staff development	22,000	13,488	10,611	2,877
	Total instruction and instructional related services	10,538,053	10,768,537	10,730,175	38,362
	Instructional and school leadership:				
0021	Instructional leadership	330,908	410,689	400,422	10,267
0023	School leadership	1,346,921	1,367,722	1,354,585	13,137
	Total instructional and school leadership	1,677,829	1,778,411	1,755,007	23,404
	Support services - student (pupil):				
0031	Guidance, counseling, & evaluation services	493,807	464,864	444,895	19,969
0033	Health services	296,793	281,847	281,280	567
0034	Student transportation	750,640	796,321	772,940	23,381
0036	Cocurricular/extracurricular activities	1,114,189	1,059,202	1,004,917	54,285
	Total support services - student (pupil)	2,655,429	2,602,234	2,504,032	98,202
	Administrative support services:				
0041	General administration	1,569,433	1,679,895	1,679,417	478
	Total administrative support services	1,569,433	1,679,895	1,679,417	478
	Support services - nonstudent based:				
0051	Facilities maintenance and operations	3,792,544	3,507,483	3,340,809	166,674
0052	Security and monitoring services	277,400	277,400	270,190	7,210
0053	Data processing services	427,000	417,934	385,592	32,342
	Total support services - nonstudent based	4,496,944	4,202,817	3,996,591	206,226
	Debt service:				
0071	Principal on long-term debt	825,450	698,264	684,306	13,958
0072	Interest on long-term debt	-	127,018	132,160	(5,142)
	Total debt service	825,450	825,282	816,466	8,816
	Intergovernmental charges:				
0093	Payments to shared service arrangements	726,378	726,378	768,160	(41,782)
0099	Other intergovernmental charges	347,500	311,542	311,542	-
	Total intergovernmental charges	1,073,878	1,037,920	1,079,702	(41,782)

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget - Positive (Negative)
6030	Total expenditures	22,837,016	22,895,096	22,561,390	333,706
1100	Excess of revenues over (under) expenditures	(1,333,276)	(250,157)	956,372	1,206,529
	Other Financing Sources				
7915	Transfers in	-	-	8,171,601	8,171,601
7080	Total other financing sources	-	-	8,171,601	8,171,601
1200	**Net change in fund balance**	(1,333,276)	(250,157)	9,127,973	9,378,130
0100	**Fund balances - beginning**	10,154,651	10,154,651	10,154,651	-
3000	**Fund balances - ending**	$ 8,821,375	$ 9,904,494	$ 19,282,624	$ 9,378,130

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED JUNE 30, 2025

	2025	2024	2023
District's proportion of the net pension liability	0.012290647%	0.013386979%	0.013847536%
District's proportionate share of the net pension liability	$ 7,507,641	$ 9,195,563	$ 8,220,926
State's proportionate share of the net pension liability associated with the District	10,393,022	11,688,525	10,986,153
Total	$ 17,900,663	$ 20,884,088	$ 19,207,079
District's covered employee payroll	$ 14,041,250 *	$ 16,330,497	$ 16,307,942
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	53.47%	56.31%	50.41%
Plan fiduciary net position as a percentage of the total pension liability	77.51%	73.15%	75.62%

The column label is the District's fiscal year. The data is derived from the Teacher Retirement System of Texas' Annual Comprehensive Financial Report for the preceding year ending on August 31st.

* Covered employee payroll of only 10 months due to the District's change in year end.

2022	2021	2020	2019	2018	2017	2016
0.013063484%	0.013207499%	0.014080944%	0.014497556%	0.014464412%	0.014347600%	0.015400100%
$ 3,226,807	$ 7,073,667	$ 7,319,715	$ 7,979,807	$ 4,624,940	$ 5,421,726	$ 5,443,730
5,196,448	11,211,409	10,113,003	11,366,013	6,926,663	8,721,923	8,154,814
$ 8,423,255	$ 18,285,076	$ 17,432,718	$ 19,345,820	$ 11,551,603	$ 14,143,649	$ 13,598,544
$ 15,913,183	$ 15,894,180	$ 14,673,911	$ 14,775,752	$ 14,573,952	$ 14,506,829	$ 13,923,218
20.28%	44.50%	49.88%	54.01%	31.73%	37.37%	39.10%
88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	83.25%

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually required contribution	$ 588,063	$ 585,614	$ 686,412
Contributions in relation to the contractually required contribution	(588,063)	(585,614)	(686,412)
Contribution deficiency	$ -	$ -	$ -
District's covered employee payroll	$ 16,486,494	$ 14,041,250	$ 16,330,497
Contributions as a percentage of covered employee payroll	3.57%	4.17%	4.20%

Note - the contractually required contributions are for the District's indicated fiscal year. For 2024, the 10 months ended June 30. For all other years, this is for year ended August 31st.

2022	2021	2020	2019	2018	2017	2016
$ 646,167	$ 557,481	$ 545,145	$ 491,946	$ 488,450	$ 474,059	$ 455,858
(646,167)	(557,481)	(545,145)	(491,946)	(488,450)	(474,059)	(455,858)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 16,307,942	$ 15,913,183	$ 15,894,180	$ 14,673,911	$ 14,775,752	$ 14,574,055	$ 14,506,829
3.96%	3.50%	3.43%	3.35%	3.31%	3.25%	3.14%

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED JUNE 30, 2025

	2025	2024	2023
District's proportion of the net OPEB liability	0.017910762%	0.018500942%	0.019514189%
District's proportionate share of the net OPEB liability	$ 5,436,191	$ 4,095,795	$ 4,672,478
State's proportionate share of the net OPEB liability associated with the District	6,811,473	4,942,206	5,699,690
Total	$ 12,247,664	$ 9,038,001	$ 10,372,168
District's covered employee payroll (Plan year end August 31)	$ 14,041,250 *	$ 16,330,497	$ 16,307,942
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	38.72%	25.08%	28.65%
Plan fiduciary net position as a percentage of the total OPEB liability	13.70%	14.94%	11.52%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Note - the column label is the District's fiscal year. The data is derived from the Teacher Retirement System of Texas' Annual Comprehensive Financial Report for the preceding year.

* Covered employee payroll of only 10 months due to the District's change in year end.

2022	2021	2020	2019	2018
0.018801319%	0.019231916%	0.019008115%	0.018827958%	0.018316945%
$ 7,252,509	$ 7,310,920	$ 8,989,170	$ 9,400,972	$ 7,965,352
9,716,746	9,824,124	11,944,597	12,012,436	10,869,923
$ 16,969,255	$ 17,135,044	$ 20,933,767	$ 21,413,408	$ 18,835,275
$ 15,913,183	$ 15,894,180	$ 14,673,911	$ 14,775,752	$ 14,573,952
45.58%	46.00%	61.26%	63.62%	54.65%
6.18%	4.99%	2.66%	1.57%	0.91%

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S OTHER POST-EMPLOYMENT BENEFIT (OPEB) CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually required contribution	$ 129,907	$ 138,488	$ 160,143
Contributions in relation to the contractually required contribution	(129,907)	(138,488)	(160,143)
Contribution deficiency	$ -	$ -	$ -
District's covered employee payroll	$ 16,486,494	$ 14,041,250	$ 16,330,497
Contributions as a percentage of covered employee payroll	0.79%	0.99%	0.98%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Note - the contractually required contribution is for the District's indicated fiscal year. For 2024, the ten months ended June 30. For all others years, this is for year ended August 31st.

2022	2021	2020	2019	2018
$ 160,278	$ 146,881	$ 146,176	$ 129,441	$ 129,897
(160,278)	(146,881)	(146,176)	(129,441)	(129,897)
$ -	$ -	$ -	$ -	$ -
$ 16,307,942	$ 15,913,183	$ 15,894,180	$ 14,673,911	$ 14,775,752
0.98%	0.92%	0.92%	0.88%	0.88%

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

A. Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data:

1. Prior to August 20th of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

2. A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.

3. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the Board of Trustees.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

During the year ended June 30, 2024, the District expended more than the General Fund budgeted amount in the functional areas of interest on long-term debt by $5,142 and payments to shared service arrangements by $41,782.

B. Defined Benefit Pension Plan

1. Change of Benefit Terms

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of $1.645 billion for one-time stipends and $3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

2. Changes of Assumptions

The actuarial assumptions and methods are the same as used in the determination of the prior years' Net Pension Liability.

C. OPEB Plan

1. Change of Benefit Terms

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

2. Changes of Assumptions

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

- The single discount rate changed from 4.13% as of August 31, 2023 to 3.87%, as of August 31, 2024. Additionally, the tables used to model the impact of aging on the underlying claims were revised.

OTHER SUPPLEMENTARY INFORMATION SECTION

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

Fiscal Year Ending June 30/August 31,	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed/Appraised Value for School Tax Purposes
2016 and Prior Years	$ Various	$ Various	$ Various
2017	1.0400	0.2045	1,263,098,634
2018	1.0400	0.2082	1,269,694,332
2019	1.0400	0.2082	1,332,152,782
2020	0.9700	0.2082	1,406,563,731
2021	0.9664	0.1577	1,425,435,734
2022	0.9242	0.1370	1,532,352,507
2023	0.8546	0.2066	1,791,888,670
2024	0.6692	0.3920	2,003,777,811
2025 (School year under audit)	0.6690	0.2628	1,961,233,003
1000 Totals			

Amount of taxes refunded under Section 26.115, Tax Code

The District changed its fiscal year end effective for the 2023-24 fiscal year from August 31 to June 30.

10 Beginning Balance 7/1/2024	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/2025
$ 83,829	$ -	$ 4,474	$ 821	$ -	$ 78,534
14,487	-	682	134	-	13,671
20,844	-	1,572	315	(5)	18,952
36,027	-	2,383	477	-	33,167
48,108	-	1,321	283	(524)	45,980
78,158	-	2,268	370	(899)	74,621
74,495	-	36,901	5,469	23,086	55,211
168,765	-	71,691	17,329	32,569	112,314
607,923	-	230,046	134,745	(40,077)	203,055
-	18,274,573	12,616,941	4,971,670	(148,051)	537,911
$ 1,132,636	$ 18,274,573	$ 12,968,279	$ 5,131,613	$ (133,901)	$ 1,173,416
		$ 694			

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Original	Final	Actual	Variance With Final Budget - Positive (Negative)
	Revenues				
5700	Local and intermediate sources	$ 252,000	$ 337,700	$ 335,316	$ (2,384)
5800	State program revenues	40,696	42,585	47,969	5,384
5900	Federal program revenues	1,077,255	1,127,452	1,226,456	99,004
5020	Total revenues	1,369,951	1,507,737	1,609,741	102,004
	Expenditures				
	Current:				
	Support services - student (pupil):				
0035	Food services	1,970,074	2,016,493	1,957,191	59,302
	Total support services - student (pupil)	1,970,074	2,016,493	1,957,191	59,302
6030	Total expenditures	1,970,074	2,016,493	1,957,191	59,302
1100	Excess of revenues over (under) expenditures	(600,123)	(508,756)	(347,450)	161,306
1200	**Net change in fund balance**	(600,123)	(508,756)	(347,450)	161,306
0100	**Fund balances - beginning**	898,481	898,481	898,481	-
3000	**Fund balances - ending**	$ 298,358	$ 389,725	$ 551,031	$ 161,306

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget - Positive (Negative)
	Revenues				
5700	Local and intermediate sources	$ 5,391,250	$ 5,621,830	5,640,053	$ 18,223
5800	State program revenues	-	118,090	118,090	-
5020	Total revenues	5,391,250	5,739,920	5,758,143	18,223
	Expenditures				
	Debt service:				
0071	Principal on long-term debt	4,550,000	1,800,000	1,800,000	-
0072	Interest on long-term debt	840,750	272,500	272,500	-
0073	Bond issuance costs and fees	500	14,300	14,300	-
	Total debt service	5,391,250	2,086,800	2,086,800	-
6030	Total expenditures	5,391,250	2,086,800	2,086,800	-
1100	Excess of revenues over expenditures	-	3,653,120	3,671,343	18,223
	Other Financing Uses				
8911	Transfers out	-	-	(8,171,601)	(8,171,601)
8949	Other use - payment to refunding escrow agent	-	(5,117,518)	(5,117,518)	-
7080	Total other financing uses	-	(5,117,518)	(13,289,119)	(8,171,601)
1200	**Net change in fund balance**	-	(1,464,398)	(9,617,776)	(8,153,378)
0100	**Fund balance - beginning**	9,617,776	9,617,776	9,617,776	-
3000	**Fund balance - ending**	$ 9,617,776	$ 8,153,378	$ -	$ (8,153,378)

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES RELATIVE TO COMPENSATORY AND BILINGUAL EDUCATION PROGRAMS FOR THE YEAR ENDED JUNE 30, 2025

Data Codes		Column 1 Responses
	Section A: Compensatory Education Programs	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the state allotment funds received for state compensatory education programs during the District's fiscal year.	$ 1,981,796
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	$ 1,846,483
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the District's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the state allotment funds received for bilingual education programs during the District's fiscal year.	$ 340,824
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	$ 241,600

EDGIN, PARKMAN, FLEMING & FLEMING, PC
CERTIFIED PUBLIC ACCOUNTANTS

1401 HOLLIDAY ST., SUITE 216 • P.O. BOX 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 • FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA
JOSHUA R. HARMAN, CPA

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*

Board of Trustees
Bridgeport Independent School District
2107 15th Street
Bridgeport, Texas 76426

Members of the Board of Trustees:

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, each major fund, and the aggregate remaining fund information of Bridgeport Independent School District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

Edgin, Parkman, Fleming & Fleming, PC

December 1, 2025

EDGIN, PARKMAN, FLEMING & FLEMING, PC
CERTIFIED PUBLIC ACCOUNTANTS

1401 HOLLIDAY ST., SUITE 216 ▪ P.O. BOX 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 ▪ FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA
JOSHUA R. HARMAN, CPA

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Trustees
Bridgeport Independent School District
2107 15th Street
Bridgeport, Texas 76426

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bridgeport Independent School District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2025. The District'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 District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District 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 the major federal programs. Our audit does not provide a legal determination of the District'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 District'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 District'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 District'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 District'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 District'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 District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

Edgin, Parkman, Fleming & Fleming, PC

December 1, 2025

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____Yes	__X__No
Significant deficiencies identified that are not considered to be material weaknesses?	____Yes	__X__None reported
Noncompliance material to the financial statements noted?	____Yes	__X__No

2. Federal and State Awards

Internal control over major programs:		
One or more material weaknesses identified?	____Yes	__X__No
One or more significant deficiencies 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 under CFR Section 200.516(a)	____Yes	__X__No

Identification of major programs:

Special Education Cluster:	
IDEA-B Formula	84.027A
IDEA-B Preschool	84.173A

Dollar threshold used to distinguish between Type A and Type B federal 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

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

Corrective Action Plan
Year Ended June 30, 2025

There were no findings in the current year.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

Finding 2024-001 – Material Weakness in Internal Control over Financial Reporting

In the prior year, the District failed to reverse the prior year instructional day accrual amount in the General Fund and debited the adjustment to eliminate the net income in the SSA Special Education Fund to cash instead of to revenue. There were no material audit adjustments necessary in the current year.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures and Indirect Costs	Amount Relating to Pass-Through to Subrecipients
U.S. Department of Agriculture				
Child Nutrition Cluster:				
Passed Through Texas Department of Agriculture:				
National School Lunch Program (Non-cash)	10.555	71302501	$ 104,087	$ -
Total Passed Through Texas Department of Agriculture			104,087	-
Passed Through State Department of Education:				
School Breakfast Program	10.553	71402501	306,513	-
National School Lunch Program	10.555	71302501	716,856	-
Summer Food Service Program for Children - Breakfast	10.559	71402501	2,795	-
Summer Food Service Program for Children - Lunch	10.559	71302501	11,409	-
Total Passed Through State Department of Education			1,037,573	-
Total Child Nutrition Cluster			1,141,660	-
Passed Through Texas Department of Agriculture:				
Local Food for Schools Cooperative Agreement	10.185	CPLFS000-22-0001	99,000	-
Total U.S. Department of Agriculture			1,240,660	-
U.S.Department of Education				
Passed Through State Department of Education:				
ESEA Title I Part A - Improving Basic Programs	84.010A	25610101249903	290,376	-
IDEA-B Formula #	84.027A	256600012499036000	1,818,409	-
IDEA-B Preschool #	84.173A	256610012499036000	19,585	-
Vocation Education: Basic Grants to States	84.048A	25420006249903	24,383	-
Title III, Part A - English Language Acquisition	84.365A	25671001249903	41,350	-
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	25694501249903	72,321	-
LEP Summer School	84.369A	69552402	1,364	-
ESEA Title IV, Part A, Subpart 1 - Student Support and Academic Enrichment Program	84.424A	25680101249903	36,680	-
Total Passed Through State Department of Education			2,304,468	-
Total U.S. Department of Education			2,304,468	-
Total Expenditures of Federal Awards			$ 3,545,128	$ -

- Total Special Education Cluster Expenditures - $1,837,994

The accompanying notes are an integral part of this schedule.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of Bridgeport Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

B. De Minimis Indirect Cost Rate

Entities that receive federal awards for which an indirect cost rate has never been negotiated may elect to charge a de minimis indirect cost rate of ten percent of modified total direct costs. The District did not elect to charge the de minimis rate to any of its federal awards during the year ended June 30, 2025.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	$ -