

**ROMA INDEPENDENT SCHOOL DISTRICT**

*COMPREHENSIVE ANNUAL  
FINANCIAL REPORT*

*FOR THE FISCAL YEAR ENDED AUGUST 31, 2020*

**PREPARED BY:**

The Roma Independent School District  
Business and Finance Office

608 North Garcia Street, Roma, Texas 78584



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**INTRODUCTORY SECTION**





## BOARD OF TRUSTEES

Ricardo A. Perez, President  
Jaime Escobar, Vice-President  
Yadira A. Barrera, Secretary  
Clarissa B. Alvarez, Member  
Mary Lou G. Cruz, Member  
Raul P. Moreno, Jr., Member  
Reynaldo Rodriguez, Member

January 28, 2021

Ricardo A. Perez, President,

Board of Trustees, Carlos Guzman, Superintendent  
and Patrons of the Roma Independent School District

Dear Mr Ricardo A. Perez., Board of Trustees, Superintendent and Patrons:

Management hereby submits the Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended August 31, 2020. The Roma Independent School District's (the "District") Business Office prepared the CAFR in accordance with generally accepted accounting principles (GAAP). The CAFR is management's report of financial operations to the Board of Trustees (the "Board"), taxpayers, grantor agencies, employees, the Texas Education Agency, and other interested parties.

The financial statements in this report provide an overview of the District's operation and financial position as a whole and of its individual funds. Responsibility for the accuracy and completeness of the financial statements and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects.

The Texas Education Agency (TEA) requires all school districts publish within 150 days of the close of each fiscal year a complete set of financial statements presented in conformity with GAAP and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants.

Management's Discussion and Analysis ("MD&A") is a required narrative introduction, overview, and analysis of the basic financial statements and should be read in conjunction with this letter of transmittal. The District's MD&A can be found immediately following the report of the independent auditors.

### **DISTRICT PROFILE**

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and enriched academic education, special education for students with disabilities, gifted and talented classes and many individualized programs, such as specialized instruction for at-risk students and those with limited English proficiency. These basic programs are supplemented by a wide variety of offerings in career and technology, fine arts, and athletics.

P.O. Box 187  
Roma, TX 78584

*"Leading the way into the 21<sup>st</sup> Century"*

PH. (956) 849-1377  
FAX (956) 849-3968

The District encompasses approximately 490 square miles in western Starr County along the U.S. Mexico border. The District has projected enrollment of more than 6,300 students for the 2020-2021 school year. All campuses are fully accredited by the TEA. The District tailors its instructional programs to enrich and expand student learning and exposure to the tenets of responsible citizenship. District leaders believe this philosophy is instrumental in keeping the completion rate high and the District's number of college-bound students high. The Board constitutes the governing body elected from seven single-member districts and sets the tone for instruction and service to students and patrons with its mission statement and goals.

### **Internal and Budgetary Controls**

The District has established a comprehensive internal control framework designed both to protect the District's assets from loss, theft or misuse and to compile sufficiently reliable information for the preparation of the District's financial statements in conformity with GAAP. Internal controls are designed to provide management with reasonable, but not absolute, assurance assets are safeguarded against loss from unauthorized use or disposition and those transactions are executed in accordance with management's authorization and recorded properly. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local grants, the District is also responsible for an adequate internal control structure that ensures compliance with applicable laws and regulations related to the grants. All funded grants are subject to testing as part of the District's 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). The results of the District's Uniform Guidance audit for the fiscal year ended August 31, 2020, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The report may be viewed in the Federal Awards section of the CAFR.

Budgetary controls are established in accordance with TEA regulations and District policy for all managers with line-item responsibility. TEA regulations set the level of budgetary control at the functional expenditure level. The Board authorized the administration, through resolution, to provide budgetary transfers when there is no impact on the fund balance. These transfers are approved by the Board in a subsequent budget amendment. The Board must approve all budget amendments impacting fund balance of the General, Debt Service and National Breakfast and Lunch Program Funds. The District utilizes a line-item budget of proposed expenditures and the means of financing them. The emphasis of the budget process is to identify the activities requiring resources and to rank those activities according to the needs of the entire District. Administrators have the responsibility to develop and manage their own program budgets once approved. Budget amendments are presented to the Board for approval throughout the fiscal year.

After the budget is approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and are reflected in the official minutes.

## **Summary of Achievements**

The District's achievements continue to be heralded in local and state publications. The success of the District is evidenced in its students' high standardized test scores, Advanced Placement Program participation and abundant scholarships and awards presented to the District's students. The District enjoys a well-deserved reputation for academic and financial excellence, and continues to receive numerous accolades for the performance of its students.

## **Economic Condition and Outlook**

School districts in the State of Texas are funded through two main sources of revenue: local property taxes and State aid that is based on the number of students in the District, the type of instructional services provided, and the school district's property wealth and tax collection efforts. In 2012-2013 and prior years, the funding provided by the State was tied to specific target revenue per student which effectively reduced the State's portion as property tax revenue increased. This system had the effect of eliminating growth in revenue per student while operating costs continued to increase. Changes made to the funding formulas in the most recent legislative session have eliminated the target revenue system for the District and many other school districts beginning in 2013-2014.

Property tax revenue can be increased by increasing the property tax rate or by an increase in valuation of property within the District. Property values within the District are projected to increase for the 2020-2021 fiscal year. The property tax rate for school district maintenance and operations (M&O) is at the maximum \$1.06835 per hundred dollars of valuation rate that the District can levy.

## **Long-Term Financial Planning**

Our General Fund Balance at year end is \$29 million. The adopted 2020-2021 budget for the General Fund includes a reduction in fund balance of \$2.3 million.

Roma Independent School District is planning ahead. Student enrollment and demographics drives the District's planning process along with management's commitment to providing the best education possible to our students. The District's strategic planning is an ongoing process lead by the Superintendent and Administrative Staff. The planning process begins with statistical analysis of the results of State mandated standardized testing and leads to the development of campus plans and educational programs to achieve the District's goals. This planning process identifies the educational needs of the District to drive the campus plans and the proper allocation of all District resources.

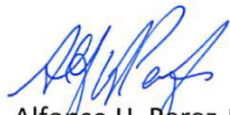
It is the responsibility of the Finance and Accounting Department to oversee the financial planning, tracking and accounting for the finances of the District in serving the community and its students. The Superintendent's Office and Administrative Staff oversee and coordinate all the elements involved in the strategic and financial planning process for the District on a long-term basis each fiscal year.

## Acknowledgments

The preparation of this report on a timely basis involves the entire staff of the Finance and Accounting Department, Payroll, Accounts Payable, Personnel, Federal Programs and Curriculum Departments. We also want to express our appreciation to all personnel for their contributions to the process. We are grateful for everyone's assistance in making this system work smoothly and efficiently.

We thank our independent auditor, whose professional competence and leadership assisted us in developing this report.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Alfonso H. Perez, Jr.', is positioned above the printed name.

Alfonso H. Perez, Jr.  
Business Manager

**Roma Independent School District  
List of Principal Officers**

**TRUSTEES**

Ricardo A. Perez, President  
Jaime Escobar, Vice-President  
Yadira A. Barrera, Secretary  
Clarissa B. Alvarez, Member  
Mary Lou G. Cruz, Member  
Raul P. Moreno, Jr., Member  
Reynaldo Rodriguez, Member

**SUPERINTENDENT**

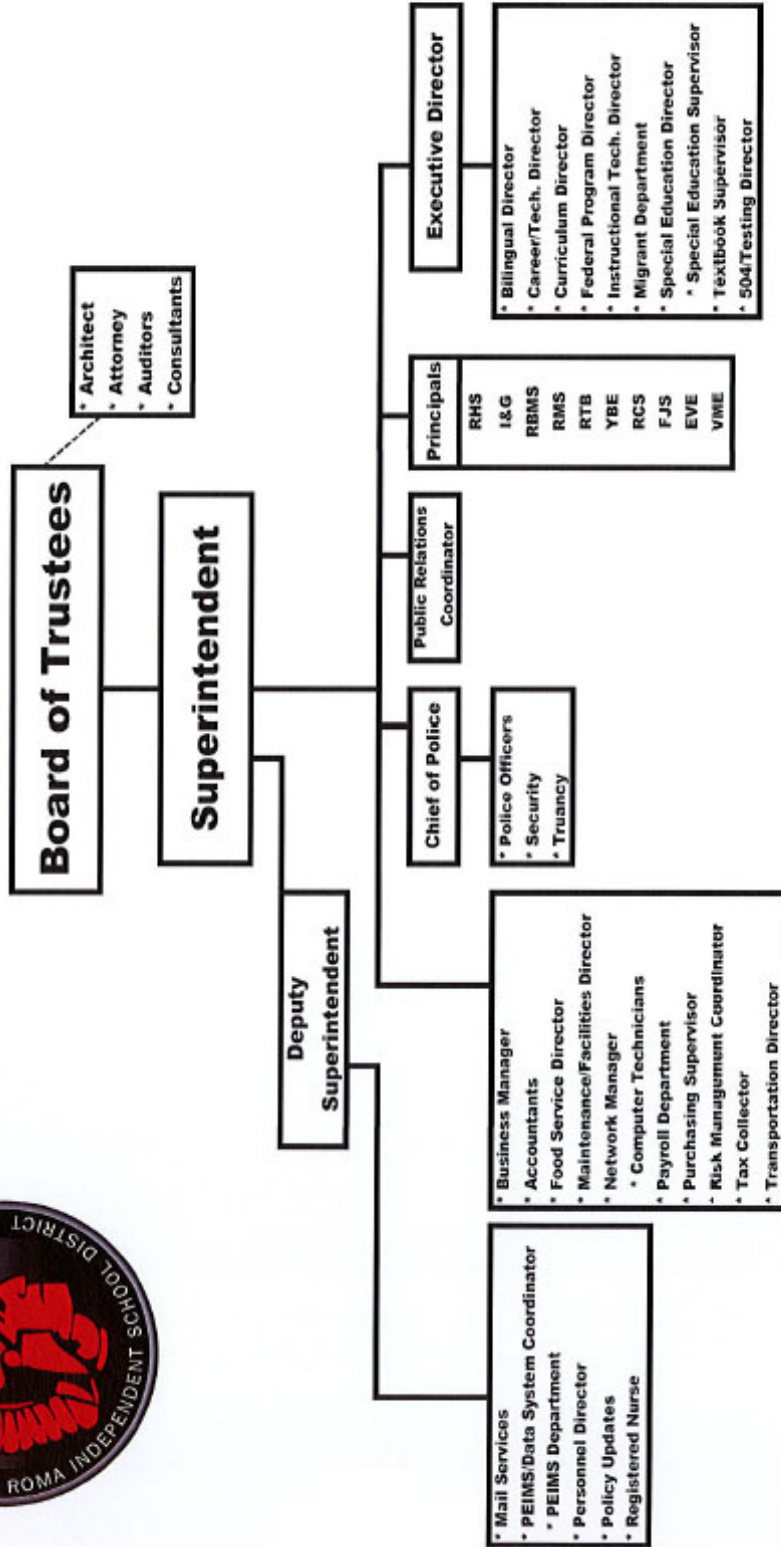
Carlos Guzman

**BUSINESS MANAGER**

Alfonso Perez



# Roma ISD Administrative Organizational Chart





**CERTIFICATE OF THE BOARD**

Roma Independent School District  
Name of School District

Starr  
County

214-903  
Co.-Dist. Number

We the undersigned, do hereby certify that the attached annual financial reports of the above named school district

were reviewed and \_\_\_\_ approved -- \_\_\_\_ disapproved for the year ended August 31, 2020 at a meeting of the

(Check one)

board of school trustees of such school district on the \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Signature of Board Secretary

\_\_\_\_\_  
Signature of Board President

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**FINANCIAL SECTION**



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Roma Independent School District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Roma Independent School District as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

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 the Roma Independent School District as of August 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund, the Schedule of the District's Proportionate Share of Net Pension Liability – Teacher Retirement System of Texas, the Schedule of the District's Contributions – Teacher Retirement System of Texas, the Schedule of the District's Proportionate Share of the Net OPEB Liability – Teacher Retirement System of Texas, the Schedule of the District's OPEB Contributions – Teacher Retirement System of Texas and the related notes to the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Roma Independent School District's basic financial statements. The introductory section, statistical section and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S.Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, on our consideration of the Roma Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Roma Independent School 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 Roma Independent School District's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

Harlingen, Texas  
January 28, 2021

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## ROMA INDEPENDENT SCHOOL DISTRICT MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Roma Independent School District’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended August 31, 2020. Please read it in conjunction with the District’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The District’s total combined net position was \$57,907,197 at August 31, 2020. This is a decrease of \$3,532,797 from the prior year.
- During the year the District’s expenses were \$3,532,797 more than the \$84,285,599 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$28,112,164, a decrease of \$899,083.
- The District received an “A” rating for the Financial Integrity Reporting System of Texas (FIRST) for 2019, earning 90 of 100 points. Based on the Texas Administrative Rule 109.1001 “Financial Accountability Ratings.” The FIRST rating evaluates the quality of performance in the management of school district’s financial resources.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report is composed of three main sections – (A) Introductory Section, (B) Financial Section and (C) the Statistical Section. The Financial Section of this Comprehensive Annual Financial Report consists of four parts: (1) *management’s discussion and analysis* (this section), (2) the *basic financial statements*, (3) *required supplementary information*, and (4) *other supplementary information*, which is an optional section that presents additional information such as *combining fund statements*, major governmental fund, budget to actual comparison schedule, and Texas Education Agency required compliance information.

The Management’s Discussion and Analysis section is intended to serve as an introduction to the District’s Basic Financial Statements. The District’s Basic Financial Statements comprise three components: (1) Government-Wide Financial Statements (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements.

The basic financial statements include two kinds of statements that present different views of the District:

## ROMA INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status. The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.

- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

### BASIC FINANCIAL STATEMENTS

#### Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and deferred outflows, and liabilities and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and deferred outflows, and liabilities and deferred inflows, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base.

The Statement of Activities presents information on all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extra-curricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

**ROMA INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (governmental activities). All of the District’s services are reported in the government-wide financial statements, including instructional leadership, student support services, general administration, support services, and debt services.

*Recently Issued Accounting Pronouncements*

Future possible applicable accounting standards to the District that have been issued by the Governmental Accounting Standards Board are:

- GASB Statement No. 84, *Fiduciary Activities*
- GASB Statement No. 87, *Leases*
- GASB Statement No. 91, *Conduit Debt Obligations*
- GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*

GASB Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2018, extended by Statement No. 95 to fiscal years beginning after December 15, 2019. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019, extended by Statement No. 95 to fiscal years beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

GASB Statement No. 91, *Conduit Debt Obligations*, effective for reporting periods beginning after December 15, 2020, extended by Statement No. 95 to reporting periods beginning after December 15, 2021. This Statement provides for a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement was to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Statement extended the effective dates of certain accounting and financial reporting provisions in statements that were first effective for reporting periods beginning after June 15, 2018.

## ROMA INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

### Notes to Financial Statements

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

### Required Supplementary 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. The Required Supplementary Information relates to comparison of the original adopted budget, the final amended budget, and the actual results for the fiscal year ended. This is required supplementary information for the general fund and any major special revenue funds.

**ROMA INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

The District did not have any major special revenue funds, therefore, only the general fund is presented as Required Supplementary Information. Also included in RSI are the Schedule of the District’s Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan, the Schedule of District Contributions to the Teacher Retirement System Pension Plan (TRS), Schedule of the District’s Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan and the Schedule of District’s Contributions to the Teacher Retirement System OPEB Plan (TRS).

**Combining Fund Statements**

This section contains information for the purpose of additional analysis and is not a required part of the basic financial statements. It includes combining statements for non-major governmental funds, internal service funds and fiduciary fund.

**Texas Education Agency Required Schedule**

This section contains information for the purpose of additional analysis and is not a required part of the basic financial statements. This section includes a compliance schedule required by the Texas Education Agency.

**Fund Balance Classifications**

The District provides for a hierarchy of five possible fund balance classifications as follows. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. The District has inventories and prepaid insurance that are considered nonspendable.

The spendable fund balances include restricted, committed, assigned and unassigned based upon the hierarchy of spending constraints. **Restricted:** fund balances that are constrained by external parties, constitutional provisions or enabling legislation; **committed:** fund balances that contain self-imposed constraints of the government from its highest level of decision making authority (the board of trustees); **assigned:** fund balances that contain self-imposed constraints of the government to be used for a particular purpose (the Superintendent or the Assistant Superintendent for Business Services have the authority to assign funds for specific purposes); and **unassigned:** fund balance of the general fund that has not been constrained for any particular purpose.

**ROMA INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

**Table A-1  
NET POSITION**  
*(In thousands of dollars)*

	2020	2019
Current and other assets	\$ 55,698	\$ 53,685
Capital assets	<b>132,741</b>	136,071
<b>Total assets</b>	<b>188,439</b>	189,756
Deferred Outflows of Resources	<b>14,963</b>	16,052
Current liabilities	<b>7,908</b>	4,747
Long-term liabilities	<b>121,280</b>	127,953
<b>Total liabilities</b>	<b>129,188</b>	132,700
Deferred Inflows of Resources	<b>16,307</b>	11,668
Net Position		
Net investment in capital assets	<b>70,665</b>	69,292
Restricted	<b>2,665</b>	881
Unrestricted	<b>(15,423)</b>	(8,733)
<b>Total net position</b>	<b>\$ 57,907</b>	\$ 61,440

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The District’s combined net position was \$57,907,197 as of August 31, 2020, a decrease of 5.75% (See Table A-1).

By far, the largest portion of the Roma ISD’s net position reflects the net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Roma ISD uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Roma ISD’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 the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (-27%) or (\$15,423,128) is negative due to the District’s commitment of future resources to liquidate obligations resulting from the District’s proportionate share of the net pension liability and net OPEB liability totaling \$21,102,299 and \$27,071,391 respectively.



**ROMA INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

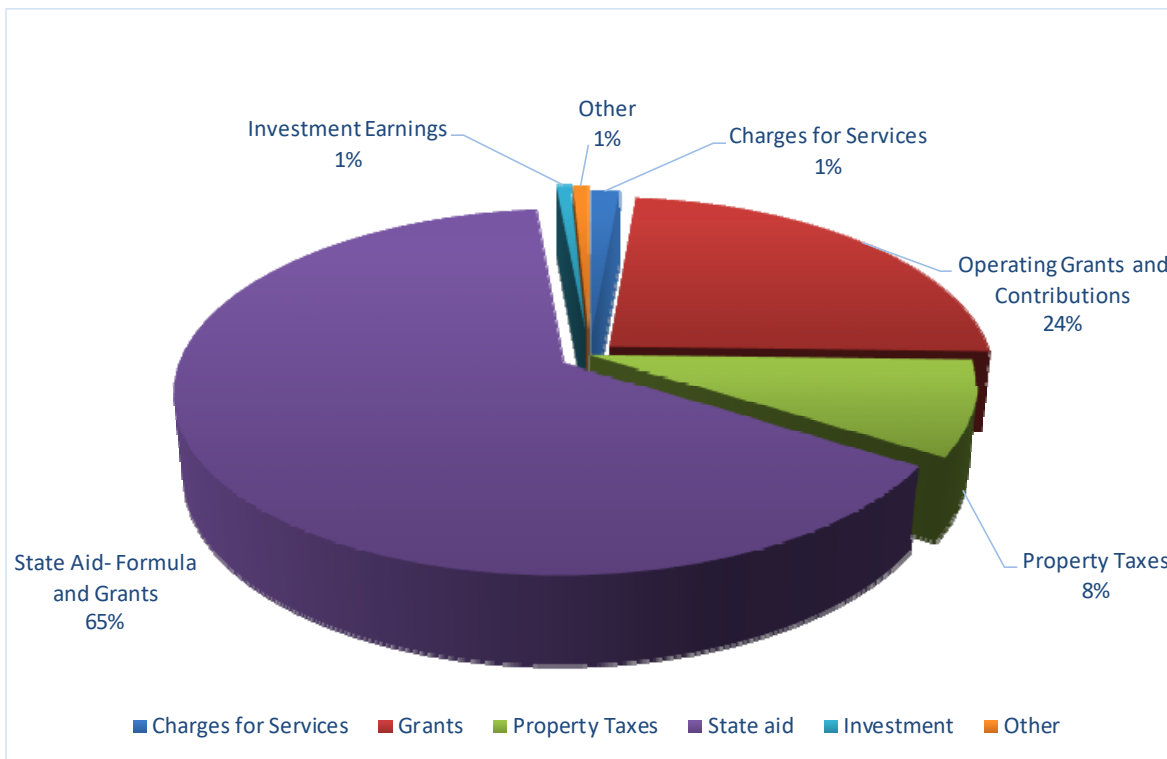
**Changes in net position** (See Table A-2)

The District experienced an increase in current assets of about \$2,013,141 which resulted from an increase in property tax receivables and amounts due from other governments.

**Governmental Activities**

- Property tax rates decreased to 1.44579/\$100. Property taxable values decreased by 5% from the prior year.
- The cost of all governmental activities this year was \$87,818,396, an increase of \$2,362,336.
- Some of the cost was paid by those who directly benefited from the programs, \$1,199,174, or by operating grants and contributions totaling \$20,221,388.

**Sources of Revenues for fiscal year 2019-2020**



**ROMA INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

**Table A-2  
CHANGES IN NET POSITION**  
*(in thousands of dollars)*

	Governmental Activities	
	2020	2019
Program Revenues:		
Charges for Services	\$ 1,199	\$ 1,098
Operating Grants and Contributions	20,221	19,175
General Revenues:		
Property Taxes	7,132	7,002
State Aid – Formula and grants	54,483	53,347
Investment Earnings	612	899
Other	638	758
<b>Total Revenues</b>	<b>84,285</b>	<b>82,279</b>
Instruction	44,338	43,225
Instructional Resources and Media Services	1,304	1,302
Curriculum Dev. And Instructional Staff Dev	404	350
Instructional Leadership	1,420	1,431
School Leadership	5,189	4,704
Guidance, Counseling and Evaluation Services	2,871	2,438
Social Work Services	517	353
Health Services	812	819
Student (Pupil) Transportation	2,956	3,213
Food Services	6,243	5,679
Curricular/Extracurricular Activities	3,577	3,734
General Administration	2,857	2,764
Plant Maintenance & Operations	9,038	9,513
Security & Monitoring Services	2,014	1,887
Data Processing Services	1,653	1,289
Community Services	63	82
Debt Service	2,184	2,381
Bond Issuance Fees	179	7
Capital outlay	-	-
Other Intergovernmental Charges	199	286
<b>Total Expenses</b>	<b>87,818</b>	<b>85,457</b>
Change in net position	(3,533)	(3,178)
Beginning net position	61,440	64,618
<b>Ending net position</b>	<b>\$ 57,907</b>	<b>\$ 61,440</b>

**ROMA INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

Table A-3 presents the cost of each of the District’s largest functions/programs as well as each function’s net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

**Table A-3  
NET COST OF SELECTED DISTRICT FUNCTIONS**  
*(in thousands of dollars)*

	Total Cost of Services			Net Cost of Services		
	2020	2019	% Change	2020	2019	% Change
Instruction	\$ 44,338	\$ 43,225	3%	\$ 33,363	\$ 32,460	3%
School leadership	5,189	4,704	10%	4,692	4,327	8%
Food Services	6,243	5,679	10%	1,218	394	209%
Facilities Maintenance and Operations	9,038	9,513	-5%	8,316	9,147	-9%

**FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS**

As noted earlier, Roma ISD uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**General Fund**

The fund balance of the Roma ISD’s General Fund was \$28,112,164 at August 31, 2020, a decrease of \$889,083.

**Capital Projects Fund**

Fund balance of Roma ISD’s Capital Projects Fund decreased by \$1,754,052 from \$9,239,347 as of August 31, 2020. The decrease in fund balance is primarily attributed to the District’s ongoing capital projects during the year. The District is in the process of constructing its new JROTC building in addition to repairs and maintenance around the District’s campuses.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the budget once. The amendment was needed to record a reduction in revenues and expenditures in some functions to account for the effects of COVID-19. Even with the budget amendment, actual expenditures were \$3,539,027 below final budget amounts. The most significant positive variance resulted from staffing. Staffing is conservatively budgeted for full employment throughout the full year including annual pay increases. Budget amounts for vacant positions throughout the year are not eligible for budget revisions.

**ROMA INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

During the FY 2019-2020 , the District invested over \$2 million in a broad range of capital assets, including equipment, buildings, vehicles, and construction in progress. (See Table A-4.)

Most of the increase in capital assets resulted from the ongoing construction of the District’s new JROTC building as well as repairs to some of the District’s campuses and performing arts center. In addition, the District purchased two new school buses, made repairs to its high school pool roof and outfall, and purchased other equipment at various school campuses.

The following projects were started and/or completed during the fiscal year ended August 31, 2020.

<b>Construction in progress</b>	<b>Additions</b>	<b>Completed Projects</b>
JROTC Building	\$ 1,656,093	\$ -
RCS Elementary Repairs	79,632	-
RBM Repairs	49,557	-
Performing Center Repairs	48,579	-
<b>Total</b>	<b>\$ 1,833,861</b>	<b>\$ -</b>

The following vehicles were acquired during the fiscal year ended August 31, 2020.

2 2021 Blue Bird BBCV3507 \$ 203,434

Other furniture & equipment acquired during the fiscal year ended August 31, 2020.

RHS Swimming Pool Roof and Outfall \$ 29,643  
98 Virco 3000 Series Desk Combos \$ 18,482

Projects for the next fiscal year include:

To complete the JROTC Building and the repair RC Saenz Elementary, Ramiro Barrera Middle School and the Performing Arts Center.

**ROMA INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

Table A-4  
**CAPITAL ASSETS**  
(In thousands of dollars)

	Governmental Activities	
	2020	2019
Land	\$ 4,257	\$ 4,257
Buildings and improvements	193,850	193,820
Furniture and Equipment and Vehicles	21,056	20,834
Construction in Progress	2,083	249
Totals at historical cost	221,246	219,160
Total accumulated depreciation	88,505	83,089
Net capital assets	\$ 132,741	\$ 136,071

More detailed information about the District’s capital assets is presented Note 2, Capital Assets on page 53 of the notes to the financial statements.

**Long-Term Debt**

At year-end the District had \$65,945,000 in General Obligation Bonds outstanding and \$6,988,735 of other long-term debt as shown in Table A-5. Of this amount, \$3,530,000 is due within the next year. Other long-term liabilities totaled \$48,346,903 which was comprised of the Districts compensated absences, net pension liability and net OPEB liability as shown in Table A-5. The total long-term liabilities outstanding as of August 31, 2020 is \$121,280,638. More detailed information about the District’s debt is presented in the notes to the financial statements.

The District’s current underlying credit rating is “AAA” by Fitch based on a guaranty provided by the Texas Permanent School Fund (PSF), whose bond guaranty program is rated “AAA” by Fitch.

**ROMA INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

Table A-5  
**LONG-TERM DEBT**  
(In thousands of dollars)

	Governmental Activities	
	2020	2019
General Obligation Bonds		
Unlimited Tax School Building		
Bonds – Series 2010	-	8,735
Bonds – Series 2016	<b>21,335</b>	21,825
Unlimited Tax Refunding Bonds		
Bonds – Series 2012	<b>5,710</b>	6,245
Bonds – Series 2013	<b>7,510</b>	7,620
Bonds – Series 2014	<b>7,490</b>	8,210
Bonds – Series 2015	<b>5,135</b>	6,040
Bonds – Series 2016	<b>11,465</b>	11,890
Bonds – Series 2020	<b>7,300</b>	-
Total general obligation bonds	<b>65,945</b>	70,565
Other long-term debt		
Bond interest accretion	<b>235</b>	181
Premium on issuance, Bonds - Series 2013	<b>6,182</b>	5,483
Discount on issuance, Bonds - Series 2014	<b>(23)</b>	(27)
Property Finance Contract	<b>595</b>	770
Total other long-term debt	<b>6,989</b>	6,407
Total governmental long-term debt	<b>72,934</b>	76,972
Other long-term liabilities		
Compensated absences	<b>173</b>	156
Net pension liability	<b>21,102</b>	22,167
Net OPEB Liability	<b>27,071</b>	28,659
Total other long-term liabilities	<b>48,346</b>	50,982
Total long-term liabilities	<b>\$ 121,280</b>	\$ 127,954

More detailed information about the District's long-term debt is presented on Note 2, Long-term Obligations on page 54 of the notes to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Total property adjusted M&O taxable value increased from \$487,683,126 to \$496,644,329, an increase of 1.84%.
- Total property adjusted I&S taxable value increased from \$541,201,126 to \$759,970,321, an increase of 40.42%
- State revenue per student will increase from \$10,086 to \$9,839, a decrease of 2.45%.
- Local revenue per student will increase from \$1,169 to \$1,245, an increase of 6.50%.
- The board approved the 2020-2021 General Fund Budget with revenues of \$65,150,800 and expenditures totaling \$71,221,255.
- Student enrollment will decrease by about .5% for the next school year.

**ROMA INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

These indicators were taken into account when adopting the general fund budget for FY 2020-2021.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, 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 Financial Services Department at 608 North Garcia Street, Roma, Texas 78584.

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**BASIC FINANCIAL  
STATEMENTS**



ROMA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 13,231,763
1120 Current Investments	26,854,970
1220 Property Taxes - Delinquent	12,463,264
1230 Allowance for Uncollectible Taxes	(1,885,351)
1240 Due from Other Governments	3,417,545
1250 Accrued Interest	18,162
1260 Internal Balances	199
1290 Other Receivables, Net	518
1300 Inventories	133,642
1410 Prepayments	1,463,701
Capital Assets:	
1510 Land	4,257,148
1520 Buildings, Net	123,351,607
1530 Furniture and Equipment, Vehicles, Net	3,049,217
1580 Construction in Progress	2,083,207
1000 Total Assets	188,439,592
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	1,702,666
1703 Deferred Outflow Related to TRS OPEB	3,310,963
1705 Deferred Outflow Related to TRS Pension	9,949,463
1700 Total Deferred Outflows of Resources	14,963,092
<b>LIABILITIES</b>	
2110 Accounts Payable	829,627
2140 Interest Payable	55,485
2150 Payroll Deductions and Withholdings	458,129
2160 Accrued Wages Payable	2,479,336
2180 Due to Other Governments	3,689,606
2200 Accrued Expenses	261,795
2300 Unearned Revenue	133,642
Noncurrent Liabilities:	
2501 Due Within One Year	4,359,034
2502 Due in More Than One Year	68,747,914
2540 Net Pension Liability (District's Share)	21,102,299
2545 Net OPEB Liability (District's Share)	27,071,391
2000 Total Liabilities	129,188,258
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2603 Deferred Resource Inflow Related to TRS OPEB	11,796,105
2605 Deferred Inflow Related to TRS Pension	4,511,124
2600 Total Deferred Inflows of Resources	16,307,229
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	70,665,145
3820 Restricted for Federal and State Programs	2,285,633
3850 Restricted for Debt Service	379,547
3900 Unrestricted	(15,423,128)
3000 Total Net Position	\$ 57,907,197

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

ROMA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
		Expenses	3 Charges for Services	
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 44,338,294	\$ -	\$ 10,975,105	\$ (33,363,189)
12 Instructional Resources and Media Services	1,303,735	-	110,998	(1,192,737)
13 Curriculum and Instructional Staff Development	403,535	-	72,683	(330,852)
21 Instructional Leadership	1,420,337	-	252,735	(1,167,602)
23 School Leadership	5,189,394	-	497,494	(4,691,900)
31 Guidance, Counseling, and Evaluation Services	2,871,254	-	659,828	(2,211,426)
32 Social Work Services	517,110	-	198,787	(318,323)
33 Health Services	812,134	38,431	96,597	(677,106)
34 Student (Pupil) Transportation	2,956,094	-	474,385	(2,481,709)
35 Food Services	6,243,270	44,498	4,980,756	(1,218,016)
36 Extracurricular Activities	3,577,227	-	189,566	(3,387,661)
41 General Administration	2,856,942	1,116,245	327,748	(1,412,949)
51 Facilities Maintenance and Operations	9,037,768	-	721,398	(8,316,370)
52 Security and Monitoring Services	2,013,673	-	376,472	(1,637,201)
53 Data Processing Services	1,652,636	-	272,383	(1,380,253)
61 Community Services	63,181	-	14,453	(48,728)
72 Debt Service - Interest on Long-Term Debt	2,183,640	-	-	(2,183,640)
73 Debt Service - Bond Issuance Cost and Fees	178,989	-	-	(178,989)
99 Other Intergovernmental Charges	199,183	-	-	(199,183)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 87,818,396	\$ 1,199,174	\$ 20,221,388	(66,397,834)

Data Control Codes	General Revenues:	
	Taxes	
MT	Property Taxes, Levied for General Purposes	5,125,866
DT	Property Taxes, Levied for Debt Service	2,005,946
SF	State Aid - Formula Grants	49,383,045
GC	Grants and Contributions not Restricted	5,038,944
IE	Investment Earnings	612,013
MI	Miscellaneous Local and Intermediate Revenue	699,223
TR	Total General Revenues	62,865,037
CN	Change in Net Position	(3,532,797)
NB	Net Position - Beginning	61,439,994
NE	Net Position - Ending	\$ 57,907,197

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

ROMA INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2020

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 7,641,776	\$ 5,423,716	\$ 166,271	\$ 13,231,763
1120	Investments - Current	22,660,589	4,194,381	-	26,854,970
1220	Property Taxes - Delinquent	10,523,899	-	1,939,365	12,463,264
1230	Allowance for Uncollectible Taxes	(1,600,349)	-	(285,002)	(1,885,351)
1240	Due from Other Governments	77,668	-	3,339,877	3,417,545
1250	Accrued Interest	18,162	-	-	18,162
1260	Due from Other Funds	7,220,371	9,750	1,770,790	9,000,911
1290	Other Receivables	518	-	-	518
1300	Inventories	133,642	-	-	133,642
1410	Prepayments	1,463,701	-	-	1,463,701
1000	<b>Total Assets</b>	<b>\$ 48,139,977</b>	<b>\$ 9,627,847</b>	<b>\$ 6,931,301</b>	<b>\$ 64,699,125</b>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ 619,745	\$ 177,627	\$ 32,255	\$ 829,627
2150	Payroll Deductions and Withholdings Payable	458,129	-	-	458,129
2160	Accrued Wages Payable	2,186,360	-	292,976	2,479,336
2170	Due to Other Funds	4,114,436	1,964,925	2,921,351	9,000,712
2180	Due to Other Governments	3,507,479	-	182,127	3,689,606
2200	Accrued Expenditures	229,568	-	32,227	261,795
2300	Unearned Revenue	133,642	-	-	133,642
2000	<b>Total Liabilities</b>	<b>11,249,359</b>	<b>2,142,552</b>	<b>3,460,936</b>	<b>16,852,847</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	8,778,454	-	1,615,010	10,393,464
2600	<b>Total Deferred Inflows of Resources</b>	<b>8,778,454</b>	<b>-</b>	<b>1,615,010</b>	<b>10,393,464</b>
<b>FUND BALANCES</b>					
Nonspendable Fund Balance:					
3410	Inventories	133,642	-	-	133,642
3430	Prepaid Items	1,463,701	-	-	1,463,701
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	774,058	-	1,511,575	2,285,633
3470	Capital Acquisition and Contractual Obligation	-	7,485,295	-	7,485,295
3480	Retirement of Long-Term Debt	-	-	240,335	240,335
Committed Fund Balance:					
3510	Construction	7,348,000	-	-	7,348,000
3545	Other Committed Fund Balance	-	-	103,445	103,445
3600	Unassigned Fund Balance	18,392,763	-	-	18,392,763
3000	<b>Total Fund Balances</b>	<b>28,112,164</b>	<b>7,485,295</b>	<b>1,855,355</b>	<b>37,452,814</b>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 48,139,977</b>	<b>\$ 9,627,847</b>	<b>\$ 6,931,301</b>	<b>\$ 64,699,125</b>

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

ROMA INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	37,452,814
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of these assets was \$221,245,949 and the accumulated depreciation was \$(88,504,770). The net effect of including capital assets (net of depreciation) in the governmental activities is to increase (decrease) net position.		132,741,178
2 Long-term liabilities, including bonds payable totaling \$(65,945,000) and property finance contract in the amount of \$(594,477), are not due and payable in the current period and therefore are not reported in the funds.		(66,539,477)
3 Gains/losses on defeasance of debt refundings is recognized as deferred outflows or inflows and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, as an increase or (decrease) in net position. Deferred inflows/outflows due to debt refundings are not reported in the funds.		1,702,666
4 Premiums totalling \$(6,181,442) and discounts in the amount of \$22,596 resulting from the issuance of bonds are capitalized, net of amortization, on the government-wide statements.		(6,158,846)
5 Long-term liabilities, including interest accretion on bonds payable \$(235,412) and accrued interest \$(55,485) on outstanding, unmatured bonds, are not due and payable in the current period and therefore are not reported in the funds.		(290,897)
6 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB Code Sec. P20. The net position related to TRS included a deferred resource outflow in the amount of \$9,949,463, a deferred resource inflow in the amount of \$(4,511,124), and a net pension liability in the amount of \$(21,102,299). This resulted in a decrease in net position.		(15,663,960)
7 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB Codification Section P50. The net position related to TRS included a deferred resource outflow in the amount of \$3,310,963, a deferred resource inflow in the amount of \$(11,796,105), and a net OPEB liability in the amount of \$(27,071,391). This resulted in an increase(decrease) in net position.		(35,556,533)
8 Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.		10,393,464
9 Compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(173,213)
<b>19 Net Position of Governmental Activities</b>	<b>\$</b>	<b>57,907,197</b>

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

ROMA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 7,020,657	\$ 109,452	\$ 2,166,261	\$ 9,296,370
5800 State Program Revenues	52,582,998	-	4,010,404	56,593,402
5900 Federal Program Revenues	5,156,435	-	10,005,315	15,161,750
5020 Total Revenues	<u>64,760,090</u>	<u>109,452</u>	<u>16,181,980</u>	<u>81,051,522</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	32,365,858	-	5,749,565	38,115,423
0012 Instructional Resources and Media Services	1,137,093	-	-	1,137,093
0013 Curriculum and Instructional Staff Development	290,291	-	51,551	341,842
0021 Instructional Leadership	1,045,739	-	164,067	1,209,806
0023 School Leadership	4,286,323	-	156,950	4,443,273
0031 Guidance, Counseling, and Evaluation Services	2,009,089	-	435,214	2,444,303
0032 Social Work Services	271,756	-	169,658	441,414
0033 Health Services	692,436	-	10,998	703,434
0034 Student (Pupil) Transportation	2,538,270	-	244,031	2,782,301
0035 Food Services	4,354,732	-	1,192,121	5,546,853
0036 Extracurricular Activities	3,088,318	-	56,310	3,144,628
0041 General Administration	2,310,620	-	193,981	2,504,601
0051 Facilities Maintenance and Operations	7,904,697	-	231,470	8,136,167
0052 Security and Monitoring Services	1,603,661	-	152,808	1,756,469
0053 Data Processing Services	1,322,466	-	109,390	1,431,856
0061 Community Services	46,808	-	8,562	55,370
Debt Service:				
0071 Principal on Long-Term Debt	175,135	-	3,590,000	3,765,135
0072 Interest on Long-Term Debt	16,698	-	2,531,547	2,548,245
0073 Bond Issuance Cost and Fees	-	-	178,989	178,989
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	1,863,504	-	1,863,504
Intergovernmental:				
0099 Other Intergovernmental Charges	199,183	-	-	199,183
6030 Total Expenditures	<u>65,659,173</u>	<u>1,863,504</u>	<u>15,227,212</u>	<u>82,749,889</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(899,083)</u>	<u>(1,754,052)</u>	<u>954,768</u>	<u>(1,698,367)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued	-	-	7,420,000	7,420,000
7916 Premium or Discount on Issuance of Bonds	-	-	1,364,610	1,364,610
8949 Other (Uses)	-	-	(8,612,240)	(8,612,240)
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>172,370</u>	<u>172,370</u>
1200 Net Change in Fund Balances	(899,083)	(1,754,052)	1,127,138	(1,525,997)
0100 Fund Balance - September 1 (Beginning)	<u>29,011,247</u>	<u>9,239,347</u>	<u>728,217</u>	<u>38,978,811</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 28,112,164</u>	<u>\$ 7,485,295</u>	<u>\$ 1,855,355</u>	<u>\$ 37,452,814</u>

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

ROMA INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ (1,525,997)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets, \$2,114,629 is allocated over their useful lives as depreciation expense which totaled \$(5,415,459) at year end. This is the amount of capital assets in excess of depreciation expense in the current period.	(3,300,830)
Property tax revenues in the statement of activities do not provide current financial resources and are not reported as revenues in the funds.	345,852
Repayment of bond principal \$3,590,000 and property finance contracts \$175,135 is an expenditure in the funds but is not an expense in the statement of activities.	3,765,135
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. During the current year, the District issued refunding bonds with a face amount of \$7,420,000 which sold for a premium of \$1,364,610. The impact of recording these as an increase in long-term debt is to decrease the change in net position.	(8,784,610)
The payment to the fiscal escrow agent for the refunding of certain bonds used current financial resources (other financing use) in the governmental funds, but in governmental activities the amount was used to relieve long term debt for the amount of debt being refunded. The impact of this difference is the increase the change in net position.	8,612,240
Governmental funds report the effect of current period premiums amortization of \$534,842, amortization of discounts \$(4,621), gains/losses amortized totaling \$(114,454), and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the net effect of these differences.	415,767
Some expenses such as the effect of changes in compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(17,023)
GASB Code Sec. P20 requires that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in the ending net position to increase by \$1,689,153. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as reduction in net pension liability. This caused a decrease in net position totaling \$(1,377,226). Finally, the District's proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$(2,709,384). The net result is to decrease the change in net position by \$(2,397,457).	(2,397,457)
GASB Statement No. 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$435,483. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$(708,509). Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense decreased the change in net position by \$(321,686). The net result is a decrease in the change in net position by \$(594,712).	(594,712)
The current period accretion of interest on capital appreciation bond totaled \$(54,662) and the change in accrued interest on unpaid, unmatured bonds due at the end of the year totaled \$3,500..	(51,162)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ (3,532,797)</b>

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



ROMA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2020

	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 194,846
Total Assets	<u>\$ 194,846</u>
LIABILITIES	
Due to Other Funds	\$ 200
Due to Student Groups	194,646
Total Liabilities	<u>\$ 194,846</u>

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

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**NOTES TO FINANCIAL  
STATEMENTS**



## Roma Independent School District Notes to the Financial Statements

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The Roma Independent School District (the "District") is an independent public education agency operating under applicable laws and regulations of the State of Texas. This report includes the financial statements of the funds required to account for those activities, organizations and functions, which are related to the District and which are controlled by or dependent upon the District's governing body, the Board of Trustees. The Board of Trustees (the Board), includes seven eligible members elected at large by the qualified voters of the Roma Independent School District. The Board 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 TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board.

The District is considered an independent entity for financial reporting purposes and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared, based on considerations regarding the potential for inclusion of other entities, organizations, or functions, as part of the District's financial reporting entity. Based on these considerations, no other entities have been included in the District's financial reporting entity. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other government or other type of reporting entity.

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

#### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

## Roma Independent School District Notes to the Financial Statements

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

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and 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. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, includes 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 are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The basis of accounting recognizes revenues in the accounting period in which they become available and measurable. The District considers revenues as available if they are collected within 90 days after year end. Revenues susceptible to accrual are property taxes, fiscal year state funding, and interest revenues. 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.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other eligibility requirements have been met and the amount is received during the period or within the availability period for this revenue source (within 90 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

#### Government-Wide Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the District. The effect of the interfund activity has been removed from these statements. Governmental Activities include programs supported primarily by taxes, State funds, grants and other intergovernmental revenues.

## Roma Independent School District Notes to the Financial Statements

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

#### Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for the purpose of, carrying on specific activities in accordance with laws, regulations, or other appropriate requirements. 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 non-major 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.

**Capital Project Fund.** The District uses this fund to account for bond proceeds used for construction.

#### *Governmental Funds:*

**Debt Service.** The District accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in the debt service fund.

**Special Revenue Funds.** The District accounts for resources restricted to, or committed for, a specific purpose by the District or a grantor in a special revenue fund. Most federal and some state financial award programs are accounted for in these funds and sometimes unused balances must be returned to the grantor at the close of specified project periods.

The District reports the following fiduciary fund types:

#### *Fiduciary Funds:*

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agency capacity and are not available to support District programs, these funds are not included in the government-wide statements.

**Agency Funds.** These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

## Roma Independent School District Notes to the Financial Statements

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

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

#### **Budgetary Information**

##### *Budgetary basis of accounting*

The official school budget was prepared for adoption for required Governmental Fund Types by August 8, 2019. The budget was formally adopted by the board of school trustees at a duly advertised public meeting prior to the expenditure of funds. The budget was amended by the Board of Trustees once during the year. Expenditures may not legally exceed budgeted appropriations at the function level.

##### *Excess of expenditures over appropriations*

Over the course of the year, the District revised the budget once. The amendment was needed to record a reduction in revenues and expenditures in some functions to account for the effects of COVID-19. Even with the budget amendment, actual expenditures were \$3,539,027 below final budget amounts. The most significant positive variance resulted from staffing. Staffing is conservatively budgeted for full employment throughout the full year including annual pay increases. Budget amounts for vacant positions throughout the year are not eligible for budget revisions.

#### **Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity**

##### *Cash and Cash Equivalents*

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.



## Roma Independent School District Notes to the Financial Statements

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

#### *Investments*

Money market investments which are short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investment pools have met the criteria established under GASB Cod. Sec. In5.102, *Investment Pools (External) – Pool Accounting and Reporting* and GASB Cod. Sec. In5.104, *Investment Pools (External) – Pools That Measure Investments at Amortized Cost – Additional Requirements* to report their value at amortized cost. All of the investment pools strive to maintain a \$1 per share net asset value. Additionally, the pools do not have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity or redemption gates. Nonparticipating interest-earning investment contracts are reported using a cost-based measure. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. All other investments are reported at fair value.

#### *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 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 of the government-wide statement of net position.

#### *Inventories and Prepaid Items*

Inventory is valued at cost (average). The District accounts for school supply and food inventories by using the consumption method whereby expenditures are recognized only when inventory items are used. Maintenance supplies inventory is accounted for by using the purchase method whereby purchases of inventories are recognized as expenditures when the goods are received and the transaction is vouchered. Reported inventories are equally offset by a non-spendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Commodity inventory is offset by unearned revenue.

#### *Prepayments*

Prepayments are prepaid expenses that will benefit periods beyond August 31, 2020. The only prepayments included are for unexpired insurance policy premiums paid by August 31, 2020, and which extend beyond that date. The reported prepaid insurance is equally offset by a nonspendable fund balance, which indicates that they do not constitute "available expendable resources" even though they are a component of net current assets. Prepaid expenditures are recorded when consumed rather than when purchased.

## Roma Independent School District Notes to the Financial Statements

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

#### *Capital Assets*

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition 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 being depreciated using the straight-line method over the following estimated useful lives:

<u>Assets Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	50
Vehicles	5-10
Furniture and Equipment	3-15

#### *Deferred Outflows and Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding debt. The District also reports deferred outflows of resources related the employee TRS pension and other postemployment benefits (OPEB).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two types of items. The first item arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also reports deferred inflows of resources related to employee TRS pensions and other postemployment benefits (OPEB).

## Roma Independent School District Notes to the Financial Statements

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

#### *Compensated Absences*

The District's policy allows employees with at least ten years of employment with the District to accumulate unused sick leave up to 30 days. Sick leave in excess of the 30 day maximum is not paid at termination, but will be paid only upon illness while in the employ of the District.

#### *Long-term Obligations*

In government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received and discounts incurred on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from debt proceeds, are reported as debt service requirements.

#### *Pensions*

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

#### *Other Post-Employment Benefits (OPEB) Liability*

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The District's proportionate share of OPEB amounts were further allocated to each participating employer based on the contributions paid by each employer. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

#### *Fund Balance Reporting*

Fund balances are reported in two major categories, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories. The District has prepaid items and inventories that are considered nonspendable.

## Roma Independent School District Notes to the Financial Statements

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

In addition to the nonspendable fund balance, There is a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- **Restricted:** fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The responsibility to commit funds rests with the Board of Trustees. Committed amounts cannot be used for any other purpose unless the governing board changes or lifts the constraint taking the same formal action that imposed the constraint originally. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution.
- **Assigned:** fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The responsibility to assign funds rests with the Superintendent.
- **Unassigned:** fund balance of the general fund that is not constrained for any particular purpose.

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

#### *Net Position Flow Assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amount to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### *Encumbrance Accounting*

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources.

## Roma Independent School District Notes to the Financial Statements

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

Appropriations lapse at August 31<sup>st</sup> and encumbrances outstanding at that time are either cancelled or appropriately provided for in the subsequent year's budget. Outstanding encumbrances that were provided for in the subsequent year's budget are presented below:

General Fund	\$ 3,944,256
Special Revenue Funds	798,445
Capital Project Funds	121,349
<u>Total</u>	<u>\$ 4,864,050</u>

#### *Use of Estimates*

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

#### *Accounting System*

In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure prescribed by TEA in the Resource Guide. Mandatory codes are recorded in the order provided in that section.

#### *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 State-wide database for policy development and funding plans.

#### *Fair Value Measurements*

GASB Cod. Sec. 3100.115, *Fair Value Measurement – Valuation Techniques and Approaches*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction.

#### *Subsequent Events*

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 28, 2021. See Note 9 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

## Roma Independent School District Notes to the Financial Statements

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

#### *Recently Issued and Implemented Accounting Pronouncements*

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These Statements are as follows:

GASB Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2018, extended by Statement No. 95 to fiscal years beginning after December 15, 2019. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019, extended by Statement No. 95 to fiscal years beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 91, *Conduit Debt Obligations*, effective for reporting periods beginning after December 15, 2020, extended by Statement No. 95 to reporting periods beginning after December 15, 2021. This Statement provides for a single methods of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement was to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Statement extended the effective dates of certain accounting and financial reporting provisions in statements that were first effective for reporting periods beginning after June 15, 2018.

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: DETAILED NOTES ON ALL FUNDS

#### *Deposits and Investments*

##### Investment Accounting Policy

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (the "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 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 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 the investment's value does not vary with market interest rate changes. Non-negotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

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, certain U.S. agencies, the state of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The District policy authorizes all the State allowable investments.

The District's management believes that it has complied in all material respects with the requirements of the act and the District's investment policies.

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Deposits and Investments (Continued)*

##### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act, the District's investment policy, and Government Code Chapter 2257 "Collateral for Public Funds" contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public fund investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than .0995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005.

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.

##### Cash Deposits

At August 31, 2020, the carrying amount of the District's deposits had a balance of \$39,991,726 (cash, certificates of deposit, and interest-bearing savings accounts, not including \$95,007 deposited in TexPool) and the bank balance was \$42,495,441. The District's cash deposits at August 31, 2020 and during the year ended August 31, 2020 were entirely covered by FDIC insurance or by pledged collateral held in the District's name by a bank other than the pledging bank.

The District's cash deposits at August 31, 2020 are maintained primarily at Lone Star National Bank. The deposits were collateralized in accordance with Texas Law, and the Texas Education Agency maintains copies of all safekeeping receipts in the name of the District. Deposits were properly secured at all times.



## Roma Independent School District Notes to the Financial Statements

### NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Deposits and Investments (Continued)*

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Name of Bank Lone Star National Bank
- b. Amount of bond and/or market value of securities pledged as of the date of the highest combined balance on deposit was \$57,790,373.
- c. Largest cash, savings and time deposit combined account balance amounted to \$27,905,398 and occurred during the month of February 4, 2020.
- d. Total amount of FDIC coverage at the time of largest combined balance was \$500,000.

#### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the specific investments and their maturity:

Description	CUSIP	Amount	Maturity	Days
TexPool	N/A	\$ 95,007 *	N/A	Daily
Lone Star National Bank Certificate of Deposit	N/A	26,759,963		Daily
		<u>\$ 26,854,970</u>		

\*Not Included as cash and cash equivalents

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the District's investment policy and the Texas Public Fund Investment Act and the actual rating as of year end for each investment.

**Roma Independent School District  
Notes to the Financial Statements**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (Continued)***

Description	Minimum Legal Rating	Amount	Rating	Percentage
TexPool	AAA	\$ 95,007 *	AAAm	0%
Lone Star National Bank Certificate of Deposit	AAA	26,759,963	AAA	100%
		<b>\$ 26,854,970</b>		

\*Not Included as cash and cash equivalents

**Concentration of Credit Risk**

The Investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Public Funds Investment Act (“PFIA”). There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

**Fair Value**

Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity
- Level 3 are unobservable inputs that reflect the entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (Continued)***

*Public Funds Investment Pools*

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully-collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safekeep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

As noted in the District's Summary of Significant Accounting Policies, the District reports its local government investment pools at amortized cost as permitted by GASB Cod. Sec. In5.102, *Investment Pools (External) – Pool Accounting and Reporting* and GASB Cod. Sec. In5.104, *Investment Pools (External) – Pools That Measure Investments at Amortized Cost – Additional Requirements*. In addition, the pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

TexPool investments consist exclusively of U. S. Government securities, repurchase agreements collateralized by U. S. Government securities, and AAA-rated no-load money market mutual funds. TexPool is rated AAAM by Standards & Poor's, the highest rating a local government investment pool can achieve. The weighted average maturities of the pool cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool, like its participants, are governed by the Texas Public Funds Investment act, and are in full compliance with the Act.

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Disaggregation of Receivables and Payables*

Receivables at August 31, 2020, were as follows:

	Property Taxes, Net	Other Governments	Accrued Interest	Due from Other funds	Total Receivables
<b>Governmental Funds:</b>					
General fund	\$ 8,923,550	\$ 77,668	\$ 18,162	\$ 7,220,371	\$ 16,239,751
Capital Projects fund	-	-	-	9,750	9,750
Nonmajor Governmental funds	1,654,363	3,339,877	-	1,770,790	6,765,030
<b>Total Governmental Funds</b>	<b>\$ 10,577,913</b>	<b>\$ 3,417,545</b>	<b>\$ 18,162</b>	<b>\$ 9,000,911</b>	<b>\$ 23,014,531</b>

Payables at August 31, 2020, were as follows:

	Accounts Payable	Salaries and Benefits	Due to Other Funds	Accrued Expenditures	Due to Other Governments	Total Payables
<b>Governmental Funds:</b>						
General fund	\$ 619,745	\$ 2,644,489	\$ 4,114,436	\$ 229,568	\$ 3,507,479	\$ 11,115,717
Capital Projects fund	177,627	-	1,964,925	-	-	2,142,552
Nonmajor Governmental funds	32,255	292,976	2,921,351	32,227	182,127	3,460,936
<b>Total Governmental Funds</b>	<b>\$ 829,627</b>	<b>\$ 2,937,465</b>	<b>\$ 9,000,712</b>	<b>\$ 261,795</b>	<b>\$ 3,689,606</b>	<b>\$ 16,719,205</b>

#### *Property Taxes*

Property taxes are levied by October 1 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 and those expected to be collected during a 60 day period after the close of the school fiscal year.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District's 2019 tax rate was \$1.068350 for maintenance and \$.37744 for debt service per \$100 assessed valuation. The 2018 assessed valuation was \$500,167,649. Allowances for uncollectibles 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 August 31, 2020, outstanding taxes were \$10,523,899 and \$1,939,365 in the general fund and debt service fund with a corresponding allowance of \$1,600,349 and \$285,002.

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### Capital Assets

Capital asset activity for the year ended August 31, 2020, was as follows:

	General Capital Assets Sept. 1, 2019	Additions	Deletions	Transfers	General Capital Assets Aug. 31, 2020
<b>Governmental activities</b>					
Capital assets not being depreciated					
Land	\$ 4,257,148	\$ -	\$ -	\$ -	\$ 4,257,148
Construction in progress	249,346	1,833,861	-	-	2,083,207
<b>Total capital assets not being depreciated</b>	<b>4,506,494</b>	<b>1,833,861</b>	<b>-</b>	<b>-</b>	<b>6,340,355</b>
Capital assets being depreciated					
Building and improvements	193,820,069	29,643	-	-	193,849,712
Furniture and equipment	11,490,496	18,482	-	-	11,508,978
Vehicles	9,343,470	203,434	-	-	9,546,904
<b>Total capital assets being depreciated</b>	<b>214,654,035</b>	<b>251,559</b>	<b>-</b>	<b>-</b>	<b>214,905,594</b>
Less accumulated depreciation:					
Building and improvements	66,073,102	4,425,003	-	-	70,498,105
Furniture and equipment	8,824,095	689,667	-	-	9,513,762
Vehicles	8,192,114	300,789	-	-	8,492,903
<b>Total accumulated depreciation</b>	<b>83,089,311</b>	<b>5,415,459</b>	<b>-</b>	<b>-</b>	<b>88,504,770</b>
<b>Total capital assets being depreciated, net</b>	<b>131,564,724</b>	<b>(5,163,900)</b>	<b>-</b>	<b>-</b>	<b>126,400,824</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 136,071,218</b>	<b>\$ (3,330,039)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 132,741,179</b>

Depreciation was charged to the following functions:

#### Governmental Activities:

11 – Instruction	\$ 2,782,034
12 – Instructional Resources and Media Services	82,997
13 – Curriculum and Staff Development	24,952
21 – Instructional Leadership	88,303
23 – School Leadership	324,313
31 – Guidance, Counseling and Evaluation Services	178,409
32 – Social Work Services	32,219
33 – Health Services	51,343
34 – Student Transportation	203,079
35 – Food Services	404,863
36 – Cocurricular/Extracurricular Activities	229,525
41 – General Administration	182,810
51 – Plant Maintenance and Operations	593,856
52 – Security and Monitoring Services	128,204
53 – Data Processing Services	104,511
61 – Community Services	4,041
<b>Total</b>	<b>\$ 5,415,459</b>

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Long-Term Obligations*

Long-term obligations include bonds payable and capital leases payable. Changes in long-term obligations for the year ended August 31, 2020 are as follows:

Governmental Activities	Beginning Balance Sept. 1, 2019	Increase	Decrease	Ending Balance Aug. 31, 2020	Due Within One Year
<b>Unlimited Tax School Building</b>					
Bonds – Series 2010	\$ 8,735,000	\$ -	\$ (8,735,000)	\$ -	\$ -
Bonds – Series 2016	21,825,000	-	(490,000)	21,335,000	500,000
<b>Unlimited Tax Refunding Bonds</b>					
Bonds – Series 2012	6,245,000	-	(535,000)	5,710,000	550,000
Bonds – Series 2013	7,620,000	-	(110,000)	7,510,000	110,000
Bonds – Series 2014	8,210,000	-	(720,000)	7,490,000	740,000
Bonds – Series 2015	6,040,000	-	(905,000)	5,135,000	940,000
Bonds – Series 2016	11,890,000	-	(425,000)	11,465,000	445,000
Bonds – Series 2020	-	7,420,000	(120,000)	7,300,000	245,000
<b>Total general obligation bonds</b>	<b>70,565,000</b>	<b>7,420,000</b>	<b>(12,040,000)</b>	<b>65,945,000</b>	<b>3,530,000</b>
Interest accretion CAB bonds	180,750	54,662	-	235,412	-
Premium on issuance of bonds	5,483,083	1,364,610	(666,251)	6,181,442	589,169
Discount on issuance of bonds	(27,217)	-	4,621	(22,596)	(4,285)
Property finance contracts	769,612	-	(175,135)	594,477	179,150
<b>Total general long-term debt</b>	<b>6,406,228</b>	<b>1,419,272</b>	<b>(836,765)</b>	<b>6,988,735</b>	<b>764,034</b>
<b>Total governmental long-term debt</b>	<b>\$ 76,971,228</b>	<b>\$ 8,839,272</b>	<b>\$ (12,876,765)</b>	<b>\$ 72,933,735</b>	<b>\$ 4,294,034</b>

In addition to the long-term debt and the long-term liabilities for the District's Teacher Retirement System Net pension liability and the net OPEB liabilities as referred to in Note 3 Defined Benefit Pension Plan and Note 4 Defined Other Post-Employment Benefit Plan, the District has the following changes in other long-term obligations:

Governmental Activities	Beginning Balance Sept. 1, 2019	Increase	Decrease	Ending Balance Aug. 31, 2020	Due Within One Year
Compensated absences	\$ 156,190	\$ 250,476	\$ (233,453)	\$ 173,213	\$ 65,000

**Roma Independent School District  
Notes to the Financial Statements**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Obligations (Continued)***

***General Obligation Bonds:***

Bonds payable at August 31, 2020 are comprised of the following individual issues:

The Roma Independent School District Board of Trustees authorized the issuance of \$8,565,000 in Unlimited Tax Refunding Bonds, Series 2012. The bond components consist of \$8,380,000 in current interest bonds (CIBs) and \$185,000 in premium capital appreciation bonds (CABs). Interest rates range from 3.00% to 3.50% and mature on August 15 of each year until 2029. Interest is paid semi-annually on February 15 and August 15. The bonds were issued to refund a portion of the District's currently outstanding debt and to pay the costs of issuance of the bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds and to pay the costs of issuance of the bonds.

As a result, the refunded bonds totaling \$8,565,000 are considered defeased and the liability for those bonds, has been removed from the long-term debt account.

\$ 5,710,000

The Roma Independent School District Board of Trustees authorized the issuance of \$8,370,000 in Unlimited Tax Refunding Bonds, Series 2013. The bond components consist of \$4,865,000 in current interest bonds (CIBs), \$3,430,000 in term bonds and \$75,000 in premium capital appreciation bonds (CABs). Interest rates range from 1.00% to 3.50% and mature on August 15 of each year until 2034. Interest is paid semi-annually on February 15 and August 15. The bonds were issued to refund a portion of the District's currently outstanding debt and to pay the cost of issuance of the bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds and to pay the costs of issuance of the bonds. As a result, the refunded bond totaling \$8,370,000 are considered defeased and the liability for those bonds, has been removed from the long-term debt account.

7,510,000

The Roma Independent School District Board of Trustees authorized the issuance of \$8,740,000 in Unlimited Tax Refunding Bonds, Series 2014. The bond components consist of \$8,700,000 in current interest bonds (CIBs), \$40,000 in premium capital appreciation bonds (CABs). Principal and interest on CIBs are due annually on August 15 through the year 2029. Principal payments range from \$80,000 to \$935,000 and interest rates range from 2.00% to 3.50%. CAB principal matures on August 15, 2019 and carry an interest rate of 1.57%. The bonds were issued to refund a portion of the District's currently outstanding debt and to pay the cost of issuance of the bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds and to pay the costs of issuance of the bonds. As a result, the refunded bond totaling \$8,740,000 are considered defeased and the liability for those bonds, has been removed from the long-term debt account.

7,490,000

Roma Independent School District  
Notes to the Financial Statements

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

*Long-Term Obligations (Continued)*

The Roma Independent School District Board of Trustees authorized the issuance of \$9,535,000 in Unlimited Tax Refunding Bonds, Series 2015. The bond components consist of \$9,535,000 in current interest bonds (CIBs). Principal and interest are due annually on August 15 through the year 2025. Principal payments range from \$125,000 to \$1,075,000 and interest rates range from 2.00% to 5.00%. The bonds were issued to refund a portion of the District's currently outstanding debt and to pay the cost of issuance of the bonds. The bonds were issued at \$9,535,000, par with an issuance premium totaling \$1,362,629. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds and to pay the costs of issuance of the bonds. As a result, the refunded bond totaling \$10,690,751 are considered defeased and the liability for those bond, has been removed from the long-term debt account.

\$ 5,135,000

The Roma Independent School District Board of Trustees authorized the issuance of \$12,435,000 in Unlimited Tax Refunding Bonds, Series 2016. The bond components consist of \$9,860,000 in current interest bonds (CIBs) and \$2,575,000 in term bonds. Principal and interest are due annually on August 15 through the year 2035. Principal payments range from \$135,000 to \$775,000 and interest rates range from 2.00% to 5.00% and the term bonds totaling \$2,575,000 are due in the year 2038 at a rate of 5.00%. The bonds were issued to refund a portion of the District's currently outstanding debt and to pay the cost of issuance of the bonds. The bonds were issued at \$12,435,000, par with an issuance premium totaling \$1,753,554. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds and to pay the costs of issuance of the bonds. As a result, the refunded bond totaling \$12,685,000 are considered defeased and the liability for those bond, has been removed from the long-term debt account.

11,465,000

The Roma Independent School District Board of Trustees authorized the issuance of \$23,420,000 in Unlimited Tax School Building Bonds, Series 2016. The bonds are officially dated October 6, 2016. They mature in various years beginning in 2017 and maturing on August 15, 2046 in principal amounts ranging from 470,000 and \$5,855,00 with interest rates range from 2.00% to 4.00% and will be payable semiannually on the 15<sup>th</sup> of February and August. The bonds were being issued to construct a new elementary.

\$21,335,000



**Roma Independent School District  
Notes to the Financial Statements**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Obligations (Continued)***

The Roma Independent School District Board of Trustees authorized the issuance of \$7,420,000 in Unlimited Tax Refunding Bonds, Series 2020. The bond components consist of \$7,420,000 in current interest bonds (CIBs). Principal and interest are due annually on August 15 through the year 2040. Principal payments range from \$120,000 to \$510,000 and interest rates range from 1.125% to 4.000%. The bonds were issued to refund a portion of the District’s currently outstanding debt and to pay the cost of issuance of the bonds. The bonds were issued to refund a portion of the District’s currently outstanding debt and to pay the cost of issuance of the bonds. The bonds were issued at \$7,420,000, par with an issuance premium totaling \$1,364,610. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds and to pay the costs of issuance of the bonds. As a result, the refunded bond totaling \$8,450,000 are considered defeased and the liability for the bond has been removed from the long-term debt account.

\$7,300,000

Total general obligations bonds

\$65,945,000

Debt service requirements on long-term debt at August 31, 2020 are as follows:

Year Ending August 31	Bond Payable		Total Requirement
	Principal	Interest	
2021	\$ 3,530,000	\$ 2,496,831	\$ 6,026,831
2022	3,660,000	2,374,881	6,034,881
2023	3,790,000	2,237,269	6,027,269
2024	3,945,000	2,087,556	6,032,556
2025	4,095,000	1,936,419	6,031,419
2026-2030	14,695,000	8,912,223	23,607,223
2031-2035	14,415,000	6,484,875	20,899,875
2036-2040	10,920,000	2,540,650	13,460,650
2041-2045	5,630,000	946,200	6,576,200
Thereafter	1,265,000	50,600	1,315,600
<b>Total</b>	<b>\$ 65,945,000</b>	<b>\$ 30,067,504</b>	<b>\$ 96,012,504</b>

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2020.

**Roma Independent School District  
Notes to the Financial Statements**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Obligations (Continued)***

In prior years, the District defeased certain outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the respective trust account assets and related liabilities for the defeased bonds are not included in the District's financial statements. At August 31, 2020, the following outstanding bonds are considered defeased:

Series	Ending Balance
2004	\$ 5,795,000
2005	5,845,000
2006A	7,725,000
2006B	8,095,000
2008	11,870,000
2010	8,450,000

***Public Property Finance Contract***

*Control Project*

In May 2016, the District approved an order to enter into a public property finance contract totaling \$267,476 with a stated interest of 2.59%. Payments are due in five payments of \$57,723 on the first of June through the year 2021. The purpose was to upgrade the cooling system for one middle school and high school.

*HVAC*

In May 2016, the District approved an order to enter into a public property finance contract totaling \$476,256 with a stated interest of .25%. Payments are due in 32 payments of \$15,062 beginning on May 31, 2017 through February 28, 2025. The purpose was to upgrade the cooling system and one middle school and high school.

*Football Lighting System*

In April 2019, the District approved an order to enter into a public property finance contract totaling \$329,500 with a stated interest of 3.95%. The District entered into a direct financing lease with Musco Lighting System whereas payments are due in 5 payments of \$74,061 beginning on July 8, 2020 through July 8, 2024. The purpose was to replace lights for the football stadium at the District's high school.

**Roma Independent School District  
Notes to the Financial Statements**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Obligations (Continued)***

Year Ending August 31	HVAC System		Control Project		Football Stadium Lights		Total Property Finance Contracts	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 59,632	\$ 618	\$ 56,265	\$ 1,457	\$ 63,253	\$ 10,808	\$ 179,150	\$ 12,883
2022	59,781	469	-	-	65,798	8,263	125,579	8,732
2023	59,930	319	-	-	68,444	5,617	128,374	5,936
2024	60,080	169	-	-	71,197	2,864	131,277	3,033
2025	30,097	28	-	-	-	-	30,097	28
<b>Total</b>	<b>\$ 269,520</b>	<b>\$ 1,603</b>	<b>\$ 56,265</b>	<b>\$ 1,457</b>	<b>\$ 268,692</b>	<b>\$ 27,552</b>	<b>\$ 594,477</b>	<b>\$ 30,612</b>

***Due from/Due to other government agencies***

Amounts due from / due to other governments and agencies are as follows:

	Due From	Due To
<b>Governmental Funds:</b>		
General Fund:		
Texas Education Agency:		
Foundation revenues	\$ 77,668	\$ 3,507,479
	77,668	3,507,479
<b>Other Governmental Funds:</b>		
Texas Education Agency:		
ESEA, Title I, Part A – Improving Basic Programs	1,270,447	-
ESEA, Title I, Part C – Migratory Children	141,872	-
IDEA–B Formula	161,799	-
IDEA–B Preschool	1,135	-
Summer Feeding Program	121,281	-
Career and Technical – Basic Grant	46,213	-
ESEA, Title II, Part A - Teacher & Principal Training & Recruitment	132,186	-
ESEA, Title III, Part A - English Language Acquisition	156,787	-
Elementary and Secondary School Emergency Relief Fund	1,019,883	-
Gear Up	20,738	-
Rural Education Achievement Program	123,977	-
Instructional Continuity Grant	21,685	-
Title IV, Part A, Subpart 1- Student Support and Academic Enrichment	121,874	-
Instructional Facilities Allotment (IFA)	-	182,127
<b>Total Governmental Funds</b>	<b>3,339,877</b>	<b>182,127</b>
<b>Total</b>	<b>\$ 3,417,545</b>	<b>\$ 3,689,606</b>

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Due from/Due to other funds*

Interfund receivable and payable balances at August 31, 2020 were as follows:

Due to	Due From	
General Fund - Food Service	General Fund	\$ 802,303
General Fund	General Fund - Food Service	350,123
General Fund	Non-Major Fund	2,921,350
General Fund	Fiduciary Fund	200
General Fund	Capital Projects Fund	1,964,925
General Fund - Payroll Clearing	General Fund	1,181,470
Capital Projects Fund	General Fund	9,750
Nonmajor Funds	General Fund	1,770,790
Due from other funds		<u>\$ 9,000,911</u>

The remaining balances resulted from a routine lag between the dates that transactions such as year-end payroll accruals and worker's compensation adjustments payments between the funds are made. All amounts are rescheduled to be repaid within one year.

#### *Fund Balance/Net Position*

Committed for Construction – the School Board has taken action to commit the fund balance in the general fund for future construction of an elementary campus.

Assigned – the School Board has authorized by board resolution the superintendent to assign funds for specifically identified purposes.

Unassigned – the unassigned fund balance has no constraints

	General Funds	Capital Projects	Nonmajor Funds	Total Governmental Funds
<b>Fund Balances</b>				
Nonspendable fund balance:				
Inventories	\$ 133,642	\$ -	\$ -	\$ 133,642
Prepaid items	1,463,701	-	-	1,463,701
Restricted fund balance:				
Federal or State funds grant restriction	774,058	-	1,511,575	2,285,633
Capital acquisition and contractual obligation	-	7,485,295	-	7,485,295
Retirement of long-term debt	-	-	240,335	240,335
Committed fund balance				
Construction	7,348,000	-	-	7,348,000
Other committed fund balance	-	-	103,445	103,445
Unassigned fund balance	18,392,763	-	-	18,392,763
Total fund balances	<u>\$ 28,112,164</u>	<u>\$ 7,485,295</u>	<u>\$ 1,855,355</u>	<u>\$ 37,452,814</u>

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Fund Balance/Net Position (Continued)*

	Governmental Activities
<b>Net Position</b>	
Net investment in capital assets:	
Capital assets, net of accumulated depreciation	\$ 132,741,179
Less related liabilities	(65,945,000)
Restricted cash (unexpended bond proceeds)	184,900
Plus premiums	6,181,442
Less discounts	(22,596)
Less deferred charges	(1,702,666)
Less construction retainages and accounts payable for construction costs	(177,637)
Less property finance contracts	(594,477)
Total net investment in capital assets	70,665,145
Restricted net position consists of the following:	
Federal and state programs	2,285,633
Debt service	379,547
Total restricted net position	2,665,180
Unrestricted net position (deficit)	(15,423,128)
Total net position	\$ 57,907,197

#### *Deferred Inflows and Outflows*

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

	Statement of Net Position		Balance Sheet - Governmental Funds	
	Governmental Activities	General Fund	Nonmajor Fund	
Deferred outflows of resources:				
Deferred outflows from TRS Pension	\$ 9,949,463	\$ -	\$ -	
Deferred outflows from TRS OPEB	3,310,963	-	-	
Deferred charge on refunding	1,702,666	-	-	
Total deferred outflows of resources	\$ 14,963,092	\$ -	\$ -	
Deferred inflows of resources:				
Deferred inflows from TRS Pension	\$ 4,511,124	\$ -	\$ -	
Deferred outflows from TRS OPEB	11,796,105	-	-	
Unavailable property taxes	-	8,778,454	1,615,010	
Total deferred inflows of resources	\$ 16,307,229	\$ 8,778,454	\$ 1,615,010	

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Revenues from Local and Intermediate Sources*

During the current year, revenues from local and intermediate sources consisted of the following:

	General Funds	Capital Projects	Non-Major Funds	Total
Property taxes	\$ 4,890,017	\$ -	\$ 1,866,734	\$ 6,756,751
Food Sales	44,498	-	-	44,498
Investment Income	486,956	109,452	15,605	612,013
Penalties and interest	556,363	-	111,406	667,769
Co-curricular student activities	38,431	-	-	38,431
E-rate	130,010	-	-	130,010
Miscellaneous	874,382	-	172,516	1,046,898
<b>Total</b>	<b>\$ 7,020,657</b>	<b>\$ 109,452</b>	<b>\$ 2,166,261</b>	<b>\$ 9,296,370</b>

#### *General Fund Federal Source Revenues*

Federally financed programs are generally accounted for in the Special Revenue Funds of the District, except for indirect costs charged to federal programs, which are accounted for in the General Fund as prescribed by the TEA and certain direct revenues. The District recognized in the General fund such revenues for the year ended August 31, 2020, from various federal sources as follows:

Programs or Source	CFDA Number	Amount
School Breakfast	10.553	\$ 1,277,267
National School Lunch	10.555	2,079,763
Commodity Supplemental Fund	10.565	274,494
School Health and Related Services (SHARS)	N/A	699,254
Fruits and Vegetables	N/A	118,364

#### *Indirect Costs*

Child Nutrition Program	707,293
<b>Total general fund federal revenue</b>	<b>\$ 5,156,435</b>

## Roma Independent School District Notes to the Financial Statements

### NOTE 3: DEFINED BENEFIT PENSION PLAN

#### Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS) and is 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 work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

#### Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately- issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.gov/TRS%20Documents/cafr2019.pdf>, selecting *About TRS* then *Publications* then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

#### 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 2.3% (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 date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic 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.

## Roma Independent School District Notes to the Financial Statements

### NOTE 3: DEFINED BENEFIT PENSION PLAN (Continued)

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if amortization period already exceeds 31 years, the period would be increased by such action. In May 2019, the 86<sup>th</sup> Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increase from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13<sup>th</sup> check in September 2019. All eligible members retired as of December 31, 2019 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

#### 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% 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 86<sup>th</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

	<u>Contribution Rates</u>	
	<u>2019</u>	<u>2020</u>
Member	7.7%	7.7%
Non-employer contributing entity (state)	6.8%	7.5%
Employer	6.8%	7.5%

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA). Contributions as of the pension plan measurement date were as follows:

Current fiscal year employer contributions	\$ 1,689,153
Current fiscal year member contributions	\$ 3,612,772
2019 measurement year NECE on-behalf contributions	\$ 2,134,266

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.



## Roma Independent School District Notes to the Financial Statements

### NOTE 3: DEFINED BENEFIT PENSION PLAN (Continued)

Employers (public school, junior college, other entities or the State of Texas as the employer for senior 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 part 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 school or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non(OASDI) surcharge that was in effect in fiscal year 2019.

In addition to the employer contributions listed above, there are two additional charges an employer is subject to:

- 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.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained on the preceding page.

## Roma Independent School District Notes to the Financial Statements

### NOTE 3: DEFINED BENEFIT PENSION PLAN (Continued)

#### Actuarial Assumptions

The total pension liability in the August 31, 2018 actuarial valuation rolled forward to August 31, 2019 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018, rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate of Return	7.25%
Municipal Bond Rate as of August 2019	2.63% - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2116
Inflation	2.3%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumption used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions please see the TRS actuarial valuation report dated November 14, 2019.

#### Discount Rate

The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 %. The projection of cash flows used to determine the 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 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees. Based upon 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 period of projected benefit payments to determine the total pension liability.

## Roma Independent School District Notes to the Financial Statements

### NOTE 3: DEFINED BENEFIT PENSION PLAN (Continued)

The long-term rate of return on pension plan investments is 7.25%. 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 Systems target asset allocation as of August 31, 2019 (see page 52 of TRS CAFR) are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-term Expected Portfolio Real Rate of Return*
<b>Global Equity</b>			
U.S.	18%	18.0%	6.4%
Non-U. S. Developed	13%	13.0%	6.3%
Emerging Markets	9%	9.0%	7.3%
Directional Hedge Funds	4%	0.0%	0.0%
Private Equity	13%	14.0%	8.4%
<b>Stable Value</b>			
U.S. Treasuries	11%	16.0%	310.0%
Stable Value Hedge Funds	4%	5.0%	4.5%
Absolute Return (Including Credit Sensitive Investments)	0%	0.0%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3%	0.0%	0.0%
Real Estate	14%	15.0%	8.5%
Energy and Natural Resources	5%	6.0%	7.3%
Commodities	0%	0.0%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	8.0%	5.8%/6.5%
<b>Leverage</b>			
Cash	1%	2.0%	2.5%
Asset Allocation Leverage	-	-6.0%	2.7%
<b>Total</b>	<b>100%</b>		<b>7.2%</b>

## Roma Independent School District Notes to the Financial Statements

### NOTE 3: DEFINED BENEFIT PENSION PLAN (Continued)

#### Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

	1% Decrease In Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	\$32,437,299	\$21,102,299	\$11,918,761

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

At August 31, 2020, the District reported a liability of \$21,102,299 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for 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	\$ 21,102,299
State's proportionate share that is associated with the District	31,699,048
<b>Total</b>	<b>\$ 52,801,347</b>

The net pension liability was measured as of August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019, the employer's proportion of the collective net pension liability was .0405945164% which was an increase (decrease) of .0003217385% from its proportion measured as of August 31, 2018.

#### Changes Since the Prior Actuarial Valuation

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas legislature approved funding for a 13<sup>th</sup> check. All eligible member retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000 whichever is less.

**Roma Independent School District  
Notes to the Financial Statements**

**NOTE 3: DEFINED BENEFIT PENSION PLAN (Continued)**

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

For the year ended August 31, 2020, the District recognized pension expense of \$9,066,084 and revenue of \$4,979,474 for support provided by the State.

At August 31, 2020, the District reports its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual economic experience	\$ 88,649	\$ 732,705
Changes in actuarial assumptions	6,546,969	2,705,518
Difference between projected and actual investment earnings	211,892	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,412,800	1,072,901
Total net amounts per August 31, 2019 measurement date	8,260,310	4,511,124
Contributions paid to TRS subsequent to the measurement date	1,689,153	-
<b>Total</b>	<b>\$ 9,949,463</b>	<b>\$ 4,511,124</b>

The \$1,689,153 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2020. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Pension Plan Years Ended August 31:	Pension Expense Amount
2021	\$ 1,019,326
2022	755,785
2023	848,044
2024	947,058
2025	366,388
Thereafter	(187,415)

The following is the changes reported in other long-term liabilities regarding the District's Net Pension Liability as of August 31, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance
Net Pension Liability	\$ 22,167,114	\$ 356,042	\$ 1,420,857	\$ 21,102,299

## Roma Independent School District Notes to the Financial Statements

### NOTE 4: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

**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 that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System (TRS) Board of Trustees. It is established and administered in accordance with Texas Insurance Code, Chapter 1575.

**OPEB Plan Fiduciary Net Position.** Detail information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592.

**Benefits Provided.** TRS-Care provides health insurance coverage to retirees from public schools, 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 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. 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. There are no automatic post-employment benefit changes; including automatic COLAs.

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

	<u>TRS-Care Monthly Premium Rates</u>	
	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999
*or surviving spouse		

**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 school districts based upon public school district payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

**Roma Independent School District  
Notes to the Financial Statements**

**NOTE 4: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)**

**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 school districts based upon public school district payroll. 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 .75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>Contribution Rates</u>	
	<u>2019</u>	<u>2020</u>
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employee	1.25%	1.25%
Current fiscal year employer contributions	\$	435,483
Current fiscal year member contributions	\$	304,970
2019 measurement year NECE on-behalf contributions	\$	539,815

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS-Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

**Actuarial Assumptions.** The total OPEB liability in the August 31, 2018 was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions. The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

## Roma Independent School District Notes to the Financial Statements

### NOTE 4: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

#### Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on Plan Specific Experience
Election Rates	50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05%-9.05%, including inflation
Ad-hoc Post Employment Benefit Changes	None

**Discount Rate.** A single discount rate of 2.63% was used to measure the total OPEB liability. There was an decrease of 1.06 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

#### Sensitivity of the Net OPEB Liability:

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.63%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
District's proportionate share of the net OPEB liability	\$ 32,683,857	\$ 27,071,391	\$ 22,680,756



**Roma Independent School District  
Notes to the Financial Statements**

**NOTE 4: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)**

**Healthcare Cost Trend Rates Sensitivity Analysis** – The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease (3.5-11%)	Current Healthcare Cost Trend Rate (4.5-12%)	1% Increase (5.5-13%)
District's proportionate share of the net OPEB liability	\$ 22,083,892	\$ 27,071,391	\$ 33,752,353

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

**Related to OPEBs.** At August 31, 2020, the District reported a liability of \$27,071,391 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for 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	\$ 27,071,391
State's proportionate share that is associated with the District	35,971,825
<b>Total</b>	<u><u>\$ 63,043,216</u></u>

The Net OPEB Liability was measured as of August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer’s proportion of the Net OPEB Liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019 the employer’s proportion of the collective Net OPEB Liability was .0572440080% which is a decrease of -0.0001523743% from its proportion measured as of August 31, 2018.

## Roma Independent School District Notes to the Financial Statements

### NOTE 4: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

**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 (TOL) since the prior measurement period.

- The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan’s anticipated experience.
- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2020, the District recognized OPEB expense of \$1,978,265 and revenue of \$948,070 for support provided by the State.

At August 31, 2020, 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:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual actuarial experience	\$ 1,328,082	\$ 4,429,946
Changes in actuarial assumptions	1,503,605	7,281,540
Difference between projected and actual investment earnings	2,921	-
Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions	40,872	84,619
Total net amounts per August 31, 2019 measurement date	2,875,480	11,796,105
Contributions paid to TRS subsequent to the measurement date	435,483	-
<b>Total</b>	<b>\$ 3,310,963</b>	<b>\$ 11,796,105</b>

**Roma Independent School District  
Notes to the Financial Statements**

**NOTE 4: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)**

The net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Pension Plan Years Ended August 31:	Pension Expense
2021	\$ (1,498,410)
2022	(1,498,410)
2023	(1,499,356)
2024	(1,499,896)
2025	(1,499,748)
Thereafter	(1,424,805)

The following is the changes reported in other long-term liabilities regarding the District’s Net OPEB Liability as of August 31, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance
Net OPEB Liability	\$ 28,658,539	\$ (1,180,874)	\$ 406,274	\$ 27,071,391

*Medicare Prescription Drug Program*

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care received retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2020, 2019 and 2018 the subsidy payments received by TRS-Care on behalf of the District were as follows:

Fiscal Year	Medicare Part D
2019	\$210,582
2019	167,657
2018	133,412

## Roma Independent School District Notes to the Financial Statements

### **NOTE 5: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2018, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year. In addition, there were no settlements exceeding insurance for each of the past three fiscal years.

#### **Health Coverage**

During the year ended August 31, 2020 employees of the Roma Independent School District were covered by a health insurance plan (the Plan). The District paid premiums of \$464.55 per month per employee to the plan, and the employees at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to Blue Cross/Blue Shield of Texas. The plan was authorized by Section 21.922, Texas Education Code, or Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the Roma Independent School District and Blue Cross/Blue Shield of Texas is renewable September 1, 2020. The Plan was renewed subsequent to year end. This is a fully-funded, pure premium plan, and the terms of coverage and premium costs are included in the contractual provisions.

#### **Workers' Compensation**

The District entered into a plan beginning September 1, 1999 with Texas Political Subdivision. The District pays premiums based on total compensation. Under the terms of the contract, coverage is in effect for bodily injury by accident and disease up to \$500,000 limit per employee. The District is not responsible for their own paid claims.

The District is a party to various legal actions none of which is believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

### **NOTE 6: COMMITMENTS AND CONTINGENCIES**

The District participates in numerous state and federal 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, if any, refunds of any money received may be required and the collectibility of any related receivable at August 31, 2020 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 financial statements for such contingencies.

The District is a party to various legal actions, none of which is believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying combined financial statements for such contingencies.

**Roma Independent School District  
Notes to the Financial Statements**

**NOTE 6: COMMITMENTS AND CONTINGENCIES**

*Construction commitments*

Construction in progress at August 31, 2020 is comprised of the following:

	Estimated Projected Costs	Expended through August 31, 2020	Amount Committed
JROTC Building	\$ 1,900,000	\$ 1,786,312	\$ 113,688
RCS Elementary Repairs	1,000,000	150,279	\$ 849,721
RB Middle School Repairs	1,000,000	73,797	\$ 926,203
Performing Arts Center Repairs	1,000,000	72,819	\$ 927,181
<b>Total</b>	<b>\$ 4,900,000</b>	<b>\$ 2,083,207</b>	<b>\$ 2,816,793</b>

**NOTE 7: COMPLIANCE AND ACCOUNTABILITY**

Finance-Related Legal and Contractual Provision

In accordance with GASB cod. Sec. 2300.106h, *Notes to Financial Statements*- violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

School districts in Texas must comply with constitutional provisions, statutory laws, public policy established by common law, Title 19 of the Texas Administrative Code, and with regulations of the Texas Education Agency.

**NOTE 8: CHAPTER 313 AGREEMENTS**

The District entered into an agreement with Duke Energy Renewables Wind, LLC on September 23, 2014, under the authority of Chapter 313 “Texas Economic Development Act” of the Texas Tax Code, Title 3, Subtitle B. Duke Energy Renewables Wind, LLC qualified for a tax limitation agreement under the Texas Tax Code, as amended.

The agreement was for Duke Energy Renewables Wind, LLC to invest an estimated \$72.7 million to construct a renewable wind energy electric generation project on a long-term basis with a valuation limit of \$10,000,000 on maintenance and operations (M&O) taxes after a two year qualifying period. For fiscal year 2020, which is year 5 of the agreement, the M&O tax rate is \$1.06835 per \$100, with property valued at \$63,518,000 being taxed at \$10,000,000. The District forgoes collecting \$692,159 in tax revenue. However, the reduced collections in tax revenue will be offset by the increase in state funding through the Foundation School Program funding formula and a hold harmless payment received by the District in the 2020 fiscal year.

The District has not made any commitments as part of the agreement other than to reduce taxes.

## Roma Independent School District Notes to the Financial Statements

### NOTE 9: SUBSEQUENT EVENTS/CONTINGENCY

The Texas Education Agency advised districts regarding the impact of the COVID-19 pandemic on average daily attendance (ADA) reporting and the impact on funding for the 2020-2021 school year. The District also will be able to utilize funding from various federal grant programs to offset losses of revenue associated with the pandemic and costs of implementing safety protocols and distance learning strategies. The full extent of the ongoing impact of COVID-19 on the District's 2020-21 fiscal year and longer-term operational and financial performance will depend on future developments, many of which are outside of the District's control, including the effectiveness of the mitigation strategies related to COVID-19, the duration and spread of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted.



**REQUIRED SUPPLEMENTARY  
INFORMATION**





ROMA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 5,983,300	\$ 6,663,300	\$ 7,020,657	\$ 357,357
5800 State Program Revenues	56,081,000	51,681,000	52,582,998	901,998
5900 Federal Program Revenues	6,318,000	4,918,000	5,156,435	238,435
5020 Total Revenues	68,382,300	63,262,300	64,760,090	1,497,790
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	34,411,000	34,411,000	32,365,858	2,045,142
0012 Instructional Resources and Media Services	1,181,000	1,181,000	1,137,093	43,907
0013 Curriculum and Instructional Staff Development	300,500	300,500	290,291	10,209
0021 Instructional Leadership	1,118,500	1,118,500	1,045,739	72,761
0023 School Leadership	4,170,500	4,170,500	4,286,323	(115,823)
0031 Guidance, Counseling, and Evaluation Services	1,895,500	1,970,500	2,009,089	(38,589)
0032 Social Work Services	195,700	280,700	271,756	8,944
0033 Health Services	771,500	771,500	692,436	79,064
0034 Student (Pupil) Transportation	3,092,000	2,942,000	2,538,270	403,730
0035 Food Services	5,473,000	4,353,000	4,354,732	(1,732)
0036 Extracurricular Activities	3,120,000	3,270,000	3,088,318	181,682
0041 General Administration	2,388,000	2,388,000	2,310,620	77,380
0051 Facilities Maintenance and Operations	9,123,000	8,323,000	7,904,697	418,303
0052 Security and Monitoring Services	1,819,500	1,819,500	1,603,661	215,839
0053 Data Processing Services	1,202,000	1,382,000	1,322,466	59,534
0061 Community Services	52,500	52,500	46,808	5,692
<b>Debt Service:</b>				
0071 Principal on Long-Term Debt	224,000	224,000	175,135	48,865
0072 Interest on Long-Term Debt	-	-	16,698	(16,698)
<b>Intergovernmental:</b>				
0099 Other Intergovernmental Charges	240,000	240,000	199,183	40,817
6030 Total Expenditures	70,778,200	69,198,200	65,659,173	3,539,027
1200 Net Change in Fund Balances	(2,395,900)	(5,935,900)	(899,083)	5,036,817
0100 Fund Balance - September 1 (Beginning)	29,011,247	29,011,247	29,011,247	-
3000 Fund Balance - August 31 (Ending)	\$ 26,615,347	\$ 23,075,347	\$ 28,112,164	\$ 5,036,817

**Roma Independent School District  
Schedule of the District's Proportionate Share  
of the Net Pension Liability  
Teacher Retirement System of Texas**

EXHIBIT G-2

	Measurement Year Ended August 31,				
	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.0405945%	0.0402728%	0.0402535%	0.0440022%	0.0487985%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 21,102,299	\$ 22,167,114	\$ 12,870,893	\$ 16,627,762	\$ 17,249,620
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	31,699,048	34,375,812	21,145,335	26,192,273	24,817,591
Total	\$ 52,801,347	\$ 56,542,926	\$ 34,016,228	\$ 42,820,035	\$ 42,067,211
District's Covered Payroll	\$ 44,904,803	\$ 43,315,586	\$ 42,828,085	\$ 43,959,935	\$ 43,309,255
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	46.99%	51.18%	30.05%	37.82%	39.83%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	75.24%	73.74%	82.17%	78.00%	78.43%

**Note:** Only five years of data is presented in accordance with GASB Cod. Sec. P20.146.b(2) *Pension Activities— Reporting for Benefits Provided Through Trusts That Meet Specified Criteria— Defined Benefit*, “The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement.”

**Roma Independent School District  
Schedule of the District Contributions  
Teacher Retirement System of Texas**

EXHIBIT G-3

	Fiscal Year Ended August 31,				
	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 1,689,153	\$ 1,377,226	\$ 1,336,762	\$ 1,319,260	\$ 1,398,119
Contribution in Relation to the Contractually Required Contribution	(1,689,153)	(1,377,226)	(1,336,762)	(1,319,260)	(1,398,119)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 46,919,067	\$ 44,904,803	\$ 43,315,586	\$ 42,828,085	\$ 43,959,935
Contributions as a percentage of Covered Payroll	3.60%	3.07%	3.09%	3.08%	3.18%

**Note:** Only five years of data is presented in accordance with *GASB Cod. Sec. P20.a*. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement."

**Roma Independent School District  
Schedule of the District's Proportionate  
Share of the Net OPEB Liability  
Teacher Retirement System of Texas**

EXHIBIT G-4

<i>Measurement Year Ended August 31,</i>	<b>2019</b>	<b>2018</b>
District's proportion of the net OPEB liability	<b>0.057244008%</b>	<b>0.573963823%</b>
District's proportionate share of net OPEB liability	<b>\$ 27,071,391</b>	<b>\$ 28,658,539</b>
State's proportionate share of the net OPEB liability associated with the District	<b>35,971,825</b>	<b>34,099,887</b>
<b>Total</b>	<b>\$ 63,043,216</b>	<b>\$ 62,758,426</b>
District's covered payroll	<b>\$ 44,904,803</b>	<b>\$ 43,315,586</b>
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	<b>60.29%</b>	<b>66.16%</b>
Plan fiduciary net position as a percentage of the total OPEB liability	<b>2.66%</b>	<b>1.57%</b>

**Note:** Only two years of data is presented in accordance with GASB Statement No. 75, *Accounting and Financial Reporting For Postemployment Benefits Other Than Pensions*, "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement."

**Roma Independent School District  
Schedule of the District's OPEB Contributions  
Teacher Retirement System of Texas**

EXHIBIT G-5

<i>Fiscal Year Ended August 31,</i>	<b>2020</b>	<b>2019</b>
Contractually required contribution	\$ 435,483	\$ 708,509
Contribution in relation to the contractually required contribution	<b>(435,483)</b>	<b>(708,509)</b>
Contribution deficiency (excess)	\$ -	\$ -
District's covered payroll	\$ 46,919,067	\$ 44,904,803
Contributions as a percentage of covered payroll	<b>0.93%</b>	<b>1.58%</b>

**Note:** Only two years of data is presented in accordance with GASB Statement No. 75, *Accounting and Financial Reporting For Postemployment Benefits Other Than Pensions*, "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement."

## Roma Independent School District Notes to the Required Supplementary Information

### Stewardship, compliance, and accountability

#### Budgetary information

The Board adopts an “appropriated budget” on a basis consistent with GAAP for the general fund. At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these two funds.

The following procedures are followed in establishing the budgetary data reflected in the general purpose financial statements:

- Prior to August 20 for a fiscal year start date of September 1, the District prepares a budget based on the modified zero-based budgeting concept for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- After one or more budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten days but not more than 30 days public notice of the meeting is required.
- Prior to August 31<sup>st</sup> for a fiscal year start date of September 1, the Board legally adopts the budget for the general fund and debt service fund.
- After the budget is approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and are reflected in the official minutes.
- Expenditure budgets are controlled at the expenditure functional and object level by the appropriate budget manager (principal, department director or divisional administrator). Budget managers may authorize transfers within organizational categories that do not affect the total functional and organizational appropriation. All budget appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Encumbrances outstanding at year-end are commitments that do not constitute expenditures or liabilities. Since appropriations lapse at the end of each year, outstanding encumbrances are appropriately provided for in the subsequent fiscal year’s budget to provide for the liquidation of the prior commitments.

#### TRS Pension

**Changes of benefit terms** – There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

## Roma Independent School District Notes to the Required Supplementary Information

**Changes of Assumptions** – The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability during the measurement period:

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas legislature approved funding for a 13<sup>th</sup> check. All eligible member retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000 whichever is less.

### TRS OPEB Plan

**Changes of benefit terms** – There were no changes in benefit terms that affected measurement of the Total OPEB liability during the measurement period.

**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 discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increase the TOL.
- The health care trend rates were reset to better reflect the plan’s anticipated experience.
- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

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**OTHER SUPPLEMENTARY  
INFORMATION**



## Roma Independent School District Non-major Governmental Funds

The Special Revenue Funds are used to account for all federal, state and locally-funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational goals. Grants included in the Special Revenue Funds are described below. Also included is the debt service fund.

### Fund Name and Description

---

**ESEA, Title I, Part A - Improving Basic Programs** – supplemental service designed to accelerate the academic achievement of economically disadvantaged students, especially in the tested areas, to ensure that state Standards are met on identified campuses.

**ESEA, Title I, Part C – Education of Migratory Children** – ensure that all migrant students reach challenging academic standards and graduate with a high school diploma (or complete a GED) that prepares them for responsible citizenship, further learning, and productive employment.

**IDEA, Part B – Formula** – Salaries and supplies to aid children with disabilities with low reading achievement.

**IDEA, Part B – Preschool** – aids preschool students with disabilities.

**Summer Feeding Program** – federal program that provides children in low-income areas to continue to receive nutritious meals during long school vacations, when they do not have access to school lunch or breakfast.

**Vocational Education – Basic** – funds are for the use of various vocationally-included students in regular, disadvantaged and disability classes.

**ESEA, Title II, Part A (Teacher and Principal Training and Recruiting)** – supplements the professional development, retention and recruitment programs district-wide, specifically on high need campuses.

**ESEA, Title III, Part A – English Language Acquisition and Language Enhancement** – provides additional educational opportunities to supplement programs for students of limited English proficiency and immigrant children by assisting the children to learn English and meet challenging State academic content and student academic achievements standards.

**COVID-19 Elementary and Secondary Relief School Emergency Relief Fund** – provides local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the Nation.

**ESEA, Title VI, Part B – Rural Education Achievement Program (Rural and Low-Income School Program)** – provides financial assistance to rural districts to meet local academic needs. RLIS funds a variety of activities including teacher recruitment and professional development, support for educational technology, parental involvement activities, and more.

**GEAR UP** – Seven- year federal initiative designed to increase early college awareness, readiness, and success for low-income and historically underrepresented students.

**Title I – SIP Academy Grant** – provides supplemental resources to districts to support improved student outcomes on targeted support and improvement campuses. The purpose of this grant is to increase the capacity of a district to facilitate instructional continuity and distance, remote, and/or virtual learning for identified campuses that have been affected by campus closures due to COVID-19.

**Campus Activity Fund** – Proceeds from fundraising activities, vending sales, corporate and private donations to school-sponsored activities benefiting students and staff of the campus.

**Debt Service Fund** - This fund is used to account for the accumulation of resources and the payment of general obligation bond principal and interest from governmental resources when the District is obligated in some manner for the payment.





# COMBINING STATEMENTS

ROMA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-
1240	Due from Other Governments	1,270,447	141,872	161,979
1260	Due from Other Funds	-	-	980
		-	46,604	1,051
1000	Total Assets	<u>\$ 1,270,447</u>	<u>\$ 141,872</u>	<u>\$ 208,583</u>
		<u>\$ 2,031</u>		
<b>LIABILITIES</b>				
2110	Accounts Payable	\$ 6,474	\$ 806	\$ 889
2160	Accrued Wages Payable	193,120	6,967	82,037
2170	Due to Other Funds	1,049,610	133,333	116,633
2180	Due to Other Governments	-	-	-
2200	Accrued Expenditures	21,243	766	9,024
2000	Total Liabilities	<u>1,270,447</u>	<u>141,872</u>	<u>208,583</u>
				<u>2,031</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	Unavailable Revenue - Property Taxes	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
3480	Retirement of Long-Term Debt	-	-	-
Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 1,270,447</u>	<u>\$ 141,872</u>	<u>\$ 208,583</u>
				<u>\$ 2,031</u>

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	270 ESEA VI, Pt B Rural & Low Income	274 GEAR UP	276 Title I - SIP Academy Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
121,281	46,213	132,186	156,787	1,019,858	123,977	20,738	21,685
1,391,868	-	-	-	-	-	-	-
<u>\$ 1,513,149</u>	<u>\$ 46,213</u>	<u>\$ 132,186</u>	<u>\$ 156,787</u>	<u>\$ 1,019,858</u>	<u>\$ 123,977</u>	<u>\$ 20,738</u>	<u>\$ 21,685</u>
\$ 1,574	\$ -	\$ -	\$ 10,177	\$ 10,795	\$ 624	\$ 364	\$ -
-	-	10,852	-	-	-	-	-
-	46,213	120,140	146,610	1,009,063	123,353	20,374	21,685
-	-	-	-	-	-	-	-
-	-	1,194	-	-	-	-	-
<u>1,574</u>	<u>46,213</u>	<u>132,186</u>	<u>156,787</u>	<u>1,019,858</u>	<u>123,977</u>	<u>20,738</u>	<u>21,685</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,511,575	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,511,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,513,149</u>	<u>\$ 46,213</u>	<u>\$ 132,186</u>	<u>\$ 156,787</u>	<u>\$ 1,019,858</u>	<u>\$ 123,977</u>	<u>\$ 20,738</u>	<u>\$ 21,685</u>

ROMA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

Data Control Codes	289 Other Federal Special Revenue Funds	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 112,679
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	121,874	-	-	-
1260	Due from Other Funds	-	65,797	-	1,750
1000	<b>Total Assets</b>	<u>\$ 121,874</u>	<u>\$ 65,797</u>	<u>\$ -</u>	<u>\$ 114,429</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ 552	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	121,322	-	-	10,984
2180	Due to Other Governments	-	65,797	-	-
2200	Accrued Expenditures	-	-	-	-
2000	<b>Total Liabilities</b>	<u>121,874</u>	<u>65,797</u>	<u>-</u>	<u>10,984</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	103,445
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,445</u>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ 121,874</u>	<u>\$ 65,797</u>	<u>\$ -</u>	<u>\$ 114,429</u>



Total Nonmajor Special Revenue Funds	599 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 112,679	\$ 53,592	\$ 166,271
-	1,939,365	1,939,365
-	(285,002)	(285,002)
3,339,877	-	3,339,877
1,507,070	263,720	1,770,790
<u>\$ 4,959,626</u>	<u>\$ 1,971,675</u>	<u>\$ 6,931,301</u>
\$ 32,255	\$ -	\$ 32,255
292,976	-	292,976
2,921,351	-	2,921,351
65,797	116,330	182,127
32,227	-	32,227
<u>3,344,606</u>	<u>116,330</u>	<u>3,460,936</u>
-	1,615,010	1,615,010
<u>-</u>	<u>1,615,010</u>	<u>1,615,010</u>
1,511,575	-	1,511,575
-	240,335	240,335
103,445	-	103,445
<u>1,615,020</u>	<u>240,335</u>	<u>1,855,355</u>
<u>\$ 4,959,626</u>	<u>\$ 1,971,675</u>	<u>\$ 6,931,301</u>

ROMA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	3,678,007	328,882	1,128,427	21,687
5020 Total Revenues	3,678,007	328,882	1,128,427	21,687
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	3,428,915	70,987	786,428	21,687
0012 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	1,864	-	1,160	-
0023 School Leadership	10,811	-	-	-
0031 Guidance, Counseling, and Evaluation Services	2,278	92,097	340,839	-
0032 Social Work Services	-	164,494	-	-
0033 Health Services	2,745	150	-	-
0034 Student (Pupil) Transportation	114,452	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	110,273	387	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	6,669	767	-	-
<b>Debt Service:</b>				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	3,678,007	328,882	1,128,427	21,687
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	270 ESEA VI, Pt B Rural & Low Income	274 GEAR UP	276 Title I - SIP Academy Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
2,431,487	114,248	331,575	390,873	1,019,858	122,209	198,505	20,559
2,431,487	114,248	331,575	390,873	1,019,858	122,209	198,505	20,559
-	112,812	269,431	386,191	230,407	122,209	49,167	20,559
-	-	51,551	-	-	-	-	-
-	1,436	8,090	-	2,179	-	149,338	-
-	-	2,503	3,376	62,372	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	5,164	-	-	-
-	-	-	-	8,103	-	-	-
-	-	-	-	129,579	-	-	-
1,186,876	-	-	-	5,245	-	-	-
-	-	-	-	-	-	-	-
-	-	-	180	83,141	-	-	-
-	-	-	-	231,470	-	-	-
-	-	-	-	152,808	-	-	-
-	-	-	-	109,390	-	-	-
-	-	-	1,126	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,186,876	114,248	331,575	390,873	1,019,858	122,209	198,505	20,559
1,244,611	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,244,611	-	-	-	-	-	-	-
266,964	-	-	-	-	-	-	-
\$ 1,511,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ROMA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	289 Other Federal Special Revenue Funds	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 172,516
5800 State Program Revenues	-	3,500	395	304
5900 Federal Program Revenues	218,998	-	-	-
5020 Total Revenues	218,998	3,500	395	172,820
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	218,998	3,500	395	27,879
0012 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	77,888
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	56,310
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
<b>Debt Service:</b>				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	218,998	3,500	395	162,077
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	10,743
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	10,743
0100 Fund Balance - September 1 (Beginning)	-	-	-	92,702
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ 103,445

Total Nonmajor Special Revenue Funds	599 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 172,516	\$ 1,993,745	\$ 2,166,261
4,199	4,006,205	4,010,404
10,005,315	-	10,005,315
10,182,030	5,999,950	16,181,980
5,749,565	-	5,749,565
51,551	-	51,551
164,067	-	164,067
156,950	-	156,950
435,214	-	435,214
169,658	-	169,658
10,998	-	10,998
244,031	-	244,031
1,192,121	-	1,192,121
56,310	-	56,310
193,981	-	193,981
231,470	-	231,470
152,808	-	152,808
109,390	-	109,390
8,562	-	8,562
-	3,590,000	3,590,000
-	2,531,547	2,531,547
-	178,989	178,989
8,926,676	6,300,536	15,227,212
1,255,354	(300,586)	954,768
-	7,420,000	7,420,000
-	1,364,610	1,364,610
-	(8,612,240)	(8,612,240)
-	172,370	172,370
1,255,354	(128,216)	1,127,138
359,666	368,551	728,217
\$ 1,615,020	\$ 240,335	\$ 1,855,355

ROMA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 1,869,000	\$ 1,964,000	\$ 1,993,745	\$ 29,745
5800 State Program Revenues	4,135,303	4,040,303	4,006,205	(34,098)
5020 Total Revenues	6,004,303	6,004,303	5,999,950	(4,353)
<b>EXPENDITURES:</b>				
Debt Service:				
0071 Principal on Long-Term Debt	3,470,000	3,470,000	3,590,000	(120,000)
0072 Interest on Long-Term Debt	2,654,338	2,654,338	2,531,547	122,791
0073 Bond Issuance Cost and Fees	7,500	7,500	178,989	(171,489)
6030 Total Expenditures	6,131,838	6,131,838	6,300,536	(168,698)
1100 Excess (Deficiency) of Revenues Over Expenditures	(127,535)	(127,535)	(300,586)	(173,051)
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued	-	-	7,420,000	7,420,000
7916 Premium or Discount on Issuance of Bonds	-	-	1,364,610	1,364,610
8949 Other (Uses)	-	-	(8,612,240)	(8,612,240)
7080 Total Other Financing Sources (Uses)	-	-	172,370	172,370
1200 Net Change in Fund Balances	(127,535)	(127,535)	(128,216)	(681)
0100 Fund Balance - September 1 (Beginning)	368,551	368,551	368,551	-
3000 Fund Balance - August 31 (Ending)	\$ 241,016	\$ 241,016	\$ 240,335	\$ (681)

ROMA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 AUGUST 31, 2020

	BALANCE SEPTEMBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2020
<b>Student Activity Custodial Fund</b>				
Assets:				
Cash and Temporary Investments	\$ 148,831	\$ 539,881	\$ 493,866	\$ 194,846
Liabilities:				
Due to Other Governments	\$ -	\$ 200	\$ -	\$ 200
Due to Student Groups	148,831	539,881	494,066	194,646
Total Liabilities	<u>\$ 148,831</u>	<u>\$ 540,081</u>	<u>\$ 494,066</u>	<u>\$ 194,846</u>







**TEXAS EDUCATION AGENCY  
REQUIRED SCHEDULES**

ROMA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2020

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2011 and prior years	Various	Various	\$ Various
2012	1.170000	0.28992	368,175,140
2013	1.170000	0.28909	347,776,140
2014	1.170000	0.28909	344,268,560
2015	1.170000	0.28909	347,565,810
2016	1.170000	0.38366	362,971,670
2017	1.170000	0.39939	500,467,820
2018	1.170000	0.31400	459,483,596
2019	1.170000	0.39195	526,916,444
2020 (School year under audit)	1.068350	0.37744	500,167,649
100 TOTALS			

(10) Beginning Balance 9/1/2019	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2020
\$ 5,107,427	\$ -	\$ 148,880	\$ 19,317	\$ (46,383)	\$ 4,892,847
530,108	-	20,898	5,179	(2,762)	501,269
607,644	-	25,917	6,404	(8,678)	566,645
616,614	-	36,866	9,109	(1,445)	569,195
689,667	-	39,559	9,774	(2,954)	637,379
812,787	-	44,225	14,502	(7,375)	746,685
1,054,411	-	51,255	17,497	(8,661)	976,998
1,069,637	-	75,767	20,334	(17,242)	956,295
1,472,154	-	188,080	63,007	(28,576)	1,192,491
-	7,113,939	4,211,961	1,488,055	9,537	1,423,461
<u>\$ 11,960,449</u>	<u>\$ 7,113,939</u>	<u>\$ 4,843,408</u>	<u>\$ 1,653,177</u>	<u>\$ (114,539)</u>	<u>\$ 12,463,264</u>

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**STATISTICAL SECTION**



**Statistical Section  
(Unaudited)**

The statistical section of the Roma Independent School District’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to assist users in understanding how the District’s financial and position has changed over time.	102-109
<b>Revenue Capacity Information</b>	
These schedules contain information to assist users in understanding the factors affecting the District’s ability to generate its own-source revenues.	110-120
<b>Debt Capacity Information</b>	
These schedules contain information to assist users in understanding and assessing the District’s debt burden and its ability to issue additional debt in the future.	121-124
<b>Demographic and Economic Information</b>	
These schedules contain information to assist users in understanding the socioeconomic environment in which the District operates and to provide information that facilitates comparisons of financial statement information over time with other school districts.	125-126
<b>Operating Information</b>	
These schedules contain information intended to provide contextual information about the District’s operations and resources to assist readers in using the financial statement information to understand and assess the District’s economic condition.	127-132







**FINANCIAL TRENDS**  
**INFORMATION**

**Roma Independent School District  
Net Position By Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

	2011	2012	2013	2014
<b>Primary government</b>				
Net investment in capital assets	\$ 63,710,877	\$ 63,212,361	\$ 54,011,900	\$ 64,041,922
Restricted for federal and state programs	256,631	256,631	-	276,075
Restricted for debt service	82,376	-	141,143	188,808
Restricted for capital projects	17,031,516	29,379,516	21,366,067	-
Restricted for campus activities	-	-	-	-
Unrestricted	19,761,619	12,330,992	32,872,148	43,559,940
<b>Total primary government activities net position</b>	<b>\$ 100,843,019</b>	<b>\$ 105,179,500</b>	<b>\$ 108,391,258</b>	<b>\$ 108,066,745</b>

Source: The District's Financial Statements - Statement of Net Position (Exhibit A-1)

Table 1

	2015	2016	2017	2018	2019	2020
\$	63,389,183	\$ 62,523,564	\$ 70,922,241	\$ 72,159,743	\$ 69,291,583	\$ 70,665,145
	363,296	276,075	290,566	285,631	266,964	2,285,633
	515,466	407,138	290,368	236,867	521,502	379,547
	-	-	-	-	-	-
	-	-	76,466	72,070	92,702	-
	30,011,830	27,929,619	34,509,214	(8,136,690)	(8,732,757)	(15,423,128)
\$	94,279,775	\$ 91,136,396	\$ 106,088,855	\$ 64,617,621	\$ 61,439,994	\$ 57,907,197

**Roma Independent School District**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2011	2012	2013
<b>Expenses</b>			
Governmental Activities:			
Instruction	\$ 35,415,764	\$ 34,451,430	\$ 35,633,480
Instructional Resources & Media Services	1,009,492	966,627	1,016,705
Curriculum & Staff Development	237,864	241,976	249,177
Instructional Leadership	834,254	777,448	769,486
School Leadership	3,379,649	3,289,239	3,264,954
Guidance, Counseling & Evaluation Services	1,727,290	1,734,911	1,786,814
Social Work Services	267,990	262,575	254,582
Health Services	696,367	690,987	710,391
Student (Pupil) Transportation	2,694,517	2,572,967	2,685,067
Food Services	5,020,402	4,638,936	4,903,433
Cocurricular/Extracurricular Activities	2,411,036	2,510,837	2,763,074
General Administration	1,678,781	1,660,584	1,699,756
Plant Maintenance & Operations	8,027,905	7,598,812	8,081,405
Security & Monitoring Services	1,060,726	948,219	977,210
Data Processing Services	655,773	677,615	789,986
Community Services	116,835	102,311	86,439
Debt Service - Interest on Long Term Debt	3,114,534	3,663,720	2,819,550
Debt Service - Bond Issuance Cost & Fees	11,699	2,350	205,053
Capital Outlay	-	-	-
Other Intergovernmental Charges	136,578	170,786	114,853
<b>Total Governmental Activities</b>	<b>68,497,456</b>	<b>66,962,330</b>	<b>68,811,415</b>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
Instruction	-	51,624	-
Health Services	53,177	39,812	47,301
Food Services	364,151	330,632	320,168
Cocurricular/Extracurricular Activities	-	-	-
General Administration	599,861	637,202	972,465
Operating Grants and Contributions	19,247,951	15,552,553	14,523,041
<b>Total governmental Activities Program Revenues</b>	<b>20,265,140</b>	<b>16,611,823</b>	<b>15,862,975</b>
<b>Net (Expense)/Revenue</b>			
Total Primary Governmental Net Expense	(48,232,316)	(50,350,507)	(52,948,440)
<b>General Revenues</b>			
Property Taxes, Levied for General Purposes	5,071,416	4,065,233	3,828,719
Property Taxes, Levied for Debt Service	582,961	1,002,000	940,886
Grants and Contributions not Restricted to Specific Programs	47,088,993	48,599,493	51,707,513
Investment Earnings	301,387	319,256	323,669
Miscellaneous	553,009	397,564	440,666
<b>Total Primary Government General Revenues</b>	<b>53,597,766</b>	<b>54,383,546</b>	<b>57,241,453</b>
<b>Total Change in Net Position</b>	<b>\$ 5,365,450</b>	<b>\$ 4,033,039</b>	<b>\$ 4,293,013</b>

Source: The District's Financial Statements - Statement of Activities (Exhibit B-1)

Table 2

	2014	2015	2016	2017	2018	2019	2020
\$	37,949,465	\$ 40,323,645	\$ 41,924,391	\$ 34,496,862	\$ 31,449,458	\$ 43,224,500	\$ 44,338,293
	1,175,300	1,320,761	1,215,730	1,033,056	1,078,625	1,301,512	1,303,735
	227,387	260,380	588,608	400,165	269,197	349,730	403,535
	845,413	987,020	1,221,561	1,009,844	883,355	1,431,075	1,420,337
	3,653,777	4,005,850	4,190,734	3,519,090	3,429,616	4,704,159	5,189,394
	1,985,107	2,386,571	2,416,169	1,946,907	1,834,556	2,438,424	2,871,254
	276,307	293,814	320,174	267,678	317,003	353,479	517,110
	722,826	756,865	795,123	695,232	607,706	819,056	812,134
	2,700,359	2,546,858	2,705,716	2,494,126	2,359,439	3,213,254	2,956,094
	5,009,811	5,637,195	5,549,583	4,987,223	5,356,579	5,678,690	6,243,270
	2,878,705	3,255,142	3,390,922	2,897,353	2,909,923	3,733,795	3,577,227
	2,250,219	3,297,147	3,076,125	2,220,790	2,146,180	2,763,716	2,856,942
	8,331,488	9,301,671	9,847,073	8,615,766	7,935,799	9,512,773	9,037,769
	1,382,509	1,629,827	1,623,965	1,431,830	1,302,592	1,887,418	2,013,673
	808,720	1,027,221	1,266,569	1,028,783	918,529	1,288,688	1,652,636
	89,908	116,987	95,991	66,627	45,280	82,148	63,181
	3,695,797	2,445,098	1,767,423	2,479,228	2,495,713	2,381,448	2,183,640
	148,768	213,584	252,588	380,722	7,161	6,620	178,989
	-	-	150,897	118,946	1,602,104	-	-
	149,316	152,841	152,285	167,373	221,456	285,575	199,183
	74,281,182	79,958,477	82,551,627	70,257,601	67,170,271	85,456,060	87,818,396
	-	-	-	-	-	-	-
	47,569	45,287	75,826	60,686	54,592	71,153	38,431
	349,317	234,764	173,301	222,865	93,026	102,005	44,498
	-	-	-	-	-	-	-
	843,646	832,106	471,677	1,145,673	2,804,451	924,555	1,116,245
	15,340,056	15,227,784	16,531,791	18,848,778	4,139,176	19,174,674	20,221,388
	16,580,588	16,339,941	17,252,595	20,278,002	7,091,245	20,272,387	21,420,562
	(57,700,594)	(63,618,536)	(65,299,032)	(49,979,599)	(60,079,026)	(65,183,673)	(66,397,834)
	4,100,877	4,012,396	3,953,568	4,154,992	4,235,559	5,062,422	5,125,866
	1,009,546	988,978	1,224,725	1,361,003	1,352,162	1,939,646	2,005,946
	51,455,289	53,400,009	51,854,065	51,337,758	54,920,915	53,347,444	54,482,651
	326,857	271,632	276,812	376,160	731,676	898,525	612,013
	483,512	541,365	4,846,483	7,702,145	716,595	757,529	638,561
	57,376,081	59,214,380	62,155,653	64,932,058	61,956,907	62,005,566	62,865,037
\$	(324,513)	\$ (4,404,156)	\$ (3,143,379)	\$ 14,952,459	\$ 1,877,881	\$ (3,178,107)	\$ (3,532,797)

**Roma Independent School District  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)**

	2011	2012	2013	2014
<b>General Fund</b>				
<i>Nonspendable Fund Balances:</i>				
Inventories	\$ 66,965	\$ 86,475	\$ 101,764	\$ 91,990
Prepaid Items	1,038,249	1,450,226	501,804	1,162,991
Federal or State Funds Grant Restriction	-	-	-	-
<i>Committed Fund Balances:</i>				
Construction	12,348,000	12,348,000	12,348,000	7,348,000
<i>Unassigned:</i>				
Reported in the General Fund	15,592,688	19,761,398	24,016,692	25,246,752
<b>Total General Fund Balance</b>	<b>29,045,902</b>	<b>33,646,099</b>	<b>36,968,260</b>	<b>33,849,733</b>
<b>All Other Governmental Funds</b>				
<i>Reserved, Reported In:</i>				
<i>Restricted Fund Balances:</i>				
Federal or State Funds Grant Restriction	256,631	248,955	252,514	276,075
Retirement of Long Term Debt	94,636	-	59,721	108,090
Capital Acquisition & Contractual Obligations	17,031,516	15,243,189	10,079,255	3,049,297
<i>Committed Fund Balance:</i>				
Reported in Special Revenue funds	126,467	135,540	108,414	-
Other Committed Fund Balance	-	-	-	-
Total All Other Governmental Fund Balances	17,509,250	15,627,684	10,499,904	3,433,462
<b>Total Governmental funds -- Fund Balance</b>	<b>\$ 46,555,152</b>	<b>\$ 49,273,783</b>	<b>\$ 47,468,164</b>	<b>\$ 37,283,195</b>

Source: The District's Governmental Funds Balance Sheets and Combined Statements of Revenues, Expenditures and Changes in Fund Balances.

Fund balance classifications for fiscal years prior to 2011 have been recast to reflect GASB Statement No. 54 classifications for comparative purposes.

Table 3

2015	2016	2017	2018	2019	2020
\$ 87,223	\$ 86,362	\$ 76,786	\$ 76,786	\$ 120,123	\$ 133,642
536,038	573,106	813,424	560,238	1,374,848	1,463,701
-	-	-	-	-	774,058
7,348,000	7,348,000	7,348,000	7,348,000	7,348,000	7,348,000
22,144,739	17,637,363	19,964,972	22,350,706	20,168,276	18,392,763
30,116,000	25,644,831	28,203,182	30,335,730	29,011,247	28,112,164
276,075	276,075	290,566	285,631	266,964	1,511,575
412,568	244,310	125,587	241,869	368,551	240,335
-	1,487,945	29,270,327	11,806,381	9,239,347	7,485,295
(749,368)	-	-	-	-	-
-	-	76,466	72,070	92,702	103,445
(60,725)	2,008,330	29,762,946	12,405,951	9,967,564	9,340,650
\$ 30,055,275	\$ 27,653,161	\$ 57,966,128	\$ 42,741,681	\$ 38,978,811	\$ 37,452,814

**Roma Independent School District  
Changes in Fund Balance  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)**

	2011	2012	2013	2014
<b>Revenues</b>				
Local and Intermediate Sources	\$ 7,198,350	\$ 6,491,041	\$ 6,559,772	\$ 6,836,044
State Programs	49,220,352	50,033,711	51,990,902	53,024,138
Federal Programs	17,116,594	14,118,334	14,239,652	13,771,207
<b>Total Governmental Activities Program Revenues</b>	<b>73,535,296</b>	<b>70,643,086</b>	<b>72,790,326</b>	<b>73,631,389</b>
<b>Expenses</b>				
Current:				
Instruction	33,461,012	32,022,658	33,256,009	35,585,402
Instructional Resources & Media Services	964,009	898,234	949,123	1,100,988
Curriculum & Staff Development	221,697	224,855	232,614	212,992
Instructional Leadership	777,551	722,441	718,337	791,892
School Leadership	3,149,939	3,056,513	3,047,928	3,422,464
Guidance, Counseling & Evaluation Services	1,609,888	1,612,159	1,668,042	1,859,434
Social Work Services	249,775	243,997	237,660	258,815
Health Services	649,036	642,097	663,170	677,065
Student (Pupil) Transportation	2,733,903	2,684,155	2,822,985	2,922,098
Food Services	4,703,403	4,313,901	4,577,495	4,719,481
Cocurricular/Extracurricular Activities	2,247,161	2,333,186	2,690,024	2,704,890
General Administration	1,564,676	1,543,091	1,576,121	2,115,005
Plant Maintenance & Operations	7,517,224	7,354,407	7,589,968	8,024,797
Security & Monitoring Services	988,630	881,129	928,648	1,343,463
Data Processing Services	611,201	629,671	737,475	757,522
Community Services	108,893	95,072	80,693	84,216
Debt Service:				
Principal on Long-term Debt	1,482,026	1,582,963	2,305,000	2,510,000
Interest on Long-term Debt	3,761,900	3,648,003	2,777,733	2,539,659
Bond Issuance Costs and Fees	239,270	215,745	205,053	143,983
Capital Outlay:				
Facilities Acquisition and Constructin	1,274,537	3,566,228	7,621,986	12,032,434
Intergovernmental:				
Other Intergovernmental Charges	136,578	170,786	114,853	149,316
<b>Total Expenditures</b>	<b>68,452,309</b>	<b>68,441,291</b>	<b>74,800,917</b>	<b>83,955,916</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,082,987	2,201,795	(2,010,591)	(10,324,527)
<b>Other Financing Sources (Uses) and Special Items</b>				
Refunding Bonds Issued	-	8,565,000	8,370,000	8,740,000
Issuance of Capital Related Debt (Regular Bonds)	11,035,000	-	-	-
Premium or Discount on Issuance of Bonds	227,571	1,146,675	1,547,134	1,066,548
Capital Leases	-	-	-	-
Transfer In	1,935,230	1,834,840	1,475,000	5,000,000
Transfer Out	(1,935,230)	(1,834,840)	(1,475,000)	(5,000,000)
Other Uses	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	(9,498,280)	(9,712,081)	(9,666,990)
<b>Total Other Financing Sources (Uses)</b>	<b>11,262,571</b>	<b>213,395</b>	<b>205,053</b>	<b>139,558</b>
<b>Net Change in Fund Balances</b>	<b>\$ 16,345,558</b>	<b>\$ 2,415,190</b>	<b>\$ (1,805,538)</b>	<b>\$ (10,184,969)</b>
Debt Service as a Percentage of Noncapital Expenditures				
	8.2%	8.4%	7.9%	7.2%

Source: The District's Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit C-2)



Table 4

	2015	2016	2017	2018	2019	2020
\$	6,546,407	\$ 6,533,896	\$ 7,937,944	\$ 10,352,763	\$ 9,303,709	\$ 9,296,370
	54,851,801	53,495,766	57,244,433	57,368,376	56,756,370	56,593,402
	13,775,993	13,525,548	12,942,103	12,727,027	13,565,180	15,161,750
	75,174,201	73,555,210	78,124,480	80,448,166	79,625,259	81,051,522
	38,290,232	37,668,466	35,987,023	37,572,340	38,039,279	38,115,422
	1,247,051	1,115,739	1,026,704	1,216,096	1,157,610	1,137,093
	245,848	523,002	471,847	300,992	305,247	341,842
	931,935	1,099,361	1,076,389	1,007,428	1,253,434	1,209,806
	3,782,285	3,760,932	3,657,796	3,979,127	4,136,194	4,443,273
	2,253,378	2,161,559	2,079,403	2,122,921	2,131,811	2,444,303
	277,417	285,780	299,718	344,057	311,635	441,414
	714,624	716,366	692,096	723,995	724,224	703,434
	2,744,080	2,826,581	2,672,211	2,607,679	3,272,748	2,782,301
	5,329,791	5,104,414	5,178,366	5,281,362	5,168,397	5,546,853
	3,083,426	3,108,643	2,866,120	3,066,308	3,365,365	3,144,628
	3,113,133	2,807,669	2,276,010	2,257,527	2,473,725	2,504,601
	8,823,499	9,219,359	8,427,855	8,220,371	8,741,873	8,136,168
	1,624,505	1,500,992	1,418,063	1,579,917	1,666,994	1,756,469
	969,892	1,146,960	1,026,120	1,100,118	1,137,600	1,431,856
	110,459	88,239	64,933	52,113	74,089	55,370
	2,464,998	2,765,000	3,410,795	3,381,297	2,807,795	3,765,135
	2,568,098	2,086,036	2,793,928	2,848,725	3,420,441	2,548,245
	213,584	252,588	380,722	7,161	6,620	178,989
	3,667,922	2,080,860	4,775,599	17,781,624	3,237,453	1,863,504
	152,841	152,285	167,373	221,456	285,575	199,183
	82,608,998	80,470,831	80,749,071	95,672,614	83,718,109	82,749,889
	(7,434,797)	(6,915,621)	(2,624,591)	(15,224,448)	(4,092,850)	(1,698,367)
	9,535,000	4,267,476	-	-	-	-
	-	12,435,000	23,420,000	-	-	7,420,000
	1,362,629	1,753,554	1,955,722	-	-	1,364,610
	-	-	-	-	329,500	-
	-	336,987	-	-	-	-
	-	(336,987)	-	-	-	-
	-	-	7,561,836	-	-	(8,612,240)
	(10,690,751)	(13,942,523)	-	-	-	-
	206,878	4,513,507	32,937,558	-	329,500	172,370
\$	(7,227,919)	\$ (2,402,114)	\$ 30,312,967	\$ (15,224,448)	\$ (3,763,350)	\$ (1,525,997)
	6.6%	6.5%	8.7%	8.0%	7.7%	8.0%





**REVENUE CAPACITY  
INFORMATION**

**Roma Independent School District  
Governmental Funds Revenues by Source  
Last Ten Years**

	2011	2012	2013	2014
<b>Local Sources:</b>				
Property tax	\$ 5,425,049	\$ 4,714,952	\$ 4,455,503	\$ 4,785,143
Other	1,773,301	1,776,089	2,104,269	2,050,901
<b>State sources</b>	49,220,352	50,033,711	51,990,902	53,024,138
<b>Federal sources</b>	17,116,594	14,118,334	14,239,652	13,771,207
<b>Total</b>	<b>\$ 73,535,296</b>	<b>\$ 70,643,086</b>	<b>\$ 72,790,326</b>	<b>\$ 73,631,389</b>

Source: District Financial Statements and Notes to the Basic Financial Statements

Table 5

	2015	2016	2017	2018	2019	2020
\$	4,621,253	\$ 4,689,797	\$ 5,515,995	\$ 5,976,062	\$ 6,549,931	\$ 6,756,751
	1,925,154	1,844,099	2,421,949	4,376,701	2,753,778	2,539,619
	54,851,801	53,495,766	57,244,433	57,368,376	56,756,369	56,593,402
	13,775,993	13,525,548	12,942,103	12,727,027	13,565,181	15,161,750
\$	75,174,201	\$ 73,555,210	\$ 78,124,480	\$ 80,448,166	\$ 79,625,259	\$ 81,051,522

**Roma Independent School District  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

Fiscal Year	Residential Property	Commercial Property Value	Personal Property Value	Total Actual Value
2011	\$ 182,921,250	\$ 278,919,510	\$ 308,981,370	\$ 770,822,130
2012	193,946,400	216,296,090	288,381,310	698,623,800
2013	196,535,250	146,353,520	318,021,890	660,910,660
2014	201,326,460	122,808,650	317,203,970	641,339,080
2015	205,422,510	126,143,880	316,540,670	648,107,060
2016	211,034,600	126,208,770	313,860,070	651,103,440
2017	215,250,140	118,165,980	365,117,010	698,533,130
2018	263,443,132	132,252,690	243,686,290	639,382,112
2019	289,214,081	141,832,177	243,388,340	674,434,598
2020	304,154,211	141,556,909	244,001,526	689,712,646

Source: Starr County Appraisal District  
\*per \$100 of assessed value

Table 6

	Exemptions	Adjusted Assessed Value	*Total Direct Tax Rate
\$	303,126,210	\$ 467,695,920	1.416680
	294,960,520	403,663,280	1.464760
	293,509,916	367,400,744	1.459920
	295,438,875	345,900,205	1.459090
	295,438,875	352,668,185	1.459090
	294,434,285	356,669,155	1.459090
	328,632,410	369,900,720	1.553660
	138,914,292	500,467,820	1.569390
	214,951,002	459,483,596	1.484000
	148,277,973	541,434,673	1.445790

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**Roma Independent School District  
Property Tax Rates - Direct and Overlapping Governments  
(Per \$100 Assessed Valuation)  
Last Ten Fiscal Years**

Table 7

Fiscal Year	Tax Year	Direct Tax Rate Roma Independent School District			Overlapping Tax Rates				Total Direct and Overlapping Tax Rate
		Maintenance	Debt Service	Total Direct	South Texas College	City of Roma	City of Escobares	Starr County	
2011	2010	1.170000	0.294760	1.464760	0.149700	0.508710	0.322050	0.699200	2.822370
2012	2011	1.170000	0.289920	1.459920	0.150700	0.508710	0.340000	0.699200	2.818530
2013	2012	1.170000	0.289090	1.459090	0.150700	0.516500	0.340000	0.779200	2.905490
2014	2013	1.170000	0.289090	1.459090	0.150000	0.519030	0.364809	0.779200	2.907320
2015	2014	1.170000	0.289090	1.459090	0.185000	0.523000	0.364809	0.779200	2.946290
2016	2015	1.170000	0.383660	1.553660	0.185000	0.523055	0.403517	0.778400	3.040115
2017	2016	1.170000	0.399390	1.569390	0.185000	0.531372	0.432025	0.778400	3.064162
2018	2017	1.170000	0.314000	1.484000	0.185000	0.531372	0.432025	0.778400	2.978772
2019	2018	1.170000	0.391950	1.561950	0.178000	0.531372	0.432025	0.521900	2.793222
2020	2019	1.068350	0.377440	1.445790	0.178000	0.531372	0.432025	0.521900	2.677062

Source: Roma Independent School District Tax Office

**Roma Independent School District  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Tax Levy	Current Tax Collections	Percent of Adjusted Tax Levy	Collections in Subsequent Years
2011	\$ 5,877,294	\$ 4,840,649	82.36%	\$ 544,425
2012	5,290,819	4,252,409	80.37%	484,090
2013	5,002,964	3,899,749	77.95%	517,993
2014	5,125,772	4,081,545	79.63%	638,803
2015	5,224,345	4,069,635	77.90%	633,521
2016	5,592,419	4,400,374	78.68%	627,796
2017	6,302,654	4,916,340	78.00%	817,434
2018	6,228,428	4,952,230	79.51%	1,632,193
2019	6,984,460	5,512,305	78.92%	979,447
2020	7,113,939	5,690,479	79.99%	920,650

Source: Roma Independent School District Annual Financial and Compliance Reports

Table 8

	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
\$	5,385,074	91.63%	\$ 9,047,112	153.93%
	4,736,499	89.52%	9,444,657	178.51%
	4,417,742	88.30%	9,858,610	197.06%
	4,720,348	92.09%	10,093,134	196.91%
	4,703,156	90.02%	10,690,613	204.63%
	5,028,170	89.91%	11,254,861	201.25%
	5,733,774	90.97%	11,823,741	187.60%
	6,584,423	105.72%	11,467,745	184.12%
	6,491,752	92.95%	11,960,453	171.24%
	6,611,129	92.93%	12,463,264	175.19%

**Roma Independent School District  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

		Fiscal Year 2020	
Taxpayer	Type of Business	Tax Year	Percentage of
		2019 Assessed Valuation	Total Assessed Valuation
Rio Bravo Windpower LLC	Wind Energy	36,000,000	26.17%
Kinder Morgan Texas Pipeline Inc	Oil & Gas	25,153,020	18.28%
Los Vientos Windpower IV LLC	Wind Energy	18,681,750	13.58%
AEP Texas, Inc.	Utility Lines	14,090,600	10.24%
AEP Electric Transmission of Texas	Utility Lines	13,258,250	9.64%
Merit Energy LTD	Oil & Gas	10,000,000	7.27%
Merit Energy Company	Oil & Gas	6,157,160	4.47%
Bluestone Natural Resources II LLC	Oil & Gas	5,206,460	3.78%
Pena Riverview Investment	Investments	5,171,120	3.76%
RLU Operating LLC	Oil & Gas	3,877,760	2.82%
Totals		\$ 137,596,120	100.01%

Source: Roma Independent School District Tax Office

Table 9

Taxpayer	Type of Business	Fiscal Year 2011	
		Tax Year 2010 Assessed Valuation	Percentage of Total Assessed Valuation
El Paso Prod Oil & Gas Company	Oil and Gas	27,144,447	31.34%
El Paso Prod Oil & Gas Company	Oil and Gas	11,332,846	13.09%
AEP Texas Central Company	Electric Utilities	8,843,497	10.21%
Helmerich & Payne Drilling Co	Oil and Gas	8,347,920	9.64%
Kinder Morgans TX Pipeline LP	Oil and Gas	8,196,633	9.47%
Guerra Mineral Trust	Oil and Gas	7,405,036	8.55%
Dorchester Minerals LP	Oil and Gas	6,560,597	7.58%
Kinder Morgans TX Pipeline LP	Oil and Gas	3,267,429	3.77%
New Guld Petroleum LLC	Oil and Gas	2,813,635	3.25%
Pena Amando	Oil and Gas	2,671,496	3.09%
Totals		\$ 86,583,536	99.99%

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**DEBT CAPACITY  
INFORMATION**





**Roma Independent School District  
Outstanding Debt by Type  
Last Ten Fiscal Years**

Table 10

Fiscal Year	Governmental Activities			Total Debt	Ratio of Total Debt to Estimated Actual Property Value (1)	Total Debt Per Average Daily Membership	Ratio of Debt to Personal Income (2)	Net Bonded Debt per Capita (3)
	General Bonds	Refunding Bonds	Property Finance Contract					
2011	\$ 56,250,000	\$ 12,992,963	-	\$ 69,242,963	10%	\$ 10,449	31%	6,152
2012	46,390,000	21,270,000	-	67,660,000	10%	10,199	29%	5,928
2013	36,720,000	28,635,000	-	65,355,000	10%	10,038	27%	5,866
2014	26,480,000	36,365,000	-	62,845,000	10%	9,683	24%	5,633
2015	25,345,000	34,140,000	-	59,485,000	9%	9,238	23%	5,383
2016	11,485,000	44,985,000	267,476	56,737,476	9%	8,707	21%	5,046
2017	33,690,000	49,666,929	664,203	84,021,132	12%	12,826	41%	7,457
2018	31,315,000	41,495,000	552,906	73,362,906	11%	12,505	27%	6,461
2019	30,560,000	45,641,616	769,612	76,971,228	11%	12,063	27%	6,707
2020	21,335,000	51,004,258	594,477	72,933,735	11%	11,904	23%	6,348

Source: Roma Independent School District Annual Financial and Compliance Reports

- (1) See table 6 for adjusted assessed values
- (2) See table 13 for personal income
- (3) See table 13 for average daily attendance

**Roma Independent School District  
Ratio of Net General Obligation Bonded Debt Outstanding  
Per Average Daily Membership  
Last Ten Fiscal Years**

Table 11

Fiscal Year	Average Daily Membership	Estimated Actual Value	General Bonded Debt	Less Reserve for Retirement of Bonded Debt	General Bonded Debt	Bonded Debt to Estimated 72159743	Debt Per Average Daily Membership
2011	6,627	\$ 770,822,130	\$ 69,242,963	\$ 324,764	\$ 68,918,199	8.94%	10,400
2012	6,634	698,623,800	67,660,000	928,712	66,731,288	9.55%	10,059
2013	6,511	660,910,660	65,355,000	59,721	65,295,279	9.88%	10,028
2014	6,490	641,339,080	62,845,000	108,090	62,736,910	9.78%	9,667
2015	6,439	651,103,440	63,989,725	412,568	63,577,157	9.76%	9,874
2016	6,516	651,103,440	56,737,476	244,310	56,493,166	8.68%	8,670
2017	6,551	639,382,112	84,021,132	125,587	83,895,545	13.12%	12,807
2018	6,439	639,382,112	80,517,002	125,587	80,391,415	12.57%	12,485
2019	6,381	674,434,598	76,971,228	241,869	76,729,359	11.38%	12,025
2020	6,127	689,712,646	72,933,735	240,335	72,693,400	10.54%	11,864

Note: Average Daily Membership represents the average daily enrollment of students.

Note: Estimated actual property value and average daily membership are used because they are more relevant to the school district than personal income and population.

**Roma Independent School District  
Direct and Overlapping Governmental Activities Debt  
August 31, 2020**

Table 12

Political Subdivision	Net Debt Amounts	As of	Percentage Applicable to Roma ISD (1)	Roma ISD's Share of Debt
Roma ISD	\$ 72,933,735	8/31/2020	100.00%	\$ 72,933,735
Total direct debt	72,933,735			72,933,735
<u>Overlapping Debt</u>				
City of Roma	\$ 5,605,000	09/30/20	100.00%	5,605,000
South Texas College	136,110,000	08/31/20	1.15%	1,565,265
Starr County*	500,000	09/30/20	19.46%	97,300
Total overlapping debt	142,215,000			7,267,565
<b>Total Direct and Overlapping Debt</b>	<b>\$ 215,148,735</b>			<b>\$ 80,201,300</b>

Source: City of Roma and Starr County Financial Data

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the District. This process recognizes that, when considering the district's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt is estimated using taxable property values. Percentages were estimated by determining portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

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**DEMOGRAPHIC  
AND  
ECONOMIC INFORMATION**



**Roma Independent School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Table 13

Fiscal Year	Estimated Population	Personal Income	Per Capita Personal Income (PCPI)	Average Daily Attendance	Unemployment Rate
2011	11,255	\$ 225,674,005	\$ 20,051	6,574	16.2%
2012	11,413	232,083,355	20,335	6,113	14.5%
2013	11,571	240,804,081	20,811	6,017	14.8%
2014	11,729	257,580,569	21,961	5,984	13.5%
2015	11,888	275,516,288	23,176	5,952	13.1%
2016	11,243	274,981,294	24,458	6,014	13.7%
2017	11,267	207,198,881	18,390	5,990	9.7%
2018	11,425	273,822,395	23,967	5,845	7.9%
2019	11,476	280,193,551	24,416	5,753	7.9%
2020	11,490	318,422,370	27,713	5,670	15.6%

Sources: City of Roma, Texas

Bureau of Economic Analysis - US Department of Commerce-Starr County MPA (PCPI)

\*\* Estimate

**Roma Independent School District  
Principal Employers  
Current Year and Nine Years Ago**

Table 14

2020

Employer	Employees	Rank	Percentage of Total City Employment
Roma Independent School District	1000-1500	1	*
Starr County	600-650	2	*
City of Roma	100-150	3	*
Riverview Enterprises	100-150	4	*
Whataburger	45	5	*
Citizens State Bank	40	6	*
McDonalds	31	7	*
Stripes Convenience Stores	23	8	*
Burger King	20	9	*
IBC Bank	13	10	*
Total Principal Employers	2,297		*
Other Employers		*	*
Total Employers		*	*

2011

Employer	Employees	Rank	Percentage of Total City Employment
Roma Independent School District		1	*
City of Roma, Texas		2	*
Starr County		3	*
Riverview Enterprises		4	*
Citizens State Bank		5	*
Rosita Gravel		6	*
Whataburger		7	*
Pizza Hut		8	*
Burger King		9	*
IBC Bank		10	*
Total Principal Employers	-		*
Other Employers		*	*
Total Employers		*	*

Source: City of Roma

\* Information not available





**OPERATING INFORMATION**



**Roma Independent School District  
Schedule of Attendance and Membership  
Last Ten Fiscal Years**

Table 15

Fiscal Year	Average Daily Attendance	Average Daily Membership*	Percent of Attendance
2011	6,574	6,627	99.20%
2012	6,113	6,634	92.15%
2013	6,017	6,511	92.41%
2014	5,984	6,490	92.20%
2015	5,952	6,439	92.44%
2016	6,014	6,516	92.30%
2017	5,990	6,551	91.44%
2018	5,845	6,439	90.77%
2019	5,753	6,381	90.16%
2020	5,670	6,127	92.54%

Source: The District's PEIMS & Student Accounting Office

\* Average Daily Membership represents the average daily attendance of eligible enrollees, district-wide over the official number of instructional days.

**Roma Independent School District  
Full-Time Equivalent District Employees by Position  
Last Ten Fiscal Years**

Classification	2011	2012	2013	2014
<b>STAFF INFORMATION</b>				
Total Staff:	965.7	945.3	906.4	948.6
Professional Staff:	538.2	535.6	537.9	541.6
Teachers	444.1	441.7	446.0	447.0
Professional Support	54.1	52.9	53.0	55.0
Campus Administration	29.0	29.0	27.9	27.6
Central Administration	11.0	12.0	11.0	12.0
Educational Aides	114.1	104.5	109.7	112.8
Auxiliary Staff	313.4	305.2	258.8	294.2
Teachers by Highest Degree Held:	444.1	441.7	445.4	447.0
No Degree	1.0	-	-	-
Bachelor's	358.1	345.7	348.4	356.0
Masters	85.0	96.0	97.0	90.0
Doctorate	-	-	-	1.0
Teachers by Years of Experience:	444.1	441.8	446.0	447.1
Beginning Teachers	30.3	22.9	28.0	19.8
1-5 Years Experience	140.8	133.9	112.9	99.5
6-10 Years Experience	111.0	118.0	124.8	131.9
11-20 Years Experience	107.0	111.0	120.8	133.9
Over 20 Years Experience	55.0	56.0	59.5	62.0

Source: The District's Human Resources Department and the Academic Excellence Indicator System (AEIS).

Table 16

2015	2016	2017	2018	2019	2020
1,027.5	1,043.8	1,019.4	1,020.3	1,015.8	1,017.4
584.3	574.3	563.2	567.0	565.0	549.9
471.2	459.3	447.6	450.3	447.9	439.1
69.1	73.0	76.1	75.1	74.1	67.8
32.0	31.0	29.6	29.0	32.0	32.0
12.0	11.0	10.0	12.6	11.0	11.0
115.9	136.1	113.3	123.3	117.8	113.5
327.3	333.4	342.9	329.9	333.0	354.0
471.2	459.3	447.5	450.3	447.9	439.1
1.8	-	6.8	-	5.8	6.3
376.4	366.6	342.3	360.9	356.6	346.0
91.0	92.7	95.4	89.4	85.5	85.9
2.0	-	3.0	-	-	0.9
471.1	459.3	447.6	450.4	447.8	439.1
37.2	34.0	9.5	5.0	10.0	6.6
85.4	99.6	111.5	116.4	116.2	106.8
140.7	112.4	105.3	89.0	75.0	54.0
145.0	158.3	156.3	165.0	163.6	186.9
62.8	55.0	65.0	75.0	83.0	84.8

Roma Independent School District  
 Operating Statistics  
 Last Ten Fiscal Years

Table 17

Fiscal Year	Daily Attendance	Operating Expenditures	Cost per Student	Percent Change	Government Wide Expenses	Cost per Student	Percent Change	Teaching Staff	Student to Teacher Ratio
2011	6,574	\$ 68,452,309	\$ 10,413	-5.64%	\$ 68,497,456	\$ 10,419	-5.36%	444	14.81
2012	6,113	68,441,291	11,196	7.52%	66,962,330	10,954	5.13%	442	13.83
2013	6,017	74,800,917	12,432	11.04%	68,811,415	11,436	4.40%	446	13.49
2014	5,984	83,955,916	14,030	12.85%	74,281,182	12,413	8.54%	447	13.39
2015	5,952	82,608,998	13,879	-1.08%	79,958,477	13,434	8.23%	471	12.64
2016	6,014	80,470,831	13,381	-3.59%	82,551,627	13,727	2.18%	447	13.45
2017	5,990	80,749,071	13,481	0.75%	70,257,601	11,729	-14.56%	448	13.37
2018	5,845	95,672,614	16,368	21.42%	67,170,271	11,492	-2.02%	450	12.99
2019	5,753	83,718,109	14,552	-11.09%	85,456,060	14,854	29.26%	448	12.84
2020	5,670	82,749,889	14,594	0.29%	87,818,396	15,488	4.27%	448	12.66

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports.

**ROMA INDEPENDENT SCHOOL DISTRICT  
TEACHER BASE SALARIES  
LAST TEN FISCAL YEARS**

Table 18

Fiscal Year	District Salary (1)	County Average Salary	City of Roma Average Salary	Statewide Average Salary (2)
2011	\$ 46,557	*	*	\$ 48,639
2012	47,471	*	*	48,375
2013	48,282	*	*	48,821
2014	49,208	*	*	49,692
2015	50,406	*	*	50,715
2016	51,175	*	*	52,090
2017	51,197	*	*	52,525
2018	51,650	*	*	53,334
2019	52,551	*	*	54,122
2020	54,880	*	*	57,091

Source: Academic Excellence Indicator System (AEIS)

\* Information not available

**Roma Independent School District  
Schedule of School Buildings  
2020**

Table 19

	Estimated Square Footage	Recommended Capacity	Enrollment
<b>HIGH SCHOOLS</b>			
Roma High School	330,706	2,400	1,741
<b>MIDDLE SCHOOLS</b>			
Roma Middle School	122,156	1,000	741
Ramiro Barrera Middle School	133,968	1,000	568
TOTAL	256,124	2,000	1,309
<b>SPECIAL CAMPUSES</b>			
Instructional and Guidance	33,551	350	29
<b>ELEMENTARY SCHOOLS</b>			
Emma Vera	55,427	800	456
Florence J. Scott	65,945	700	546
Rafaela T. Barrera	53,857	800	387
Roel and Celia Saenz	57,439	800	591
Veterans Memorial	62,653	880	539
Delia G. Garcia	69,493	700	529
TOTAL	364,814	4,680	3,048

Source: Facility Area information provided by District Operations





**SINGLE AUDIT SECTION**



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

To the Board of Trustees  
Roma Independent School District

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 the Roma Independent School District as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the Roma Independent School District's basic financial statements and have issued our report thereon dated January 28, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Roma Independent School 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 Roma Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Roma Independent School 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Roma Independent School 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

*Case, Riggs & Ingram, L.L.C.*

Harlingen, Texas  
January 28, 2021

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

To the Board of Trustees  
Roma Independent School District

**Report on Compliance for Each Major Federal Program**

We have audited the Roma Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Roma Independent School District's major federal programs for the year ended August 31, 2020. Roma Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Roma Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Roma Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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## ***Opinion on Each Major Federal Program***

In our opinion, the Roma Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020.

## **Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Cary Riggs & Ingram, L.L.C.*

Harlingen, Texas  
January 28, 2021

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## Roma Independent School District Schedule of Findings and Questioned Costs

### *Financial Statements*

Type of auditors' 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 weakness(es)? \_\_\_\_\_ yes \_\_\_\_\_ X \_\_\_\_\_ none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes \_\_\_\_\_ X \_\_\_\_\_ no

### *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ X \_\_\_\_\_ no
- Significant deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes \_\_\_\_\_ X \_\_\_\_\_ none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ yes \_\_\_\_\_ X \_\_\_\_\_ none reported

### **Identification of major programs:**

*CFDA Number(s)*

*Name of Federal Program or Cluster*

84.027, 84.173  
84.425D

Special Education Cluster  
COVID-19Elementary and Secondary School  
Emergency Relief Fund  
Child Nutrition Cluster

10.553, 10.555 and 10.559

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ X \_\_\_\_\_ yes \_\_\_\_\_ no

**Roma Independent School District  
Schedule of Findings and Questioned Costs - Continued**

**Section II – Findings Related to the Financial Statement Audit as Required to Be  
Reported in Accordance with Generally Accepted Government Auditing Standards**

**None noted that were required to be reported**

**Section III – Federal Award Findings and Questioned Costs**

**None noted that were required to be reported**

**Roma Independent School District  
Schedule of Findings and Questioned Costs  
Schedule of Status of Prior Findings**

**None noted that were required to be reported**



**BOARD OF TRUSTEES**

Ricardo A. Perez, President  
Jaime Escobar, Vice-President  
Yadira A. Barrera, Secretary  
Clarissa B. Alvarez, Member  
Mary Lou G. Cruz, Member  
Raul P. Moreno, Jr., Member  
Reynaldo Rodríguez, Member

**Roma Independent School District  
Schedule of Findings and Questioned Costs  
Corrective Action Plan**

**PROGRAM DESCRIPTION**

**CORRECTIVE ACTION PLAN**

**No findings or questioned costs noted**

---

Contact Person: Alfonso Perez, Business Manager

Implementation Time Frame: N/A

ROMA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Exhibit K-2

*For the year ended August 31, 2020*

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-through Entity Identifying Number	(4) Provided to Subrecipients	(5) Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<u>Passed Through State Department of Education</u>				
Title I Grants to Local Educational Agencies	84.010	20610101214903	\$ -	\$ 3,882,110
Migrant Education State Grant Program	84.011	20615001214903	-	345,771
Special Education Cluster (IDEA)				
*Special Education Grants to States	84.027	206600012149036000	-	1,185,178
*Special Education Preschool Grants	84.173	206610012149036000	-	22,571
Total Special Education Cluster			-	1,207,749
Career and Technical Education - Basic Grants to States	84.048	20420006214903	-	119,465
English Language Acquisition State Grants	84.365	20671001214903	-	410,873
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	20694501214903	-	348,575
Gaining Early Awareness and Readiness for Undergraduate Program	84.334	P334A180024	-	209,553
Student Support and Academic Enrichment Program	84.424	20680101214903	-	230,697
Rural Education	84.358	20696001214903	-	123,977
Grants for State Assessments and Related Services	84.369	S369A180045	-	10,685
Instructional Continuity Grant	84.377A	S377A160044	-	21,685
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	20521001214903	-	1,019,858
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			-	7,930,998
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<u>Passed Through the State Department of Agriculture</u>				
Child Nutrition Cluster				
*School Breakfast Program	10.553	71402001	-	1,277,267
*National School Lunch Program	10.555	71302001	-	2,429,886
*National School Lunch Program - Commodity Supplemental Food Program - Noncash Assistance	10.555	71302001	-	274,494
*COVID-19 Summer Food Service Program for Children	10.559	1002	-	2,431,487
Total Child Nutrition Cluster			-	6,413,134
Child and Adult Care Food Program	10.558	1002	-	118,364
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			-	6,531,498
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ -	\$ 14,462,496

\*Clustered Programs

*The accompanying notes are an integral part of this schedule*

**Roma Independent School District  
Notes on Accounting Policies for  
Federal Awards**

**EXHIBIT K-2**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Roma Independent School District. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE 2 – PROGRAM REPORTING**

SHARS and \$696,607 in indirect cost are accounted for in the general fund. The National School Lunch Program, School Breakfast Program Commodity Supplemental Food Program, and Summer Feeding Program are accounted for in the National Breakfast and Lunch Program. Expenditures are not specifically attributable to these revenues and are shown on this schedule in an amount equal to revenue for balancing purposes only.

**Reconciliation:**

Amount of federal revenues Exhibit C-3	\$15,161,750
Less amounts not considered to be federal awards, excluded on the Schedule of Expenditures of Federal Awards:	
School Health and Related Services Program (SHARS)	<u>(699,254)</u>
Total expenditures of federal awards, per Schedule of Expenditures of Federal Awards (Exhibit K-1)	<u>\$14,462,496</u>

**NOTE 3 – SUB-RECIPIENTS**

During the year ended August 31, 2020, the Roma Independent School District had no sub-recipients.

**NOTE 3 – FEDERAL LOANS AND LOAN GUARANTEES**

During the year ended August 31, 2020, the District had no outstanding federal loans payable or loan guarantees.

**NOTE 4 – FEDERALLY FUNDED INSURANCE**

During the year ended August 31, 2020, the District had no federally funded insurance.



**Roma Independent School District  
Notes on Accounting Policies for  
Federal Awards - Continued**

**NOTE 6 – NONCASH AWARDS**

During the year ended August 31, 2020, the District received \$274,494 of federal awards in the form of noncash assistance.

**NOTE 7 – INDIRECT COST RATE**

The Uniform Guidance allows an organization to elect a 10% de minimus indirect cost rate. For the year ended August 31, 2020, the District did not elect to use this rate.