

**ROMA INDEPENDENT SCHOOL DISTRICT**

*COMPREHENSIVE ANNUAL  
FINANCIAL REPORT*

*FOR THE FISCAL YEAR ENDED AUGUST 31, 2019*

**PREPARED BY:**

The Roma Independent School District  
Business and Finance Office

608 North Garcia Street, Roma, Texas 78584



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

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**INTRODUCTORY SECTION**



## BOARD OF TRUSTEES

Clarissa B. Álvarez, President  
Juan Antonio Saenz, Vice-President  
Dagoberto Salinas, Secretary  
Leticia Garza-Galván, Member  
Raul P. Moreno, Jr., Member  
Ricardo A. Perez, Member  
Reynaldo Rodríguez, Member

January 23, 2020

Clarissa B. Alvarez., President,  
Board of Trustees, Carlos Guzman, Superintendent  
and Patrons of the Roma Independent School District

Dear Ms. Clarissa B. Alvarez., Board of Trustees, Superintendent and Patrons:

Management hereby submits the Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended August 31, 2019. 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 2019-2020 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, 2019, 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 2019-2020 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 2019-2020 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.



## Relevant financial Policies

Roma Independent School District has adopted a comprehensive set of financial policies. During the current year, two of these policies were particularly relevant. Roma Independent School District has a policy that requires the adoption of an annual operating budget. The budget is amended throughout the year in accordance with regulations. During the current year, the District actual expenditures exceeded revenues in the general fund by \$(1,653,957).

In addition, Roma Independent School District has a policy for reporting deferred inflows of resources and deferred outflows of resources. On the statement of net position, the District reports a separate financial statement element, deferred outflows of resources, which represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. During the year, the District reported deferred outflows of resources totaling \$16.1 million of which \$1.8 related to deferred charges for refunding debt, \$11.5 million for outflows related to pensions and \$2.8 million related to outflows related to other postemployment benefits. On the statement of net position, the District also report a separate section for deferred inflows of resources which represent 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 District's deferred inflows of resources totaled \$11.7 million dollars of which \$2.6 million related to inflows for pensions and \$9.1 million related to other postemployment benefits.

## Acknowledgments

The preparation of this report on a timely basis involves the entire staff of the Finance and Accounting, 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,



Alfonso H. Perez, Jr.  
Business Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Roma Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2018**

*Christopher P. Merrill*

Executive Director/CEO

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

**TRUSTEES**

Clarissa B Alvarez, President  
Juan Antonio Saenz, Vice-President  
Dagoberto Salinas, Secretary  
Reynaldo Rodriguez, Member  
Ricardo A. Perez, Member  
Raul P. Moreno, Jr., Member  
Leticia Garza-Galvan, Member

**SUPERINTENDENT**

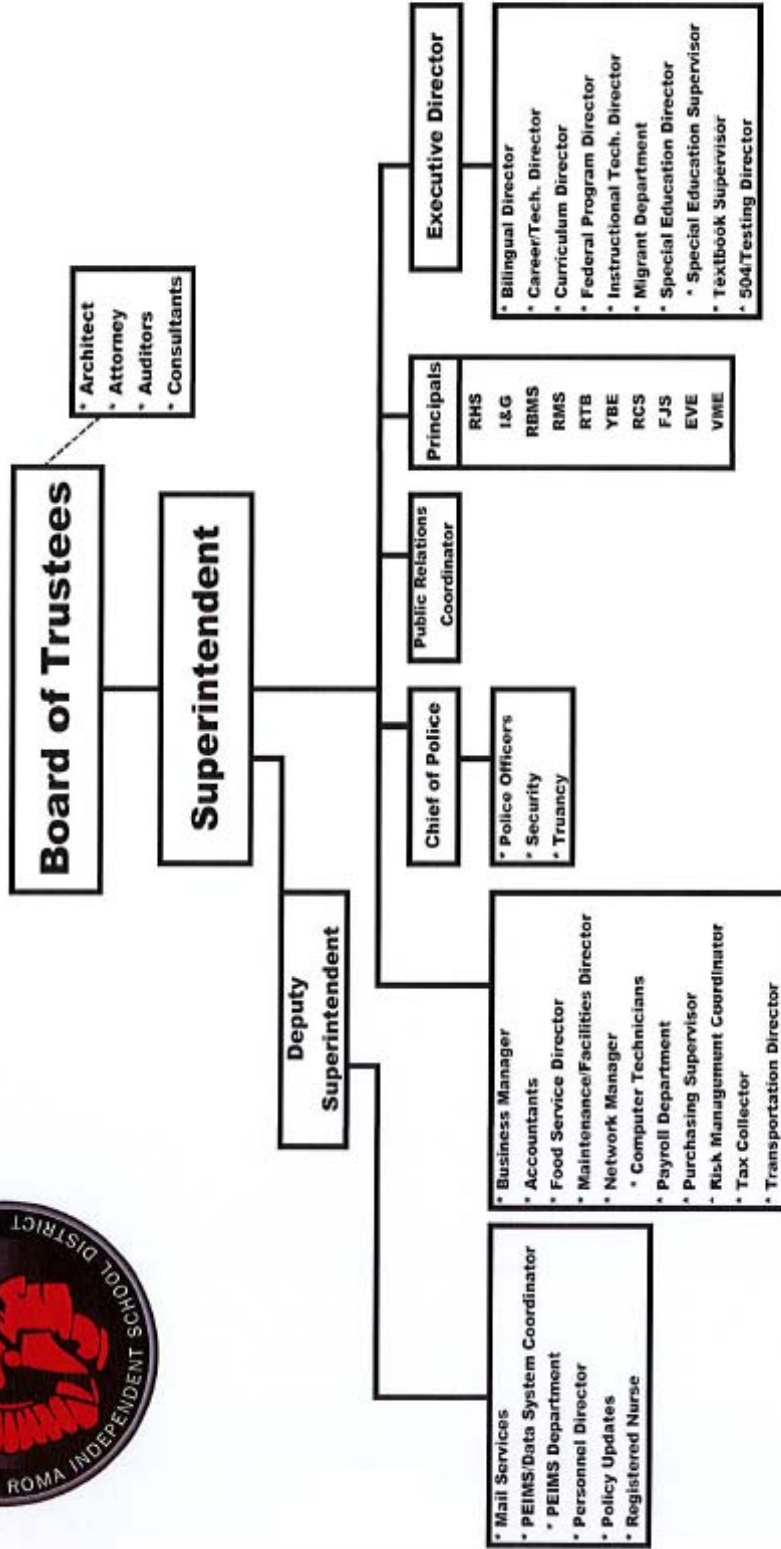
Carlos Guzman

**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, 2019 at a meeting of the  
(Check one)

board of school trustees of such school district on the 23 day of January, 2020.

  
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 (the "District") as of and for the year ended August 31, 2019, 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.

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

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## **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, 2019, and the respective changes in financial position thereof 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 and the Texas Education Agency Required Schedules 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.

The schedule of delinquent taxes receivable identified in the table of contents as Exhibit J-1 is presented for purposes of additional analysis as required by the Texas Education Agency in conformity with laws and regulations of the State of Texas and is also not a required part of the basic financial statements.

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The combining and individual nonmajor fund financial statements, Texas Education Agency required schedule of delinquent taxes receivable 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 combining and individual nonmajor fund financial statements 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 23, 2020, 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 Roma 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.

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

Harlingen, Texas  
January 23, 2020

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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, 2019. 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 \$61,439,994 at August 31, 2019. This is a decrease of \$31,177,627 from the prior year.
- During the year the District’s expenses were \$3,178,107 more than the \$82,277,953 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$29,011,247, a decrease of \$1,324,483.
- The District received an “A” rating for the Financial Integrity Reporting System of Texas (FIRST) for 2018, earning 100 of 100 points. Effective this school year 2018-2019 the Texas Administrative Rule 109.1001 “Financial Accountability Ratings” provides for an expanded rating system of A, B, C or F with the commissioner establishing the applicable ranges for each rating. The FIRST rating evaluates the quality of performance in the management of the school district’s financial resources.
- The District was awarded the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). This is the fourth year to receive this award.

### 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.

### *Implementation of New Standard*

GASB Statement No. 88, *Certain Disclosure Related to Debt, including Direct Borrowing and Direct Placement*

### *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. 91, *Conduit Debt Obligations*
- GASB Statement No. 87, *Leases*
- GASB Statement No. 84, *Fiduciary Activities*

GASB Statement No. 91, *Conduit Debt Obligations*, 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 87, *Leases*, improves the 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 the 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The requirements of this Statement are effective for reporting periods beginning after December 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 contained 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)*

	<b>2019</b>	2018
Current and other assets	<b>\$ 53,685</b>	\$ 58,368
Capital assets	<b>136,071</b>	137,608
<b>Total assets</b>	<b>189,756</b>	195,976
Deferred Outflows of Resources	<b>16,052</b>	7,354
Current liabilities	<b>4,747</b>	6,136
Long-term liabilities	<b>127,953</b>	118,475
<b>Total liabilities</b>	<b>132,700</b>	124,611
Deferred Inflows of Resources	<b>11,668</b>	14,101
Net Position		
Net investment in capital assets	<b>69,292</b>	72,160
Restricted	<b>881</b>	595
Unrestricted	<b>(8,733)</b>	(8,137)
<b>Total net position</b>	<b>\$ 61,440</b>	\$ 64,618

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

The District’s combined net position was \$61,439,994 as of August 31, 2019, a decrease of 4.92% (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 (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (-14%) or (\$8,732,757) 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 \$22,167,114 and \$28,658,539 respectively.

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

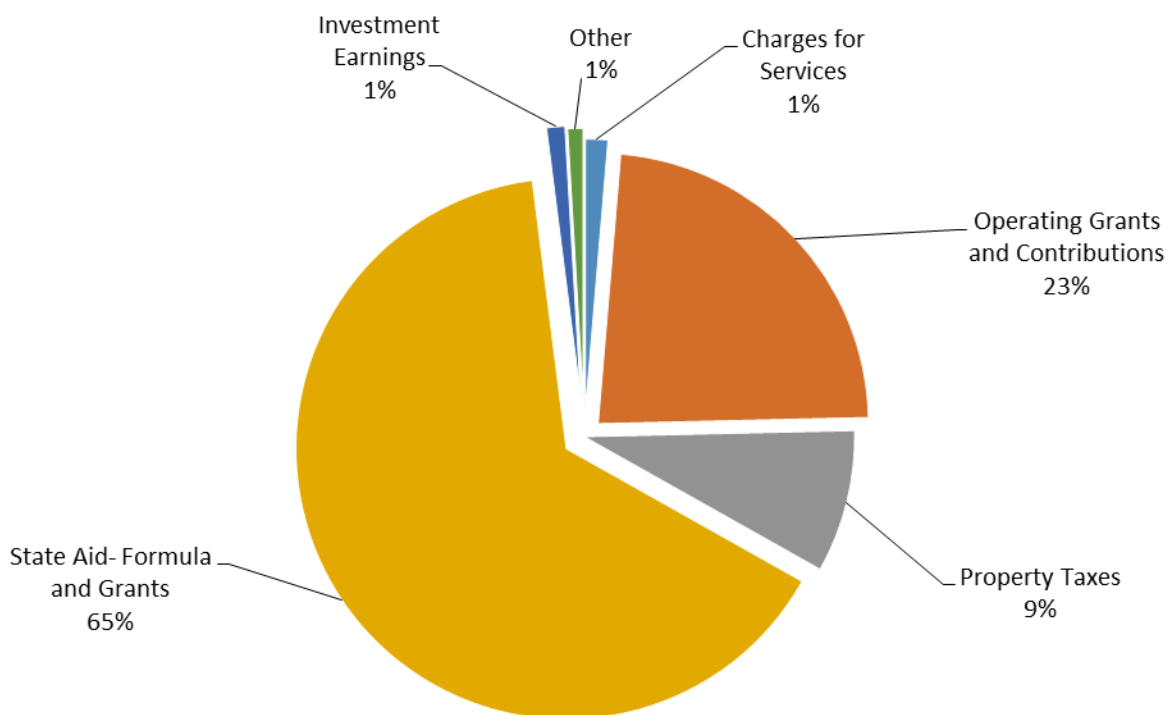
**Changes in net position** (See Table A-2)

The District experienced a decrease in current assets of about \$4,682,900 which resulted from a decrease in cash.

**Governmental Activities**

- Property tax rates decreased to 1.56195/\$100. Property taxable values increased by 15% from the prior year.
- The cost of all governmental activities this year was \$85,456,060, an increase of \$18,285,789.
- Some of the cost was paid by those who directly benefited from the programs, \$1,097,713, or by operating grants and contributions totaling \$19,174,674.

**Sources of Revenues for fiscal year 2018-2019**



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

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

	Governmental Activities	
	2019	2018
Program Revenues:		
Charges for Services	\$ 1,098	\$ 2,952
Operating Grants and Contributions	19,175	4,139
General Revenues:		
Property Taxes	7,002	5,588
State Aid – Formula and grants	53,347	54,921
Investment Earnings	899	732
Other	758	717
<b>Total Revenues</b>	<b>82,279</b>	<b>69,049</b>
Instruction	43,225	31,449
Instructional Resources and Media Services	1,302	1,079
Curriculum Dev. And Instructional Staff Dev	350	269
Instructional Leadership	1,431	883
School Leadership	4,704	3,430
Guidance, Counseling and Evaluation Services	2,438	1,834
Social Work Services	353	317
Health Services	819	608
Student (Pupil) Transportation	3,213	2,359
Food Services	5,679	5,357
Curricular/Extracurricular Activities	3,734	2,910
General Administration	2,764	2,146
Plant Maintenance & Operations	9,513	7,936
Security & Monitoring Services	1,887	1,303
Data Processing Services	1,289	919
Community Services	82	45
Debt Service	2,381	2,496
Bond Issuance Fees	7	7
Capital outlay	-	1,602
Other Intergovernmental Charges	286	221
<b>Total Expenses</b>	<b>85,457</b>	<b>67,170</b>
Change in net position	\$ (3,178)	\$ 1,879
Beginning net position	64,618	106,088
Prior period adjustment	-	(43,349)
<b>Beginning net position, as restated</b>	<b>64,618</b>	<b>62,739</b>
<b>Ending net position</b>	<b>\$ 61,440</b>	<b>\$ 64,618</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)*

	<u>Total Cost of Services</u>			<u>Net Cost of Services</u>		
	<b>2019</b>	2018	% Change	<b>2019</b>	2018	% Change
Instruction	<b>\$ 43,225</b>	\$ 31,449	37%	<b>\$ 32,460</b>	\$ 30,801	5%
School leadership	<b>4,704</b>	3,430	37%	<b>4,327</b>	3,960	9%
Food Services	<b>5,679</b>	5,357	6%	<b>394</b>	(84)	-569%
Facilities Maintenance and Operations	<b>9,513</b>	7,936	20%	<b>9,147</b>	8,492	8%

**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 \$29,011,247 at August 31, 2019, a decrease of \$1,324,483.

**Capital Projects Fund**

Fund balance of Roma ISD’s Capital Projects Fund decreased by \$2,567,034 from \$11,806,381 as of August 31, 2019. The decrease in fund balance is primarily attributed to the District’s ongoing capital projects during the year. The District completed the construction of its new elementary in the current year and in addition, they began repairs on its different campuses and the construction of a new JROTC building.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the budget once. The amendment was needed to record additional revenues and expenditures in some of the functions. Even with the budget amendment, actual expenditures were \$1,144,934 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 2018-2019 , the District invested over \$3.8 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 equipment purchased to furnish the new elementary campus that was constructed. The District also made a series of repairs to the campuses such as swimming pool repairs, AC additions, and a detention pond. In addition, the District purchased three new school buses, began planning for a new JROTC building, and purchased other equipment and replaced computers at various school campuses.

The following projects were started and/or completed during the fiscal year ended August 31, 2019.

<b>Construction in progress</b>	<b>Additions</b>	<b>Completed Projects</b>
New Elementary School	\$ 1,437,561	\$ 17,736,141
High School Swimming Pool Roof	343,902	482,457
RCS Detention Pond Outfall	186,331	186,331
Elementary Repairs	64,647	-
RBM repairs	24,240	-
Performing Center Repairs	24,240	-
JROTC Building	130,220	-
<b>Total</b>	<b>\$ 2,211,141</b>	<b>\$ 18,404,929</b>

The following vehicles were acquired during the fiscal year ended August 31, 2019.

3 School Buses	306,203
----------------	---------

Other furniture & equipment acquired during the fiscal year ended August 31, 2019.

A/C systems (FJ Scott, RT Barrera, Emma Vera, RC Saenz & VME Gyms)	\$ 508,218
Roma High School softball field lights	\$ 75,425
Roma High School Football field lights	\$ 329,500
Radios for Police, Transportation & Maintenance Departments	\$ 115,260
Phone system (Administration, Maintenance, Transportation, & Spec Ed)	\$ 113,169
Tractor (Maintenance Department)	\$ 54,887
Playground (DGG Elementary)	\$ 29,210
Cafeteria Equipment (Roma High School, FJ Scott & VME)	\$ 21,525
Network and phone system (DDG)	\$ 15,069
Miscellaneous furniture and equipment	\$ 7,710



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

Other technology expenditures acquired during the fiscal year ended August 31, 2019.

Computers	\$ 619,590
Software and site licenses	\$ 376,774

Projects for the next fiscal year include:

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

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

	Governmental Activities	
	2019	2018
Land	\$ 4,257	\$ 4,257
Buildings and improvements	193,820	174,502
Furniture and Equipment	20,834	20,142
Construction in Progress	249	16,443
Totals at historical cost	219,160	215,344
Total accumulated depreciation	83,089	77,736
Net capital assets	\$ 136,071	\$ 137,608

More detailed information about the District’s capital assets is presented Note 8, Capital Assets on page 55 of the notes to the financial statements.

**Long-Term Debt**

At year-end the District had \$70,565,000 in General Obligation Bonds outstanding and \$6,406,228 of other long-term debt as shown in Table A-5. Of this amount, \$3,470,000 is due within the next year. Other long-term liabilities totaled \$50,981,844 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, 2019 is \$127,953,072. 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	
	2019	2018
General Obligation Bonds		
Unlimited Tax School Building		
Bonds – Series 2010	8,735	9,010
Bonds – Series 2016	21,825	22,305
Unlimited Tax Refunding Bonds		
Bonds – Series 2012	6,245	6,765
Bonds – Series 2013	7,620	7,725
Bonds – Series 2014	8,210	8,250
Bonds – Series 2015	6,040	6,905
Bonds – Series 2016	11,890	12,300
<b>Total general obligation bonds</b>	<b>70,565</b>	<b>73,260</b>
Other long-term debt		
Bond interest accretion	181	508
Premium on issuance, Bonds - Series 2013	5,483	6,240
Discount on issuance, Bonds - Series 2014	(27)	(44)
Property Finance Contract	770	553
<b>Total other long-term debt</b>	<b>6,407</b>	<b>7,257</b>
<b>Total governmental long-term debt</b>	<b>76,972</b>	<b>80,517</b>
Other long-term liabilities		
Compensated absences	156	165
Net pension liability	22,167	12,871
Net OPEB Liability	28,659	24,922
<b>Total other long-term liabilities</b>	<b>50,982</b>	<b>37,958</b>
<b>Total long-term liabilities</b>	<b>\$ 127,954</b>	<b>\$ 118,475</b>

More detailed information about the District’s long-term debt is presented on Note 9, Long-term Obligations on page 56 of the notes to the financial statements.

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

- Total property adjusted taxable value increased from \$459,483,596 to \$487,683,126, an increase of 6.14%.
- State revenue per student will increase from \$9,214 to \$10,086, an increase of 9.5%.
- Local revenue per student will decrease from \$1,177 to \$1,169, a decrease of 0.6%.
- The board approved the 2019-2020 General Fund Budget with revenues of \$68,382,300 and expenditures totaling \$70,778,200.
- Student enrollment will decrease by about 1.5% 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 2019-2020.

**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, 2019

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 13,623,716
1120 Current Investments	26,414,842
1220 Property Taxes - Delinquent	11,960,453
1230 Allowance for Uncollectible Taxes	(1,806,121)
1240 Due from Other Governments	1,981,868
1250 Accrued Interest	18,162
1290 Other Receivables, Net	518
1300 Inventories	120,123
1410 Prepayments	1,371,711
Capital Assets:	
1510 Land	4,257,148
1520 Buildings, Net	127,746,967
1530 Furniture and Equipment, Vehicles, Net	3,817,757
1580 Construction in Progress	249,346
1000 Total Assets	189,756,490
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	1,786,289
1703 Deferred Outflow Related to TRS OPEB	2,759,239
1705 Deferred Outflow Related to TRS Pension	11,506,067
1700 Total Deferred Outflows of Resources	16,051,595
<b>LIABILITIES</b>	
2110 Accounts Payable	895,819
2140 Interest Payable	58,985
2150 Payroll Deductions and Withholdings	437,509
2160 Accrued Wages Payable	2,591,127
2180 Due to Other Governments	369,964
2200 Accrued Expenses	273,516
2300 Unearned Revenue	120,123
Noncurrent Liabilities:	
2501 Due Within One Year	4,224,092
2502 Due in More Than One Year	72,903,326
2540 Net Pension Liability (District's Share)	22,167,114
2545 Net OPEB Liability (District's Share)	28,658,539
2000 Total Liabilities	132,700,114
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2603 Deferred Resource Inflow Related to TRS OPEB	9,062,521
2605 Deferred Resource Inflow Related to TRS Pension	2,605,456
2600 Total Deferred Inflows of Resources	11,667,977
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	69,291,583
3820 Restricted for Federal and State Programs	266,964
3850 Restricted for Debt Service	521,502
3870 Restricted for Campus Activities	92,702
3900 Unrestricted	(8,732,757)
3000 Total Net Position	\$ 61,439,994

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, 2019

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Codes	Expenses	3	4	Net (Expense) Revenue and Changes in Net Position
Codes	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities

**Primary Government:**

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 43,224,500	\$ -	\$ 10,764,266	\$ (32,460,234)
12 Instructional Resources and Media Services	1,301,512	-	114,739	(1,186,773)
13 Curriculum and Instructional Staff Development	349,730	-	50,530	(299,200)
21 Instructional Leadership	1,431,075	-	271,794	(1,159,281)
23 School Leadership	4,704,159	-	377,444	(4,326,715)
31 Guidance, Counseling and Evaluation Services	2,438,424	-	597,194	(1,841,230)
32 Social Work Services	353,479	-	145,157	(208,322)
33 Health Services	819,056	71,153	81,888	(666,015)
34 Student (Pupil) Transportation	3,213,254	-	461,337	(2,751,917)
35 Food Services	5,678,690	102,005	5,183,131	(393,554)
36 Extracurricular Activities	3,733,795	-	169,877	(3,563,918)
41 General Administration	2,763,716	924,555	273,929	(1,565,232)
51 Facilities Maintenance and Operations	9,512,773	-	365,283	(9,147,490)
52 Security and Monitoring Services	1,887,418	-	170,362	(1,717,056)
53 Data Processing Services	1,288,688	-	117,088	(1,171,600)
61 Community Services	82,148	-	30,655	(51,493)
72 Debt Service - Interest on Long-Term Debt	2,381,448	-	-	(2,381,448)
73 Debt Service - Bond Issuance Cost and Fees	6,620	-	-	(6,620)
99 Other Intergovernmental Charges	285,575	-	-	(285,575)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 85,456,060	\$ 1,097,713	\$ 19,174,674	\$ (65,183,673)

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	5,062,422
DT	Property Taxes, Levied for Debt Service	1,939,646
SF	State Aid - Formula Grants	49,128,911
GC	Grants and Contributions not Restricted	4,218,533
IE	Investment Earnings	898,525
MI	Miscellaneous Local and Intermediate Revenue	757,529
TR	Total General Revenues	62,005,566
CN	Change in Net Position	(3,178,107)
NB	Net Position - Beginning	64,618,101
NE	Net Position - Ending	\$ 61,439,994

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

ROMA INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2019

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 6,617,512	\$ 6,874,315	\$ 131,889	\$ 13,623,716
1120 Investments - Current	22,280,512	4,134,330	-	26,414,842
1220 Property Taxes - Delinquent	10,196,425	-	1,764,028	11,960,453
1230 Allowance for Uncollectible Taxes	(1,545,686)	-	(260,435)	(1,806,121)
1240 Due from Other Governments	-	-	1,981,868	1,981,868
1250 Accrued Interest	18,162	-	-	18,162
1260 Due from Other Funds	4,369,740	9,750	673,462	5,052,952
1290 Other Receivables	518	-	-	518
1300 Inventories	120,123	-	-	120,123
1410 Prepayments	1,371,711	-	-	1,371,711
1000 Total Assets	<u>\$ 43,429,017</u>	<u>\$ 11,018,395</u>	<u>\$ 4,290,812</u>	<u>\$ 58,738,224</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 750,585	\$ 67,545	\$ 77,689	\$ 895,819
2150 Payroll Deductions and Withholdings Payable	437,509	-	-	437,509
2160 Accrued Wages Payable	2,301,599	-	289,528	2,591,127
2170 Due to Other Funds	1,770,644	1,711,503	1,570,805	5,052,952
2180 Due to Other Governments	253,037	-	116,927	369,964
2200 Accrued Expenditures	241,668	-	31,848	273,516
2300 Unearned Revenue	120,123	-	-	120,123
2000 Total Liabilities	<u>5,875,165</u>	<u>1,779,048</u>	<u>2,086,797</u>	<u>9,741,010</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	8,542,605	-	1,475,798	10,018,403
2600 Total Deferred Inflows of Resources	<u>8,542,605</u>	<u>-</u>	<u>1,475,798</u>	<u>10,018,403</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410 Inventories	120,123	-	-	120,123
3430 Prepaid Items	1,371,711	-	-	1,371,711
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	266,964	266,964
3470 Capital Acquisition and Contractual Obligation	-	9,239,347	-	9,239,347
3480 Retirement of Long-Term Debt	-	-	368,551	368,551
Committed Fund Balance:				
3510 Construction	7,348,000	-	-	7,348,000
3545 Other Committed Fund Balance	-	-	92,702	92,702
3600 Unassigned Fund Balance	20,171,413	-	-	20,171,413
3000 Total Fund Balances	<u>29,011,247</u>	<u>9,239,347</u>	<u>728,217</u>	<u>38,978,811</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 43,429,017</u>	<u>\$ 11,018,395</u>	<u>\$ 4,290,812</u>	<u>\$ 58,738,224</u>

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, 2019

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	38,978,811
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 \$219,160,531 and the accumulated depreciation was \$(83,089,311). The net effect of including capital assets (net of depreciation) in the governmental activities is to increase (decrease) net position..		136,071,220
2 Long-term liabilities, including bonds payable totaling \$(70,565,000) and property finance contract in the amount of \$(769,612), are not due and payable in the current period and therefore are not reported in the funds.		(71,334,612)
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.		1,786,289
4 Premiums totalling \$(5,483,083) and discounts in the amount of \$27,216 resulting from the issuance of bonds are capitalized, net of amortization, on the government-wide statements.		(5,455,867)
5 Long-term liabilities, including interest accretion on bonds payable \$(180,750) and accrued interest \$(58,985) on outstanding, unmatured bonds, are not due and payable in the current period and therefore are not reported in the funds.		(239,735)
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 \$11,506,067, a deferred resource inflow in the amount of \$(2,605,456), and a net pension liability in the amount of \$(22,167,114). This resulted in a decrease in net position.		(13,266,503)
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 Statement No. 75. The net position related to TRS included a deferred resource outflow in the amount of \$2,759,239, a deferred resource inflow in the amount of \$(9,062,521), and a net OPEB liability in the amount of \$(28,658,539). This resulted in an increase(decrease) in net position.		(34,961,821)
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.		10,018,403
9 Compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(156,191)
<b>19 Net Position of Governmental Activities</b>	<b>\$</b>	<b>61,439,994</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, 2019

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 6,930,581	\$ 227,750	\$ 2,145,378	\$ 9,303,709
5800 State Program Revenues	52,173,861	-	4,582,509	56,756,370
5900 Federal Program Revenues	6,920,517	-	6,644,663	13,565,180
5020 Total Revenues	<u>66,024,959</u>	<u>227,750</u>	<u>13,372,550</u>	<u>79,625,259</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	32,520,851	-	5,518,428	38,039,279
0012 Instructional Resources and Media Services	1,138,817	-	18,793	1,157,610
0013 Curriculum and Instructional Staff Development	275,484	-	29,763	305,247
0021 Instructional Leadership	1,073,511	-	179,923	1,253,434
0023 School Leadership	3,996,509	-	139,685	4,136,194
0031 Guidance, Counseling and Evaluation Services	1,709,677	-	422,134	2,131,811
0032 Social Work Services	183,094	-	128,541	311,635
0033 Health Services	712,131	-	12,093	724,224
0034 Student (Pupil) Transportation	3,006,346	-	266,402	3,272,748
0035 Food Services	5,004,632	-	163,765	5,168,397
0036 Extracurricular Activities	3,295,148	-	70,217	3,365,365
0041 General Administration	2,321,920	-	151,805	2,473,725
0051 Facilities Maintenance and Operations	8,741,873	-	-	8,741,873
0052 Security and Monitoring Services	1,666,994	-	-	1,666,994
0053 Data Processing Services	1,137,600	-	-	1,137,600
0061 Community Services	48,113	-	25,976	74,089
Debt Service:				
0071 Principal on Long-Term Debt	112,794	-	2,695,001	2,807,795
0072 Interest on Long-Term Debt	5,178	-	3,415,263	3,420,441
0073 Bond Issuance Cost and Fees	-	-	6,620	6,620
Capital Outlay:				
0081 Facilities Acquisition and Construction	442,669	2,794,784	-	3,237,453
Intergovernmental:				
0099 Other Intergovernmental Charges	285,575	-	-	285,575
6030 Total Expenditures	<u>67,678,916</u>	<u>2,794,784</u>	<u>13,244,409</u>	<u>83,718,109</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,653,957)	(2,567,034)	128,141	(4,092,850)
<b>OTHER FINANCING SOURCES (USES):</b>				
7913 Capital Leases	329,500	-	-	329,500
1200 Net Change in Fund Balances	(1,324,457)	(2,567,034)	128,141	(3,763,350)
0100 Fund Balance - September 1 (Beginning)	<u>30,335,704</u>	<u>11,806,381</u>	<u>600,076</u>	<u>42,742,161</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 29,011,247</u>	<u>\$ 9,239,347</u>	<u>\$ 728,217</u>	<u>\$ 38,978,811</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, 2019

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ (3,763,350)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets, \$3,816,125 is allocated over their useful lives as depreciaton expense which totaled \$(5,353,213) at year end. This is the amount of capital assets in excess of depreciation expense in the current period.	(1,537,088)
Property tax revenues in the statement of activities do not provide current financial resources and are not reported as revenues in the funds.	452,126
Repayment of bond principal \$2,695,000 and property finance contracts \$112,794 is an expenditure in the funds but is not an expense in the statement of activities.	2,807,794
The issuance of other long-term debt for equipment financing provides current financial resources to governmental fund, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This is the amount that represents current equipment financing agreements the District has entered into.	(329,500)
Governmental funds report the effect of current period premiums amortization of \$756,805, amortization of discounts \$(17,231), gains/losses amortized totaling \$(44,931), 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.	694,643
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.	9,443
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 \$1,377,226. 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 \$(1,336,762). 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 \$(1,557,568). The net result is to increase (decrease) the change in net position by \$(1,517,104).	(1,517,104)
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 \$708,509. 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 \$(720,418). 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 \$(327,512). The net result is an increase (decrease) in the change in net position.	(339,421)
The current period accretion of interest on capital appreciation bond totaled \$(347,195), current year payment of the District's 2014 CAB bonds totaled \$675,000 and the change in accrued interest on unpaid, unmatured bonds due at the end of the year totaled \$16,545.	344,350
<b>Change in Net Position of Governmental Activities</b>	<b>\$ (3,178,107)</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, 2019

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	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 148,831
Total Assets	<u>\$ 148,831</u>
LIABILITIES	
Due to Student Groups	\$ 148,831
Total Liabilities	<u>\$ 148,831</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: 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.

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

#### *Basis of Presentation*

#### **Government-wide 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 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and 2) grants and contributions that are restricted to meeting 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.

#### **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.





## Roma Independent School District Notes to the Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 60 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 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

#### *New Accounting Standards Adopted and Recently Issued*

In fiscal year 2019, GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements. GASB Statement No. 88 improves the information that is disclosed in notes to governments financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

#### *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. 91, *Conduit Debt Obligations*
- GASB Statement No. 87, *Leases*
- GASB Statement No. 84, *Fiduciary Activities*

GASB Statement No. 91, *Conduit Debt Obligations*, 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 87, *Leases*, improves the 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 the 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

#### *Budgets*

The official school budget was prepared for adoption for required Governmental Fund Types by August 20, 2018. 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.

#### *Cash and Cash Equivalents*

Investments are considered to be cash equivalents if they are highly liquid with an original maturity of three months or less from the date of initial purchase.

#### *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.

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Inventory*

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, 2019. The only prepayments included are for unexpired insurance policy premiums paid by August 31, 2019, 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.

#### *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

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *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.

#### *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.

#### *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. 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.

## Roma Independent School District Notes to the Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

#### *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.

#### *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.

#### *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.

#### *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 2: 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	\$	1,260,831
Special Revenue Funds		254,516
Capital Project Funds		1,716,067
Total	\$	3,231,414

#### *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).

#### *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 2: 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.

### NOTE 3: 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.



## Roma Independent School District Notes to the Financial Statements

### NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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.

#### 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.

## Roma Independent School District Notes to the Financial Statements

### NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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, 2019, the carrying amount of the District's deposits had a balance of \$40,093,395 (cash, certificates of deposit, and interest-bearing savings accounts, not including \$91,858 deposited in TexPool) and the bank balance was \$41,311,056. The District's cash deposits at August 31, 2019 and during the year ended August 31, 2019 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, 2019 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.

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 \$57,996,467.
- c. Largest cash, savings and time deposit combined account balance amounted to \$29,079,937 and occurred during the month of March 25, 2019.
- 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:

## Roma Independent School District Notes to the Financial Statements

### NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Description	CUSIP	Amount	Maturity	Days
TexPool	N/A	\$ 91,858 *	N/A	Daily
Lone Star National Bank Certificate of Deposit	N/A	26,322,984	10/4/2018	Daily
		\$ 26,414,842		

\*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.

Description	Minimum Legal Rating	Amount	Rating	Percentage
TexPool	AAA	\$ 91,858 *	AAAm	0%
Lone Star National Bank Certificate of Deposit	AAA	26,322,984	AAA	100%
		\$ 26,414,842		

\*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.

#### 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.

## Roma Independent School District Notes to the Financial Statements

### NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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.

### NOTE 4: PROPERTY TAX

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 2018 tax rate was \$1.17 for maintenance and \$.391950 for debt service per \$100 assessed valuation. The 2017 assessed valuation was \$526,916,444. 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, 2019, outstanding taxes were \$10,196,425 and \$1,764,028 in the general fund and debt service fund with a corresponding allowance of \$1,545,686 and \$260,435.

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

**NOTE 5: DUE FROM / DUE TO OTHER GOVERNMENTS AND 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	\$ -	\$ 253,037
	-	253,037
<b>Other Governmental Funds:</b>		
Texas Education Agency:		
ESEA, Title I, Part A – Improving Basic Programs	997,817	-
ESEA, Title I, Part C – Migratory Children	163,773	-
IDEA–B Formula	135,284	-
IDEA–B Preschool	1,428	-
IDEA–B Discretionary	3,634	-
Summer Feeding Program	15,134	-
Career and Technical – Basic Grant	47,546	-
ESEA, Title II, Part A - Teacher & Principal Training & Recruitment	124,250	-
ESEA, Title III, Part A - English Language Acquisition	106,704	-
Gear Up	121,700	-
Rural Education Achievement Program	117,097	-
Title IV, Part A, Subpart 1- Student Support and Academic Enrichment	147,501	-
Instructional Facilities Allotment (IFA)	-	116,927
<b>Total Governmental Funds</b>	<b>1,981,868</b>	<b>116,927</b>
<b>Total</b>	<b>\$ 1,981,868</b>	<b>\$ 369,964</b>

## Roma Independent School District Notes to the Financial Statements

### NOTE 6: INTERFUND RECEIVABLES, PAYABLES

Interfund receivable and payable balances at August 31, 2019 were as follows:

Due to	Due From	
General Fund - Food Service	General Fund	\$ 992,485
General Fund	General Fund - Food Service	-
General Fund	Non-Major Fund	1,570,804
General Fund	Capital Projects Fund	1,711,503
General Fund - Payroll Clearing	General Fund	94,948
Capital Projects Fund	General Fund	9,750
Nonmajor Funds	General Fund	673,462
Due from other funds		<u>\$ 5,052,952</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.

### NOTE 7: DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2019, were as follows:

	Property Taxes, Net	Other Governments	Accrued Interest	Due from Other funds	Total Receivables
<b>Governmental Funds:</b>					
General fund	\$ 8,650,739	\$ -	\$ 18,162	\$ 4,369,740	\$ 13,038,641
Capital Projects fund	-	-	-	9,750	9,750
Nonmajor Governmental funds	1,503,593	1,981,868	-	673,462	4,158,923
<b>Total Governmental Funds</b>	<u>\$ 10,154,332</u>	<u>\$ 1,981,868</u>	<u>\$ 18,162</u>	<u>\$ 5,052,952</u>	<u>\$ 17,207,314</u>

Payables at August 31, 2019, 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	\$ 750,587	\$ 2,739,108	\$ 1,770,644	\$ 241,668	\$ 253,037	\$ 5,755,044
Capital Projects fund	67,544	-	1,711,503	-	-	1,779,047
Nonmajor Governmental funds	77,688	289,528	1,570,805	31,848	116,927	2,086,796
<b>Total Governmental Funds</b>	<u>\$ 895,819</u>	<u>\$ 3,028,636</u>	<u>\$ 5,052,952</u>	<u>\$ 273,516</u>	<u>\$ 369,964</u>	<u>\$ 9,620,887</u>

## Roma Independent School District Notes to the Financial Statements

### NOTE 8: CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2019, was as follows:

	General Capital Assets				General Capital Assets
	Sept. 1, 2018	Additions	Deletions	Transfers	Aug. 31, 2019
<b>Governmental activities</b>					
<b>Capital assets not being depreciated</b>					
Land	\$ 4,257,148	\$ -	\$ -	\$ -	\$ 4,257,148
Construction in progress	16,443,135	2,211,141	-	(18,404,930)	249,346
<b>Total capital assets not being depreciated</b>	<b>20,700,283</b>	<b>2,211,141</b>	<b>-</b>	<b>(18,404,930)</b>	<b>4,506,494</b>
<b>Capital assets being depreciated</b>					
Building and improvements	174,501,996	913,143	-	18,404,930	193,820,069
Furniture and equipment	11,104,858	385,638	-	-	11,490,496
Vehicles	9,037,268	306,202	-	-	9,343,470
<b>Total capital assets being depreciated</b>	<b>194,644,122</b>	<b>1,604,983</b>	<b>-</b>	<b>18,404,930</b>	<b>214,654,035</b>
<b>Less accumulated depreciation:</b>					
Building and improvements	61,717,319	4,355,783	-	-	66,073,102
Furniture and equipment	8,146,048	678,047	-	-	8,824,095
Vehicles	7,872,731	319,383	-	-	8,192,114
<b>Total accumulated depreciation</b>	<b>77,736,098</b>	<b>5,353,213</b>	<b>-</b>	<b>-</b>	<b>83,089,311</b>
<b>Total capital assets being depreciated, net</b>	<b>116,908,024</b>	<b>(3,748,230)</b>	<b>-</b>	<b>18,404,930</b>	<b>131,564,724</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 137,608,307</b>	<b>\$ (1,537,089)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 136,071,218</b>

Depreciation was charged to the following functions:

#### Governmental Activities:

11 – Instruction	\$ 2,753,242
12 – Instructional Resources and Media Services	83,787
13 – Curriculum and Staff Development	22,093
21 – Instructional Leadership	90,722
23 – School Leadership	299,373
31 – Guidance, Counseling and Evaluation Services	154,298
32 – Social Work Services	22,556
33 – Health Services	52,419
34 – Student Transportation	236,878
35 – Food Services	374,083
36 – Cocurricular/Extracurricular Activities	243,581
41 – General Administration	179,046
51 – Plant Maintenance and Operations	632,727
52 – Security and Monitoring Services	120,655
53 – Data Processing Services	82,338
61 – Community Services	5,415
<b>Total</b>	<b>\$ 5,353,213</b>

## Roma Independent School District Notes to the Financial Statements

### NOTE 9: LONG-TERM OBLIGATIONS

Long-term obligations include bonds payable and capital leases payable. Changes in long-term obligations for the year ended August 31, 2019 are as follows:

Governmental Activities	Beginning Balance Sept. 1, 2018	Increase	Decrease	Beginning Balance Aug. 31, 2019	Due Within One Year
<b>Unlimited Tax School Building</b>					
Bonds – Series 2010	\$ 9,010,000	\$ -	\$ (275,000)	\$ 8,735,000	\$ 285,000
Bonds – Series 2016	22,305,000	-	(480,000)	21,825,000	490,000
<b>Unlimited Tax Refunding Bonds</b>					
Bonds – Series 2012	6,765,000	-	(520,000)	6,245,000	535,000
Bonds – Series 2013	7,725,000	-	(105,000)	7,620,000	110,000
Bonds – Series 2014	8,250,000	-	(40,000)	8,210,000	720,000
Bonds – Series 2015	6,905,000	-	(865,000)	6,040,000	905,000
Bonds – Series 2016	12,300,000	-	(410,000)	11,890,000	425,000
<b>Total general obligation bonds</b>	<b>73,260,000</b>	<b>-</b>	<b>(2,695,000)</b>	<b>70,565,000</b>	<b>3,470,000</b>
Interest accretion CAB bonds	508,555	347,195	(675,000)	180,750	
Premium on issuance of bonds	6,239,888	-	(756,805)	5,483,083	518,578
Discount on issuance of bonds	(44,447)	-	17,230	(27,217)	(4,621)
Property finance contracts	552,906	329,500	(112,794)	769,612	175,135
<b>Total general long-term debt</b>	<b>7,256,902</b>	<b>676,695</b>	<b>(1,527,369)</b>	<b>6,406,228</b>	<b>689,092</b>
<b>Total governmental long-term debt</b>	<b>\$ 80,516,902</b>	<b>\$ 676,695</b>	<b>\$ (4,222,369)</b>	<b>\$ 76,971,228</b>	<b>\$ 4,159,092</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 13 Defined Benefit Pension Plan and Note 14 Defined Other Post-Employment Benefit Plan, the District has the following changes in other long-term obligations:

Governmental Activities	Beginning Balance Sept. 1, 2018	Increase	Decrease	Beginning Balance Aug. 31, 2019	Due Within One Year
Compensated absences	\$ 165,633	\$ 250,225	\$ (259,668)	\$ 156,190	\$ 65,000



## Roma Independent School District Notes to the Financial Statements

### NOTE 9: LONG-TERM OBLIGATIONS (Continued)

#### *General Obligation Bonds:*

Bonds payable at August 31, 2019 are comprised of the following individual issues:

On August 12, 2010, the Board of Trustees authorized the issuance of \$11,035,000 of Series 2010 School Building Bonds. The bonds were issued on August 25, 2010, although the proceeds were received in September 2010. The bonds consist of current interest bonds (CIBs) totaling \$6,430,000 and term bonds totaling \$4,650,000. The principal and interest on CIBs are due annually on August 15, through the year 2013. Principal payments range from \$240,000 to \$420,000 and interest rates range from 2.00% to 4.00%. Two term bond payments are due on August 15, 2035 and August 15, 2040 totaling \$1,850,000 and \$2,755,000, respectively. The proceeds were used to build a new pre-k campus to replace an existing campus.

\$ 8,735,000

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.

6,245,000

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.

7,620,000

## Roma Independent School District Notes to the Financial Statements

### NOTE 9: LONG-TERM OBLIGATIONS (Continued)

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.

\$ 8,210,000

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.

6,040,000

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.

11,890,000

## Roma Independent School District Notes to the Financial Statements

### NOTE 9: LONG-TERM OBLIGATIONS (Continued)

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.

Total general obligations bonds

\$21,825,000  
\$70,565,000

Debt service requirements on long-term debt at August 31, 2019 are as follows:

Year Ending August 31	Bond Payable		Total Requirement
	Principal	Interest	
2020	\$ 3,470,000	\$ 2,654,338	\$ 6,124,338
2021	3,575,000	2,540,863	6,115,863
2022	3,700,000	2,420,013	6,120,013
2023	3,830,000	2,283,801	6,113,801
2024	2,910,000	2,029,338	4,939,338
2025-2029	18,380,000	8,685,639	27,065,639
2030-2034	13,105,000	8,220,320	21,325,320
2035-2039	13,105,000	3,115,213	16,220,213
2040-2044	6,010,000	1,186,600	7,196,600
Thereafter	2,480,000	149,800	2,629,800
<b>Total</b>	<b>\$ 70,565,000</b>	<b>\$ 33,285,925</b>	<b>\$ 103,850,925</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, 2019.

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, 2019, the following outstanding bonds are considered defeased:

Series	Ending Balance
2004	\$ 6,305,000
2005	6,855,000
2006A	8,055,000
2006B	8,425,000
2008	12,285,000

## Roma Independent School District Notes to the Financial Statements

### NOTE 9: LONG-TERM OBLIGATIONS (Continued)

#### *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.

Year Ending August 31	HVAC System		Control Project		Football Stadium Lights		Total Property Finance Contracts	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 59,483	\$ 767	\$ 54,845	\$ 2,878	\$ 60,808	\$ 13,253	\$ 175,136	\$ 16,898
2021	59,631	618	56,265	1,457	63,253	10,808	179,149	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
2025-2029	30,097	28	-	-	-	-	30,097	28
<b>Total</b>	<b>\$ 329,002</b>	<b>\$ 2,370</b>	<b>\$ 111,110</b>	<b>\$ 4,335</b>	<b>\$ 329,500</b>	<b>\$ 40,805</b>	<b>\$ 769,612</b>	<b>\$ 47,510</b>

## Roma Independent School District Notes to the Financial Statements

### NOTE 10: DEFERRED INFLOWS OF RESOURCES

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	\$ 11,506,067	\$ -	\$ -	
Deferred outflows from TRS OPEB	2,759,239	-	-	
Deferred charge on refunding	1,786,289	-	-	
<b>Total deferred outflows of resources</b>	<b>\$ 16,051,595</b>	<b>\$ -</b>	<b>\$ -</b>	
Deferred inflows of resources:				
Deferred inflows from TRS Pension	\$ 2,605,456	\$ -	\$ -	
Deferred outflows from TRS OPEB	9,062,521	-	-	
Unavailable property taxes	-	8,542,605	1,475,798	
<b>Total deferred inflows of resources</b>	<b>\$ 11,667,977</b>	<b>\$ 8,542,605</b>	<b>\$ 1,475,798</b>	

### NOTE 11: 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	\$ 4,763,236	\$ -	\$ 1,786,695	\$ 6,549,931
Food Sales	102,005	-	-	102,005
Investment Income	670,072	227,750	703	898,525
Penalties and interest	644,546	-	112,994	757,540
Co-curricular student activities	71,153	-	-	71,153
E-rate	97,891	-	-	97,891
Miscellaneous	581,678	-	244,986	826,664
<b>Total</b>	<b>\$ 6,930,581</b>	<b>\$ 227,750</b>	<b>\$ 2,145,378</b>	<b>\$ 9,303,709</b>

## Roma Independent School District Notes to the Financial Statements

### NOTE 12: 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, 2019, from various federal sources as follows:

Programs or Source	CFDA Number	Amount
School Breakfast	10.553	\$ 1,627,423
National School Lunch	10.555	2,837,735
Commodity Supplemental Fund	10.565	342,815
School Health and Related Services (SHARS)	N/A	1,279,423
Fruits and Vegetables	N/A	174,339
<i>Indirect Costs</i>		
Child Nutrition Program		658,782
Total general fund federal revenue		\$ 6,920,517

### NOTE 13: 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). TRS's defined benefit pension plan 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.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

## Roma Independent School District Notes to the Financial Statements

### NOTE 13: DEFINED BENEFIT PENSION PLAN (Continued)

#### 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.

#### 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. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

	<u>Contribution Rates</u>	
	<u>2018</u>	<u>2019</u>
Member	7.7%	7.7%
Non-employer contributing entity (state)	6.8%	6.8%
Employer	6.8%	6.8%

## Roma Independent School District Notes to the Financial Statements

### NOTE 13: DEFINED BENEFIT PENSION PLAN (Continued)

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	\$ 1,377,226
Current fiscal year member contributions	\$ 3,457,671
2018 measurement year NECE on-behalf contributions	\$ 2,102,584

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Employers (public school, junior college, other entities or the State of Texas as 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 junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there 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 and administrative employees; and 100% of the State rate for certain instructional as administrative employees; and 100% of the State contribution rate for all other employees.



## Roma Independent School District Notes to the Financial Statements

### NOTE 13: DEFINED BENEFIT PENSION PLAN (Continued)

#### Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017, rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term expected Investment Rate of Return	7.25%
Inflation	2.3%
Salary Increases including inflation	3.05% to 9.05%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2017 and adopted in July 2018.

#### Discount Rate

The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from plan 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 pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. 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, 2018 are summarized below:

## Roma Independent School District Notes to the Financial Statements

### NOTE 13: DEFINED BENEFIT PENSION PLAN (Continued)

The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns

Asset Class	Target Allocation	Real Return Geometric Basis	Long-term Expected Portfolio Real Rate of Return*
<b>Global Equity</b>			
U.S.	18%	5.7%	1.0%
Non-U. S. Developed	13%	6.9%	0.9%
Emerging Markets	9%	8.9%	0.8%
Directional Hedge Funds	4%	3.5%	0.2%
Private Equity	13%	10.2%	1.3%
<b>Stable Value</b>			
U.S. Treasuries	11%	1.1%	0.1%
Absolute Return	0%	0.0%	0.0%
Stable Value Hedge Funds	4%	3.1%	0.1%
Cash	1%	-0.3%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3%	0.7%	0.0%
Real Assets	16%	5.2%	0.7%
Energy and Natural Resources	3%	7.5%	0.4%
Commodities	0%	0.0%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	3.7%	0.2%
Inflation Expectation	-	-	2.3%
Alpha	-		-0.8%
<b>Total</b>	<b>100%</b>		<b>7.2%</b>

### 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 (6.907%) in measuring the Net Pension Liability.

	1% Decrease In Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
District's proportionate share of the net pension liability	\$33,455,491	\$22,167,114	\$13,028,504

## Roma Independent School District Notes to the Financial Statements

### NOTE 13: DEFINED BENEFIT PENSION PLAN (Continued)

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

At August 31, 2019, the District reported a liability of \$22,167,114 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	\$ 22,167,114
State's proportionate share that is associated with the District	34,375,812
<b>Total</b>	<b>\$ 56,542,926</b>

The net pension liability was measured as of August 31, 2018 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, 2017 thru August 31, 2018.

At August 31, 2018, the employer's proportion of the collective net pension liability was .0402727779% which was an increase (decrease) of 0.0000193029% from its proportion measured as of August 31, 2017.

#### Changes Since the Prior Actuarial Valuation

Changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period are as follows:

1. The total pension liability as of August 31, 2018 was developed using the roll-forward method of August 31, 2017 valuation.
2. Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
3. Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
4. The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
5. The long term assumed rate of return changed from 8.0 to 7.25 percent.
6. The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

## Roma Independent School District Notes to the Financial Statements

### NOTE 13: 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, 2019, the District recognized pension expense of \$6,296,619 and revenue of \$3,402,289 for support provided by the State.

At August 31, 2019, 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	\$ 138,172	\$ 543,893
Changes in actuarial assumptions	7,992,312	249,760
Difference between projected and actual investment earnings	-	420,605
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,998,357	1,391,198
Total net amounts per August 31, 2017 measurement date	10,128,841	2,605,456
Contributions paid to TRS subsequent to the measurement date	1,377,226	-
<b>Total</b>	<b>\$ 11,506,067</b>	<b>\$ 2,605,456</b>

The \$1,377,226 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, 2019. 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
2019	\$ 2,140,033
2020	1,254,901
2021	992,921
2022	1,079,744
2023	1,179,111
Thereafter	876,675

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Net Pension Liability</b>	<b>\$12,870,893</b>	<b>\$10,652,909</b>	<b>\$1,356,688</b>	<b>\$ 22,167,114</b>

## Roma Independent School District Notes to the Financial Statements

### NOTE 14: 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 a basic health insurance coverage (TRS- Care 1), at no cost to all 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 retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. 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 the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

TRS-Care Monthly for Retirees  
January 1, 2018 thru December 31, 2018

	<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		

## Roma Independent School District Notes to the Financial Statements

### NOTE 14: 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>2018</u>	<u>2019</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	\$	708,509
Current fiscal year member contributions	\$	3,457,671
2017 measurement year NECE on-behalf contributions	\$	470,461

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 \$182.6 million in fiscal year 2018. The 85th Legislature, House Bill 30 provided an additional \$212 million in one-time supplemental funding bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

**Actuarial Assumptions.** The total OPEB liability in the August 31, 2017 actuarial valuation was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions.

## Roma Independent School District Notes to the Financial Statements

### NOTE 14: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation that was rolled forward to August 31, 2018:

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

#### Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	3.69%*
Aging Factors	Based on Plan Specific Experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05-9.05%**
Healthcare Trend Rates	4.50%-12.00%
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65***
Ad-hoc Post Employment Benefit Changes	None

*\*Source: Fixed income 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" as of August 31, 2018.*

*\*\* Includes inflation at 2.50%*

*\*\*\*Initial trend rates are 7.00% for non-Medicare retirees; 10.00% for Medicare retirees and 12.00% for prescriptions for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 10 years.*

## Roma Independent School District Notes to the Financial Statements

### NOTE 14: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

**Discount Rate.** A single discount rate of 3.69% was used to measure the total OPEB liability. There was a change of .27 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 (3.69%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.69%)	Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
District's proportionate share of the net OPEB liability	\$ 34,113,508	\$ 28,658,539	\$ 24,343,307

**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.

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

	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	\$ 23,801,383	\$ 28,658,539	\$ 35,055,518



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

**NOTE 14: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)**

**Related to OPEBs.** At August 31, 2019, the District reported a liability of \$28,658,539 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	\$ 28,658,539
State's proportionate share that is associated with the District	34,099,887
Total	\$ 62,758,426

The Net OPEB Liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 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, 2017 through August 31, 2018.

At August 31, 2018 the employer’s proportion of the collective Net OPEB Liability was .0573963823% which is a decrease of 0.0000866381% from its proportion measured as of August 31, 2017.

**Changes Since the Prior Actuarial Valuation** – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period.

The total OPEB liability as of August 31, 2018 was developed using the roll-forward method of the August 31, 2017 valuation.

Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the OPEB liability.

The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the total OPEB liability.

Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.

The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the total OPEB liability.

## Roma Independent School District Notes to the Financial Statements

### NOTE 14: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

In this valuation the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

Changes of benefit terms that affected measurement of the Total OPEB liability during the measurement period are listed below:

Created a high-deductible health plan that provides for a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.

Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.

Allowed the System to provide other appropriate health benefit plans to address the needs of enrollees eligible for Medicare.

Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.

Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

For the year ended August 31, 2019, the District recognized OPEB expense of \$2,288,279 and revenue of \$1,240,349 for support provided by the State.

## Roma Independent School District Notes to the Financial Statements

### NOTE 14: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

At August 31, 2019, 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 economic experience	\$ 1,520,802	\$ 452,274
Changes in actuarial assumptions	478,233	8,610,247
Difference between projected and actual investment earnings	5,012	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	46,683	-
Total net amounts per August 31, 2016 measurement date	2,050,730	9,062,521
Contributions paid to TRS subsequent to the measurement date	708,509	-
<b>Total</b>	<b>\$ 2,759,239</b>	<b>\$ 9,062,521</b>

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 Amount
2019	\$ (1,122,122)
2020	(1,122,122)
2021	(1,122,122)
2022	(1,123,070)
2023	(1,123,612)
Thereafter	(1,398,743)

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Net OPEB Liability</b>	<b>\$ 24,921,858</b>	<b>\$ 4,132,634</b>	<b>\$ 395,953</b>	<b>\$ 28,658,539</b>

## Roma Independent School District Notes to the Financial Statements

### NOTE 14: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

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 receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Subsidy payments received by TRS-Care on behalf of the District are shown in the table below for fiscal years 2019-2017.

<u>Fiscal Year</u>	<u>Medicare Part D</u>
2019	\$167,657
2018	133,412
2017	123,935

Contributions made by the State on behalf of the District have been recorded in the government-wide financial statements and in the fund financial statements of the General Fund as both state revenues and payroll expenditures.

### NOTE 15: 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, 2019 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, 2019. 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.

## Roma Independent School District Notes to the Financial Statements

### NOTE 15: RISK MANAGEMENT (Continued)

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 16: CONTINGENT LIABILITIES

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, 2019 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.

#### *Construction commitments*

Construction in progress at August 31, 2019 is comprised of the following:

	Estimated Projected Costs	Expended through August 31, 2019	Amount Committed
JROTC Building	\$ 1,500,000	\$ 130,220	\$ 1,369,780
RCS Elementary Repairs	1,000,000	70,647	929,353
RB Middle School Repairs	1,000,000	24,240	975,760
Performing Arts Center Repairs	1,000,000	24,240	975,760
<b>Total</b>	<b>\$ 4,500,000</b>	<b>\$ 249,347</b>	<b>\$ 4,250,653</b>

### NOTE 17: 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.

## Roma Independent School District Notes to the Financial Statements

### NOTE 18: FUND BALANCES AND 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	\$ 120,123	\$ -	\$ -	\$ 120,123
Prepaid items	1,371,711	-	-	1,371,711
Restricted fund balance:				
Federal or State funds grant restriction	-	-	266,964	266,964
Capital acquisition and contractual obligation	-	9,239,347	-	9,239,347
Retirement of long-term debt	-	-	368,551	368,551
Committed fund balance 11/22/2017				
Construction	7,348,000	-	-	7,348,000
Other committed fund balance	-	-	92,702	92,702
Unassigned fund balance	20,171,413	-	-	20,171,413
<b>Total fund balances</b>	<b>\$ 29,011,247</b>	<b>\$ 9,239,347</b>	<b>\$ 728,217</b>	<b>\$ 38,978,811</b>

	Governmental Activities
<b>Net Position</b>	
Net investment in capital assets:	
Capital assets, net of accumulated depreciation	\$ 136,071,220
Less related liabilities	(70,565,000)
Restricted cash (unexpended bond proceeds)	183,331
Plus premiums	5,483,083
Less discounts	(27,216)
Less deferred charges	(1,786,290)
Less construction retainages and accounts payable for construction costs	(67,545)
<b>Total net investment in capital assets</b>	<b>69,291,583</b>
Restricted net position consists of the following:	
Federal and state programs	266,964
Debt service	521,502
Campus activities	92,702
<b>Total restricted net position</b>	<b>881,168</b>
Unrestricted net position (deficit)	(8,732,757)
<b>Total net position</b>	<b>\$ 61,439,994</b>



## Roma Independent School District Notes to the Financial Statements

### **NOTE 19: 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 2019, which is year 4 of the agreement, the M&O tax rate is \$1.17000 per \$100, with property valued at \$70,106,000 being taxed at \$10,000,000. The District forgoes collecting \$703,240 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 2019 fiscal year.

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

### **NOTE 20: SUBSEQUENT EVENTS**

The District has evaluated subsequent events through January 23, 2020 which is the date these financial statements were available to be issued. There are no subsequent events that require disclosure.



**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, 2019

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	\$ 5,614,300	\$ 6,566,300	\$ 6,930,581	\$ 364,281
5800 State Program Revenues	51,077,000	51,797,000	52,173,861	376,861
5900 Federal Program Revenues	5,956,000	6,340,000	6,920,517	580,517
5020 Total Revenues	62,647,300	64,703,300	66,024,959	1,321,659
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	32,643,000	32,763,000	32,520,851	242,149
0012 Instructional Resources and Media Services	1,149,500	1,164,500	1,138,817	25,683
0013 Curriculum and Instructional Staff Development	280,550	292,550	275,484	17,066
0021 Instructional Leadership	1,096,000	1,111,000	1,073,511	37,489
0023 School Leadership	3,929,000	4,036,000	3,996,509	39,491
0031 Guidance, Counseling and Evaluation Services	1,774,000	1,774,000	1,709,677	64,323
0032 Social Work Services	221,200	221,200	183,094	38,106
0033 Health Services	777,000	777,000	712,131	64,869
0034 Student (Pupil) Transportation	2,742,000	3,080,000	3,006,346	73,654
0035 Food Services	5,306,000	5,306,000	5,004,632	301,368
0036 Extracurricular Activities	2,906,000	3,436,000	3,295,148	140,852
0041 General Administration	2,200,500	2,415,000	2,321,920	93,080
0051 Facilities Maintenance and Operations	8,797,000	8,980,000	8,741,873	238,127
0052 Security and Monitoring Services	1,625,000	1,770,000	1,666,994	103,006
0053 Data Processing Services	1,140,500	1,155,500	1,137,600	17,900
0061 Community Services	50,100	50,100	48,113	1,987
Debt Service:				
0071 Principal on Long-Term Debt	118,000	110,000	112,794	(2,794)
0072 Interest on Long-Term Debt	-	28,000	5,178	22,822
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	114,000	442,669	(328,669)
Intergovernmental:				
0099 Other Intergovernmental Charges	240,000	240,000	285,575	(45,575)
6030 Total Expenditures	66,995,350	68,823,850	67,678,916	1,144,934
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,348,050)	(4,120,550)	(1,653,957)	2,466,593
<b>OTHER FINANCING SOURCES (USES):</b>				
7913 Capital Leases	-	-	329,500	329,500
1200 Net Change in Fund Balances	(4,348,050)	(4,120,550)	(1,324,457)	2,796,093
0100 Fund Balance - September 1 (Beginning)	30,335,704	30,335,704	30,335,704	-
3000 Fund Balance - August 31 (Ending)	\$ 25,987,654	\$ 26,215,154	\$ 29,011,247	\$ 2,796,093

**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,				
	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	4.0272778%	0.0402535%	0.0440022%	0.0487985%	0.0310031%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 22,167,114	\$ 12,870,893	\$ 16,627,762	\$ 17,249,620	\$ 8,281,357
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	34,375,812	21,145,335	26,192,273	24,817,591	20,589,492
Total	\$ 56,542,926	\$ 34,016,228	\$ 42,820,035	\$ 42,067,211	\$ 28,870,849
District's Covered Employee Payroll	\$ 43,315,586	\$ 42,828,085	\$ 43,959,935	\$ 43,309,255	\$ 39,940,823
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	51.18%	30.05%	37.82%	39.83%	20.73%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	73.74%	82.17%	78.00%	78.43%	83.25%

**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,				
	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 1,377,226	\$ 1,336,762	\$ 1,319,260	\$ 1,398,119	\$ 1,444,936
Contribution in Relation to the Contractually Required Contribution	(1,377,226)	(1,336,762)	(1,319,260)	(1,398,119)	(1,444,936)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 44,904,803	\$ 43,315,586	\$ 42,828,085	\$ 43,959,935	\$ 43,309,255
Contributions as a percentage of Covered Employee Payroll	3.07%	3.09%	3.08%	3.18%	3.34%

**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>2018</b>	2017
District's proportion of the net OPEB liability	<b>0.573963823%</b>	0.573097442%
District's proportionate share of net OPEB liability	<b>\$ 28,658,539</b>	\$ 24,921,858
State's proportionate share of the net OPEB liability associated with the District	<b>34,099,887</b>	30,513,733
<b>Total</b>	<b>\$ 62,758,426</b>	<b>\$ 55,435,591</b>
District's covered employee payroll	<b>\$ 43,315,586</b>	\$ 42,828,085
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	<b>66.16%</b>	58.19%
Plan fiduciary net position as a percentage of the total OPEB liability	<b>1.57%</b>	0.91%

**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>2019</b>	2018
Contractually required contribution	\$ 708,509	\$ 720,418
Contribution in relation to the contractually required contribution	<b>(708,509)</b>	(720,418)
Contribution deficiency (excess)	\$ -	\$ -
District's covered employee payroll	\$ 44,904,803	\$ 43,315,586
Contributions as a percentage of covered employee payroll	<b>1.58%</b>	1.66%

**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 total pension liability as of August 31, 2018 was developed using the roll-forward method of August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long term assumed rate of return changed from 8.0% to 7.25%.

### TRS OPEB Plan

Changes of benefit terms – The following are changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Created a high-deductible health plan that provides for a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.

Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.

Allowed the System to provide other appropriate health benefit plans to address the needs of enrollees eligible for Medicare.

Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.

Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

Changes of assumptions – The following are changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.

The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.

Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017.



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

The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018.

In this valuation the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.



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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.

**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.

**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, 2019

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	997,817	163,773	135,284
1260	Due from Other Funds	-	-	-
1000	<b>Total Assets</b>	<u>\$ 997,817</u>	<u>\$ 163,773</u>	<u>\$ 135,284</u> <u>\$ 1,428</u>
<b>LIABILITIES</b>				
2110	Accounts Payable	\$ 16,143	\$ 255	\$ 15,386
2160	Accrued Wages Payable	197,365	-	78,251
2170	Due to Other Funds	762,599	163,518	33,039
2180	Due to Other Governments	-	-	-
2200	Accrued Expenditures	21,710	-	8,608
2000	<b>Total Liabilities</b>	<u>997,817</u>	<u>163,773</u>	<u>135,284</u> <u>1,428</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	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u> <u>-</u>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ 997,817</u>	<u>\$ 163,773</u>	<u>\$ 135,284</u> <u>\$ 1,428</u>

226 IDEA - Part B Discretionary	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	270 ESEA VI, Pt B Rural & Low Income	274 GEAR UP	289 Other Federal Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,634	15,135	47,546	124,250	106,704	117,097	121,700	147,500
-	254,966	-	-	-	-	-	-
<u>\$ 3,634</u>	<u>\$ 270,101</u>	<u>\$ 47,546</u>	<u>\$ 124,250</u>	<u>\$ 106,704</u>	<u>\$ 117,097</u>	<u>\$ 121,700</u>	<u>\$ 147,500</u>
\$ -	\$ -	\$ 13,734	\$ 2,500	\$ 9,761	\$ 1,819	\$ -	\$ 17,846
-	-	-	13,912	-	-	-	-
3,634	3,137	33,812	106,308	96,943	115,278	121,700	129,654
-	-	-	-	-	-	-	-
-	-	-	1,530	-	-	-	-
<u>3,634</u>	<u>3,137</u>	<u>47,546</u>	<u>124,250</u>	<u>106,704</u>	<u>117,097</u>	<u>121,700</u>	<u>147,500</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	266,964	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	266,964	-	-	-	-	-	-
<u>\$ 3,634</u>	<u>\$ 270,101</u>	<u>\$ 47,546</u>	<u>\$ 124,250</u>	<u>\$ 106,704</u>	<u>\$ 117,097</u>	<u>\$ 121,700</u>	<u>\$ 147,500</u>

ROMA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2019

Data Control Codes	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 91,176	\$ 91,176
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	-	-	-	1,981,868
1260	Due from Other Funds	57,900	-	1,526	314,392
1000	Total Assets	<u>\$ 57,900</u>	<u>\$ -</u>	<u>\$ 92,702</u>	<u>\$ 2,387,436</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 77,689
2160	Accrued Wages Payable	-	-	-	289,528
2170	Due to Other Funds	-	-	-	1,570,805
2180	Due to Other Governments	57,900	-	-	57,900
2200	Accrued Expenditures	-	-	-	31,848
2000	Total Liabilities	<u>57,900</u>	<u>-</u>	<u>-</u>	<u>2,027,770</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	266,964
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	92,702	92,702
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>92,702</u>	<u>359,666</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 57,900</u>	<u>\$ -</u>	<u>\$ 92,702</u>	<u>\$ 2,387,436</u>

599 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 40,713	\$ 131,889
1,764,028	1,764,028
(260,435)	(260,435)
-	1,981,868
<u>359,070</u>	<u>673,462</u>
<u>\$ 1,903,376</u>	<u>\$ 4,290,812</u>
\$ -	\$ 77,689
-	289,528
-	1,570,805
59,027	116,927
-	31,848
<u>59,027</u>	<u>2,086,797</u>
1,475,798	1,475,798
<u>1,475,798</u>	<u>1,475,798</u>
-	266,964
368,551	368,551
-	92,702
<u>368,551</u>	<u>728,217</u>
<u>\$ 1,903,376</u>	<u>\$ 4,290,812</u>



ROMA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2019

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	3,406,526	363,009	1,137,260	19,450
5020 Total Revenues	3,406,526	363,009	1,137,260	19,450
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	3,094,960	146,526	700,072	19,450
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	1,970	-	-	-
0023 School Leadership	8,987	-	-	-
0031 Guidance, Counseling and Evaluation Services	2,009	82,071	333,247	-
0032 Social Work Services	-	128,541	-	-
0033 Health Services	11,862	231	-	-
0034 Student (Pupil) Transportation	127,832	-	103,941	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	147,885	3,780	-	-
0061 Community Services	11,021	1,860	-	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	3,406,526	363,009	1,137,260	19,450
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

226 IDEA - Part B Discretionary	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	270 ESEA VI, Pt B Rural & Low Income	274 GEAR UP	289 Other Federal Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
568	-	-	-	-	-	-	-
13,134	179,728	154,857	345,016	421,796	113,291	260,480	230,116
13,702	179,728	154,857	345,016	421,796	113,291	260,480	230,116
9,244	-	153,608	310,748	407,140	113,291	84,536	210,304
-	-	-	-	-	-	-	18,793
-	-	-	29,763	-	-	-	-
760	-	1,249	-	-	-	175,944	-
-	-	-	3,468	1,349	-	-	1,019
3,698	-	-	1,037	72	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	34,629	-	-	-	-	-	-
-	163,765	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	140	-	-	-
-	-	-	-	13,095	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,702	198,394	154,857	345,016	421,796	113,291	260,480	230,116
-	(18,666)	-	-	-	-	-	-
-	285,630	-	-	-	-	-	-
\$ -	\$ 266,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ROMA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 244,986	\$ 244,986
5800 State Program Revenues	234,275	4,492	-	239,335
5900 Federal Program Revenues	-	-	-	6,644,663
5020 Total Revenues	234,275	4,492	244,986	7,128,984
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	234,275	4,492	29,782	5,518,428
0012 Instructional Resources and Media Services	-	-	-	18,793
0013 Curriculum and Instructional Staff Development	-	-	-	29,763
0021 Instructional Leadership	-	-	-	179,923
0023 School Leadership	-	-	124,862	139,685
0031 Guidance, Counseling and Evaluation Services	-	-	-	422,134
0032 Social Work Services	-	-	-	128,541
0033 Health Services	-	-	-	12,093
0034 Student (Pupil) Transportation	-	-	-	266,402
0035 Food Services	-	-	-	163,765
0036 Extracurricular Activities	-	-	70,217	70,217
0041 General Administration	-	-	-	151,805
0061 Community Services	-	-	-	25,976
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	234,275	4,492	224,861	7,127,525
1200 Net Change in Fund Balance	-	-	20,125	1,459
0100 Fund Balance - September 1 (Beginning)	-	-	72,577	358,207
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ 92,702	\$ 359,666

	599 Debt Service Fund	Total Nonmajor Governmental Funds
\$	1,900,392	\$ 2,145,378
	4,343,174	4,582,509
	-	6,644,663
	6,243,566	13,372,550
	-	5,518,428
	-	18,793
	-	29,763
	-	179,923
	-	139,685
	-	422,134
	-	128,541
	-	12,093
	-	266,402
	-	163,765
	-	70,217
	-	151,805
	-	25,976
	2,695,001	2,695,001
	3,415,263	3,415,263
	6,620	6,620
	6,116,884	13,244,409
	126,682	128,141
	241,869	600,076
\$	368,551	\$ 728,217

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, 2019

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	\$ 1,742,000	\$ 1,742,000	\$ 1,900,392	\$ 158,392
5800 State Program Revenues	4,374,971	4,374,971	4,343,174	(31,797)
5020 Total Revenues	6,116,971	6,116,971	6,243,566	126,595
<b>EXPENDITURES:</b>				
Debt Service:				
0071 Principal on Long-Term Debt	2,695,000	2,695,000	2,695,001	(1)
0072 Interest on Long-Term Debt	3,415,263	-	3,415,263	(3,415,263)
0073 Bond Issuance Cost and Fees	7,500	7,500	6,620	880
6030 Total Expenditures	6,117,763	2,702,500	6,116,884	(3,414,384)
1200 Net Change in Fund Balances	(792)	3,414,471	126,682	(3,287,789)
0100 Fund Balance - September 1 (Beginning)	241,869	241,869	241,869	-
3000 Fund Balance - August 31 (Ending)	\$ 241,077	\$ 3,656,340	\$ 368,551	\$ (3,287,789)

ROMA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2019

	BALANCE SEPTEMBER 1 2018	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2019
<b>UNIDENTIFIED FUND FROM TRIAL BALANCE</b>				
Assets:				
Cash and Temporary Investments	\$ 141,128	\$ 1,587,932	\$ 1,580,229	\$ 148,831
Liabilities:				
Due to Other Funds	\$ 19	\$ -	\$ 19	\$ -
Due to Student Groups	141,109	1,587,932	1,580,210	148,831
Total Liabilities	\$ 141,128	\$ 1,587,932	\$ 1,580,229	\$ 148,831
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 141,128	\$ 1,587,932	\$ 1,580,229	\$ 148,831
Liabilities:				
Due to Other Funds	\$ 19	\$ -	\$ 19	\$ -
Due to Student Groups	141,109	1,587,932	1,580,210	148,831
Total Liabilities	\$ 141,128	\$ 1,587,932	\$ 1,580,229	\$ 148,831



**TEXAS EDUCATION AGENCY  
REQUIRED SCHEDULES**

ROMA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2019

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2010 and prior years	\$ 1.170000	\$ 0.246680	\$ 447,197,040
2011	1.170000	0.294760	406,401,590
2012	1.170000	0.289920	368,175,140
2013	1.170000	0.289090	347,776,140
2014	1.170000	0.289090	344,268,560
2015	1.170000	0.289090	347,565,810
2016	1.170000	0.383660	362,971,670
2017	1.170000	0.399390	500,467,820
2018	1.170000	0.314000	459,483,596
2019 (School year under audit)	1.170000	0.391950	526,916,444
1000 TOTALS			



(10) Beginning Balance 9/1/2018	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2019
\$ 4,873,357	\$ -	\$ 187,484	\$ 19,648	\$ (75,336)	\$ 4,590,889
553,155	-	25,996	6,549	(4,072)	516,538
567,172	-	26,539	6,576	(3,949)	530,108
653,896	-	32,492	8,028	(5,732)	607,644
678,052	-	37,909	9,367	(14,162)	616,614
756,965	-	46,462	11,480	(9,356)	689,667
906,503	-	60,563	19,860	(13,293)	812,787
1,187,454	-	85,711	29,258	(18,074)	1,054,411
1,291,191	-	142,131	38,144	(41,279)	1,069,637
-	6,984,460	4,136,034	1,385,576	9,304	1,472,154
<u>\$ 11,467,745</u>	<u>\$ 6,984,460</u>	<u>\$ 4,781,321</u>	<u>\$ 1,534,486</u>	<u>\$ (175,949)</u>	<u>\$ 11,960,449</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.	104-111
<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.	112-122
<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.	123-126
<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.	127-128
<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.	129-134



**FINANCIAL TRENDS  
INFORMATION**

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

	2010	2011	2012	2013
<b>Primary government</b>				
Net investment in capital assets	\$ 57,151,157	\$ 63,710,877	\$ 63,212,361	\$ 54,011,900
Restricted for federal and state programs	257,644	256,631	256,631	-
Restricted for debt service	155,795	82,376	-	141,143
Restricted for capital projects	-	17,031,516	29,379,516	21,366,067
Restricted for campus activities	-	-	-	-
Unrestricted	37,912,973	19,761,619	12,330,992	32,872,148
<b>Total primary government activities net position</b>	<b>\$ 95,477,569</b>	<b>\$ 100,843,019</b>	<b>\$ 105,179,500</b>	<b>\$ 108,391,258</b>

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

Table 1

	2014	2015	2016	2017	2018	2019
\$	64,041,922	\$ 63,389,183	\$ 62,523,564	\$ 70,922,241	\$ 72,159,743	\$ 69,291,583
	276,075	363,296	276,075	290,566	285,631	266,964
	188,808	515,466	407,138	290,368	236,867	521,502
	-	-	-	-	-	-
	-	-	-	76,466	72,070	92,702
	43,559,940	30,011,830	27,929,619	34,509,214	(8,136,690)	(8,732,757)
\$	108,066,745	\$ 94,279,775	\$ 91,136,396	\$ 106,088,855	\$ 64,617,621	\$ 61,439,994

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

	2010	2011	2012
<b>Expenses</b>			
Governmental Activities:			
Instruction	\$ 36,999,482	\$ 35,415,764	\$ 34,451,430
Instructional Resources & Media Services	957,375	1,009,492	966,627
Curriculum & Staff Development	231,746	237,864	241,976
Instructional Leadership	870,530	834,254	777,448
School Leadership	3,244,338	3,379,649	3,289,239
Guidance, Counseling & Evaluation Services	1,641,823	1,727,290	1,734,911
Social Work Services	227,843	267,990	262,575
Health Services	652,931	696,367	690,987
Student (Pupil) Transportation	2,432,229	2,694,517	2,572,967
Food Services	4,442,284	5,020,402	4,638,936
Cocurricular/Extracurricular Activities	2,445,513	2,411,036	2,510,837
General Administration	1,645,856	1,678,781	1,660,584
Plant Maintenance & Operations	7,673,181	8,027,905	7,598,812
Security & Monitoring Services	1,028,750	1,060,726	948,219
Data Processing Services	611,164	655,773	677,615
Community Services	137,303	116,835	102,311
Debt Service - Interest on Long Term Debt	1,606,689	3,114,534	3,663,720
Debt Service - Bond Issuance Cost & Fees	1,418,156	11,699	2,350
Capital Outlay	-	-	-
Other Intergovernmental Charges	155,845	136,578	170,786
<b>Total Governmental Activities</b>	<b>68,423,038</b>	<b>68,497,456</b>	<b>66,962,330</b>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
Instruction	-	-	51,624
Health Services	38,886	53,177	39,812
Food Services	287,821	364,151	330,632
Cocurricular/Extracurricular Activities	-	-	-
General Administration	1,499,344	599,861	637,202
Operating Grants and Contributions	16,630,048	19,247,951	15,552,553
<b>Total governmental Activities Program Revenues</b>	<b>18,456,099</b>	<b>20,265,140</b>	<b>16,611,823</b>
<b>Net (Expense)/Revenue</b>			
Total Primary Governmental Net Expense	(49,966,939)	(48,232,316)	(50,350,507)
<b>General Revenues</b>			
Property Taxes, Levied for General Purposes	5,064,001	5,071,416	4,065,233
Property Taxes, Levied for Debt Service	1,069,726	582,961	1,002,000
Grants and Contributions not Restricted to Specific Programs	46,493,710	47,088,993	48,599,493
Investment Earnings	73,503	301,387	319,256
Miscellaneous	242,790	553,009	397,564
<b>Total Primary Government General Revenues</b>	<b>52,943,730</b>	<b>53,597,766</b>	<b>54,383,546</b>
<b>Total Change in Net Position</b>	<b>\$ 2,976,791</b>	<b>\$ 5,365,450</b>	<b>\$ 4,033,039</b>

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



Table 2

	2013	2014	2015	2016	2017	2018	2019
\$	35,633,480	\$ 37,949,465	\$ 40,323,645	\$ 41,924,391	\$ 34,496,862	\$ 31,449,458	\$ 43,224,500
	1,016,705	1,175,300	1,320,761	1,215,730	1,033,056	1,078,625	1,301,512
	249,177	227,387	260,380	588,608	400,165	269,197	349,730
	769,486	845,413	987,020	1,221,561	1,009,844	883,355	1,431,075
	3,264,954	3,653,777	4,005,850	4,190,734	3,519,090	3,429,616	4,704,159
	1,786,814	1,985,107	2,386,571	2,416,169	1,946,907	1,834,556	2,438,424
	254,582	276,307	293,814	320,174	267,678	317,003	353,479
	710,391	722,826	756,865	795,123	695,232	607,706	819,056
	2,685,067	2,700,359	2,546,858	2,705,716	2,494,126	2,359,439	3,213,254
	4,903,433	5,009,811	5,637,195	5,549,583	4,987,223	5,356,579	5,678,690
	2,763,074	2,878,705	3,255,142	3,390,922	2,897,353	2,909,923	3,733,795
	1,699,756	2,250,219	3,297,147	3,076,125	2,220,790	2,146,180	2,763,716
	8,081,405	8,331,488	9,301,671	9,847,073	8,615,766	7,935,799	9,512,773
	977,210	1,382,509	1,629,827	1,623,965	1,431,830	1,302,592	1,887,418
	789,986	808,720	1,027,221	1,266,569	1,028,783	918,529	1,288,688
	86,439	89,908	116,987	95,991	66,627	45,280	82,148
	2,819,550	3,695,797	2,445,098	1,767,423	2,479,228	2,495,713	2,381,448
	205,053	148,768	213,584	252,588	380,722	7,161	6,620
	-	-	-	150,897	118,946	1,602,104	-
	114,853	149,316	152,841	152,285	167,373	221,456	285,575
	68,811,415	74,281,182	79,958,477	82,551,627	70,257,601	67,170,271	85,456,060
	-	-	-	-	-	-	-
	47,301	47,569	45,287	75,826	60,686	54,592	71,153
	320,168	349,317	234,764	173,301	222,865	93,026	102,005
	-	-	-	-	-	-	-
	972,465	843,646	832,106	471,677	1,145,673	2,804,451	924,555
	14,523,041	15,340,056	15,227,784	16,531,791	18,848,778	4,139,176	19,174,674
	15,862,975	16,580,588	16,339,941	17,252,595	20,278,002	7,091,245	20,272,387
	(52,948,440)	(57,700,594)	(63,618,536)	(65,299,032)	(49,979,599)	(60,079,026)	(65,183,673)
	3,828,719	4,100,877	4,012,396	3,953,568	4,154,992	4,235,559	5,062,422
	940,886	1,009,546	988,978	1,224,725	1,361,003	1,352,162	1,939,646
	51,707,513	51,455,289	53,400,009	51,854,065	51,337,758	54,920,915	53,347,444
	323,669	326,857	271,632	276,812	376,160	731,676	898,525
	440,666	483,512	541,365	4,846,483	7,702,145	716,595	757,529
	57,241,453	57,376,081	59,214,380	62,155,653	64,932,058	61,956,907	62,005,566
\$	4,293,013	\$ (324,513)	\$ (4,404,156)	\$ (3,143,379)	\$ 14,952,459	\$ 1,877,881	\$ (3,178,107)

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

	2010	2011	2012	2013
<b>General Fund</b>				
<i>Nonspendable Fund Balances:</i>				
Inventories	\$ 72,147	\$ 66,965	\$ 86,475	\$ 101,764
Prepaid Items	373,930	1,038,249	1,450,226	501,804
<i>Committed Fund Balances:</i>				
Construction	12,348,000	12,348,000	12,348,000	12,348,000
<i>Unassigned:</i>				
Reported in the General Fund	11,352,274	15,592,688	19,761,398	24,016,692
<b>Total General Fund Balance</b>	<b>24,146,351</b>	<b>29,045,902</b>	<b>33,646,099</b>	<b>36,968,260</b>
<b>All Other Governmental Funds</b>				
<i>Reserved, Reported In:</i>				
<i>Restricted Fund Balances:</i>				
Federal or State Funds Grant Restriction	228,716	256,631	248,955	252,514
Retirement of Long Term Debt	44,473	94,636	-	59,721
Capital Acquisition & Contractual Obligations	5,679,965	17,031,516	15,243,189	10,079,255
<i>Committed Fund Balance:</i>				
Reported in Special Revenue funds	110,089	126,467	135,540	108,414
Other Committed Fund Balance	-	-	-	-
Total All Other Governmental Fund Balances	6,063,243	17,509,250	15,627,684	10,499,904
<b>Total Governmental funds -- Fund Balance</b>	<b>\$ 30,209,594</b>	<b>\$ 46,555,152</b>	<b>\$ 49,273,783</b>	<b>\$ 47,468,164</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

2014	2015	2016	2017	2018	2019
\$ 91,990	\$ 87,223	\$ 86,362	\$ 76,786	\$ 76,786	\$ 120,123
1,162,991	536,038	573,106	813,424	560,238	1,374,848
7,348,000	7,348,000	7,348,000	7,348,000	7,348,000	7,348,000
25,246,752	22,144,739	17,637,363	19,964,972	22,350,706	20,168,276
33,849,733	30,116,000	25,644,831	28,203,182	30,335,730	29,011,247
276,075	276,075	276,075	290,566	285,631	266,964
108,090	412,568	244,310	125,587	241,869	368,551
3,049,297	-	1,487,945	29,270,327	11,806,381	9,239,347
-	(749,368)	-	-	-	-
-	-	-	76,466	72,070	92,702
3,433,462	(60,725)	2,008,330	29,762,946	12,405,951	9,967,564
\$ 37,283,195	\$ 30,055,275	\$ 27,653,161	\$ 57,966,128	\$ 42,741,681	\$ 38,978,811

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

	2010	2011	2012	2013
<b>Revenues</b>				
Local and Intermediate Sources	\$ 7,780,254	\$ 7,198,350	\$ 6,491,041	\$ 6,559,772
State Programs	44,791,267	49,220,352	50,033,711	51,990,902
Federal Programs	18,332,491	17,116,594	14,118,334	14,239,652
<b>Total governmental Activities Program Revenues</b>	<b>70,904,012</b>	<b>73,535,296</b>	<b>70,643,086</b>	<b>72,790,326</b>
<b>Expenses</b>				
Current:				
Instruction	\$ 35,191,969	\$ 33,461,012	\$ 32,022,658	\$ 33,256,009
Instructional Resources & Media Services	895,734	964,009	898,234	949,123
Curriculum & Staff Development	216,825	221,697	224,855	232,614
Instructional Leadership	814,481	777,551	722,441	718,337
School Leadership	3,035,450	3,149,939	3,056,513	3,047,928
Guidance, Counseling & Evaluation Services	1,536,114	1,609,888	1,612,159	1,668,042
Social Work Services	213,173	249,775	243,997	237,660
Health Services	610,892	649,036	642,097	663,170
Student (Pupil) Transportation	2,689,353	2,733,903	2,684,155	2,822,985
Food Services	4,228,183	4,703,403	4,313,901	4,577,495
Cocurricular/Extracurricular Activities	2,288,058	2,247,161	2,333,186	2,690,024
General Administration	1,539,886	1,564,676	1,543,091	1,576,121
Plant Maintenance & Operations	7,295,731	7,517,224	7,354,407	7,589,968
Security & Monitoring Services	968,806	988,630	881,129	928,648
Data Processing Services	571,813	611,201	629,671	737,475
Community Services	128,463	108,893	95,072	80,693
Debt Service:				
Principal on Long-term Debt	1,625,000	1,482,026	1,582,963	2,305,000
Interest on Long-term Debt	1,580,249	3,761,900	3,648,003	2,777,733
Bond Issuance Costs and Fees	1,418,155	239,270	215,745	205,053
Capital Outlay:				
Facilities Acquisition and Constructin	1,575,513	1,274,537	3,566,228	7,621,986
Intergovernmental:				
Other Intergovernmental Charges	155,845	136,578	170,786	114,853
<b>Total Expenditures</b>	<b>68,579,693</b>	<b>68,452,309</b>	<b>68,441,291</b>	<b>74,800,917</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,324,319	5,082,987	2,201,795	(2,010,591)
<b>Other Financing Sources (Uses) and Special Items</b>				
Refunding Bonds Issued	-	-	8,565,000	8,370,000
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
Capital Leases	-	-	-	-
Transfer In	6,140,781	1,935,230	1,834,840	1,475,000
Transfer Out	(6,140,781)	(1,935,230)	(1,834,840)	(1,475,000)
Other Uses	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	(9,498,280)	(9,712,081)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>11,262,571</b>	<b>213,395</b>	<b>205,053</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,324,319</b>	<b>\$ 16,345,558</b>	<b>\$ 2,415,190</b>	<b>\$ (1,805,538)</b>
Debt Service as a Percentage of Noncapital Expenditures				
	6.9%	8.2%	8.4%	7.9%

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

Table 4

	2014	2015	2016	2017	2018	2019
\$	6,836,044	\$ 6,546,407	\$ 6,533,896	\$ 7,937,944	\$ 10,352,763	\$ 9,303,709
	53,024,138	54,851,801	53,495,766	57,244,433	57,368,376	56,756,370
	13,771,207	13,775,993	13,525,548	12,942,103	12,727,027	13,565,180
	73,631,389	75,174,201	73,555,210	78,124,480	80,448,166	79,625,259
\$	35,585,402	\$ 38,290,232	\$ 37,668,466	\$ 35,987,023	\$ 37,572,340	\$ 38,039,279
	1,100,988	1,247,051	1,115,739	1,026,704	1,216,096	1,157,610
	212,992	245,848	523,002	471,847	300,992	305,247
	791,892	931,935	1,099,361	1,076,389	1,007,428	1,253,434
	3,422,464	3,782,285	3,760,932	3,657,796	3,979,127	4,136,194
	1,859,434	2,253,378	2,161,559	2,079,403	2,122,921	2,131,811
	258,815	277,417	285,780	299,718	344,057	311,635
	677,065	714,624	716,366	692,096	723,995	724,224
	2,922,098	2,744,080	2,826,581	2,672,211	2,607,679	3,272,748
	4,719,481	5,329,791	5,104,414	5,178,366	5,281,362	5,168,397
	2,704,890	3,083,426	3,108,643	2,866,120	3,066,308	3,365,365
	2,115,005	3,113,133	2,807,669	2,276,010	2,257,527	2,473,725
	8,024,797	8,823,499	9,219,359	8,427,855	8,220,371	8,741,873
	1,343,463	1,624,505	1,500,992	1,418,063	1,579,917	1,666,994
	757,522	969,892	1,146,960	1,026,120	1,100,118	1,137,600
	84,216	110,459	88,239	64,933	52,113	74,089
	2,510,000	2,464,998	2,765,000	3,410,795	3,381,297	2,807,795
	2,539,659	2,568,098	2,086,036	2,793,928	2,848,725	3,420,441
	143,983	213,584	252,588	380,722	7,161	6,620
	12,032,434	3,667,922	2,080,860	4,775,599	17,781,624	3,237,453
	149,316	152,841	152,285	167,373	221,456	285,575
	83,955,916	82,608,998	80,470,831	80,749,071	95,672,614	83,718,109
	(10,324,527)	(7,434,797)	(6,915,621)	(2,624,591)	(15,224,448)	(4,092,850)
	8,740,000	9,535,000	4,267,476	-	-	-
	-	-	12,435,000	23,420,000	-	-
	1,066,548	1,362,629	1,753,554	1,955,722	-	-
	-	-	-	-	-	329,500
	5,000,000	-	336,987	-	-	-
	(5,000,000)	-	(336,987)	-	-	-
	-	-	-	7,561,836	-	-
	(9,666,990)	(10,690,751)	(13,942,523)	-	-	-
	139,558	206,878	4,513,507	32,937,558	-	329,500
\$	(10,184,969)	\$ (7,227,919)	\$ (2,402,114)	\$ 30,312,967	\$ (15,224,448)	\$ (3,763,350)
	7.2%	6.6%	6.5%	8.7%	8.0%	7.7%



**REVENUE CAPACITY  
INFORMATION**

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

	2010	2011	2012	2013
<b>Local Sources:</b>				
Property tax	\$ 5,637,909	\$ 5,425,049	\$ 4,714,952	\$ 4,455,503
Other	2,142,345	1,773,301	1,776,089	2,104,269
<b>State sources</b>	44,791,267	49,220,352	50,033,711	51,990,902
<b>Federal sources</b>	18,332,491	17,116,594	14,118,334	14,239,652
<b>Total</b>	<b>\$ 70,904,012</b>	<b>\$ 73,535,296</b>	<b>\$ 70,643,086</b>	<b>\$ 72,790,326</b>

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

Table 5

	2014	2015	2016	2017	2018	2019
\$	4,785,143	\$ 4,621,253	\$ 4,689,797	\$ 5,515,995	\$ 5,976,062	\$ 6,549,931
	2,050,901	1,925,154	1,844,099	2,421,949	4,376,701	2,753,778
	53,024,138	54,851,801	53,495,766	57,244,433	57,368,376	56,756,369
	13,771,207	13,775,993	13,525,548	12,942,103	12,727,027	13,565,181
\$	73,631,389	\$ 75,174,201	\$ 73,555,210	\$ 78,124,480	\$ 80,448,166	\$ 79,625,259



**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
2010	182,921,250	278,919,510	308,981,370	770,822,130
2011	193,946,400	216,296,090	288,381,310	698,623,800
2012	196,535,250	146,353,520	318,021,890	660,910,660
2013	201,326,460	122,808,650	317,203,970	641,339,080
2014	205,422,510	126,143,880	316,540,670	648,107,060
2015	211,034,600	126,208,770	313,860,070	651,103,440
2016	215,250,140	118,165,980	365,117,010	698,533,130
2017	263,443,132	132,252,690	243,686,290	639,382,112
2018	289,214,081	141,832,177	243,388,340	674,434,598
2019	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	1.561950

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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	
2010	2009	1.170000	0.246680	1.416680	0.149100	0.446330	0.300000	0.699200	2.711310
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

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
2010	\$ 6,250,661	\$ 5,203,777	83.25%	\$ 436,264
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

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
\$ 5,640,041	90.23%	\$ 8,616,575	137.85%
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%

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

Taxpayer	Type of Business	Fiscal Year 2019	
		Tax Year 2018 Assessed Valuation	Percentage of Total Assessed Valuation
Rio Bravo Windpower LLC	Wind Energy	\$ 63,518,000	32.52%
Kinder Morgan Texas Pipeline Inc	Oil & Gas	36,000,000	18.42%
Los Vientos Windpower IV LLC	Wind Energy	25,153,020	12.87%
AEP Texas, Inc.	Utility Lines	20,553,929	10.52%
AEP Electric Transmission of Texas	Utility Lines	14,090,600	7.21%
Merit Energy LTD	Oil & Gas	13,236,535	6.77%
Merit Energy Company	Oil & Gas	6,157,160	3.15%
Bluestone Natural Resources II LLC	Oil & Gas	6,034,370	3.09%
Pena Riverview Investment	Investments	5,479,434	2.80%
RLU Operating LLC	Oil & Gas	5,171,355	2.65%
<b>Totals</b>		<b>\$ 195,394,403</b>	<b>100.00%</b>

Source: Roma Independent School District Tax Office

Table 9

Taxpayer	Type of Business	Fiscal Year 2010	
		Tax Year 2009 Assessed Valuation	Percentage of Total Assessed Valuation
El Paso Prod Oil & Gas Company	Oil and Gas	\$ 97,256,650	65.25%
El Paso Prod Oil & Gas Company	Oil and Gas	13,922,310	9.34%
AEP Texas Central Company	Electric Utilities	7,484,070	5.02%
Helmerich & Payne Drilling Co	Oil and Gas	6,000,000	4.03%
Kinder Morgans TX Pipeline LP	Oil and Gas	5,753,010	3.86%
Guerra Mineral Trust	Oil and Gas	4,465,900	3.00%
Dorchester Minerals LP	Oil and Gas	3,948,660	2.65%
Kinder Morgans TX Pipeline LP	Oil and Gas	3,825,400	2.57%
New Guld Petroleum LLC	Oil and Gas	3,541,130	2.38%
Pena Amando	Oil and Gas	2,826,960	1.90%
Totals		\$ 149,024,090	100.00%



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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					
2010	46,370,000	13,319,989	-	59,689,989	7.74%	9,445	28%	5,379
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	8%	8,707	21%	5,046
2017	33,690,000	49,666,929	664,203	84,021,132	13%	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

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
2010	6,320	770,822,130	59,689,989	447,229	59,242,760	7.69%	9,374
2011	6,627	698,623,800	69,242,963	324,764	68,918,199	9.86%	10,400
2012	6,634	660,910,660	67,660,000	928,712	66,731,288	10.10%	10,059
2013	6,511	641,339,080	65,355,000	59,721	65,295,279	10.18%	10,028
2014	6,490	648,107,060	62,845,000	108,090	62,736,910	9.68%	9,667
2015	6,439	651,103,440	63,989,725	412,568	63,577,157	9.76%	9,874
2016	6,516	698,533,130	56,737,476	244,310	56,493,166	8.09%	8,670
2017	6,551	639,382,112	84,021,132	125,587	83,895,545	13.12%	12,807
2018	6,439	674,434,598	80,517,002	125,587	80,391,415	11.92%	12,485
2019	6,381	689,712,646	76,971,228	241,869	76,729,359	11.12%	12,025

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, 2019**

Table 12

Political Subdivision	Net Debt Amounts	As of	Percentage Applicable to Roma ISD (1)	Roma ISD's Share of Debt
Roma ISD	\$ 76,971,228	8/31/2019	100.00%	\$ 76,971,228
Total direct debt	76,971,228			76,971,228
<u>Overlapping Debt</u>				
City of Roma	\$ 6,056,000	09/30/19	100.00%	6,056,000
South Texas College	136,110,000	08/31/18	1.15%	1,565,265
Starr County*	500,000	09/30/19	19.46%	97,300
Total overlapping debt	142,666,000			7,718,565
<b>Total Direct and Overlapping Debt</b>	<b>\$ 219,637,228</b>			<b>\$ 84,689,793</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
2010	11,097	215,070,957	19,381	6,215	17.3%
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%

Sources: City of Roma, Texas

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

\*\* Estimate



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

Table 14

2019

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	*		*

2010

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
2010	6,215	6,320	98.34%
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%

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	2010	2011	2012	2013
<b>STAFF INFORMATION</b>				
Total Staff:	974.9	965.7	945.3	906.4
Professional Staff:	532.3	538.2	535.6	537.9
Teachers	437.3	444.1	441.7	446.0
Professional Support	54.0	54.1	52.9	53.0
Campus Administration	28.0	29.0	29.0	27.9
Central Administration	13.0	11.0	12.0	11.0
Educational Aides	114.6	114.1	104.5	109.7
Auxiliary Staff	328.0	313.4	305.2	258.8
Teachers by Highest Degree Held:	437.2	444.1	441.7	445.4
No Degree	-	1.0	-	-
Bachelor's	365.4	358.1	345.7	348.4
Masters	71.8	85.0	96.0	97.0
Doctorate	-	-	-	-
Teachers by Years of Experience:	437.3	444.1	441.8	446.0
Beginning Teachers	19.6	30.3	22.9	28.0
1-5 Years Experience	171.8	140.8	133.9	112.9
6-10 Years Experience	105.0	111.0	118.0	124.8
11-20 Years Experience	92.0	107.0	111.0	120.8
Over 20 Years Experience	48.9	55.0	56.0	59.5

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

Table 16

2014	2015	2016	2017	2018	2019
948.6	1,027.5	1,043.8	1,019.4	1,020.3	1,015.8
541.6	584.3	574.3	563.2	567.0	565.0
447.0	471.2	459.3	447.6	450.3	447.9
55.0	69.1	73.0	76.1	75.1	74.1
27.6	32.0	31.0	29.6	29.0	32.0
12.0	12.0	11.0	10.0	12.6	11.0
112.8	115.9	136.1	113.3	123.3	117.8
294.2	327.3	333.4	342.9	329.9	333.0
447.0	471.2	459.3	447.5	450.3	447.9
-	1.8	-	6.8	-	5.8
356.0	376.4	366.6	342.3	360.9	356.6
90.0	91.0	92.7	95.4	89.4	85.5
1.0	2.0	-	3.0	-	-
447.1	471.1	459.3	447.6	450.4	447.8
19.8	37.2	34.0	9.5	5.0	10.0
99.5	85.4	99.6	111.5	116.4	116.2
131.9	140.7	112.4	105.3	89.0	75.0
133.9	145.0	158.3	156.3	165.0	163.6
62.0	62.8	55.0	65.0	75.0	83.0

**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
2010	6,215	68,579,693	11,035	-9.14%	68,423,038	11,009	4.84%	437	14.22
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

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)
2010	45,677	*	*	48,263
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

Source: Academic Excellence Indicator System (AEIS)

\* Information not available

**Roma Independent School District  
Schedule of School Buildings  
2019**

Table 19

	Estimated Square Footage	Recommended Capacity	Enrollment
<b>HIGH SCHOOLS</b>			
Roma High School	330,706	2,400	1,739
<b>MIDDLE SCHOOLS</b>			
Roma Middle School	122,156	1,000	784
Ramiro Barrera Middle School	133,968	1,000	616
TOTAL	256,124	2,000	1,400
<b>SPECIAL CAMPUSES</b>			
Instructional and Guidance	33,551	350	24
<b>ELEMENTARY SCHOOLS</b>			
Emma Vera	55,427	800	441
Florence J. Scott	65,945	700	556
Rafaela T. Barrera	53,857	800	427
Roel and Celia Saenz	57,439	800	558
Veterans Memorial	62,653	880	565
Delia G. Garcia	69,493	700	530
TOTAL	364,814	4,680	3,077

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, 2019, 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 23, 2020

**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.

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

Harlingen, Texas  
January 23, 2020

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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, 2019. 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, 2019.

### **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.

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

Harlingen, Texas  
January 23, 2020



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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*

84.010  
84.424

Title I Grants to Local Educational Agencies  
Student Support and Academic Enrichment Program

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**

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Leticia Garza-Galván, Member  
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Ricardo A. Perez, Member  
Reynaldo Rodriguez, 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**

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Contact Person: Alfonso Perez, Business Manager

Implementation Time Frame: Ongoing during the current fiscal year

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

*For the year ended August 31, 2019*

(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	19610101214903	\$ -	\$ 3,604,526
Migrant Education State Grant Program	84.011	19615001214903	-	384,009
Special Education Cluster (IDEA)				
*Special Education Grants to States	84.027	19660001214903	-	1,150,394
*Special Education Preschool Grants	84.173	19661001214903	-	19,450
Total Special Education Cluster			-	1,169,844
Career and Technical Education - Basic Grants to States	84.048	19420006214903	-	160,592
English Language Acquisition State Grants	84.365	19671001214903	-	443,797
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	19694501214903	-	365,124
Gaining Early Awareness and Readiness for Undergraduate Program	84.334	1st Gen Y9	-	260,480
Student Support and Academic Enrichment Program	84.424	19680101214903	-	241,116
Rural Education	84.358	196960012149033	-	119,419
Grants for State Assessments and Related Services	84.369	S369A160045	-	12,516
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			-	6,761,423
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<u>Passed Through the State Department of Agriculture</u>				
Child Nutrition Cluster				
*School Breakfast Program	10.553	71401901	-	1,627,423
*National School Lunch Program	10.555	71301901	-	3,200,029
*National School Lunch Program - Commodity Supplemental Food Program - Noncash Assistance	10.555	71301901	-	342,814
*Summer Food Service Program for Children	10.559	1002	-	179,729
Total Child Nutrition Cluster			-	5,349,995
Child and Adult Care Food Program	10.558	196TX332N1099	-	35,478
Fresh Fruit and Vegetable Program	10.582	196TX375L1603	-	138,861
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			-	5,524,334
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ -	\$ 12,285,757

\*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 \$643,943 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	\$13,565,180
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>(1,279,423)</u>
Total expenditures of federal awards, per Schedule of Expenditures of Federal Awards (Exhibit K-1)	<u>\$12,285,757</u>

**NOTE 3 – SUB-RECIPIENTS**

During the year ended August 31, 2019, the Roma Independent School District had no sub-recipients.

**NOTE 4 – FEDERAL LOANS AND LOAN GUARANTEES**

During the year ended August 31, 2019, the District had no outstanding federal loans payable or loan guarantees.

**NOTE 5 – FEDERALLY FUNDED INSURANCE**

During the year ended August 31, 2019, 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, 2019, the District received \$342,814 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, 2019, the District did not elect to use this rate.