

ROMA INDEPENDENT SCHOOL DISTRICT



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

608 North Garcia Street, Roma, Texas, 78584

**ROMA INDEPENDENT
SCHOOL DISTRICT**

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

PREPARED BY:

The Roma Independent School District
Business and Finance Office

608 North Garcia Street, Roma, Texas 78584

ROMA INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2015

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INTRODUCTORY SECTION

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Roma Independent School District

Alfonso H. Perez
Business Manager

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Roma, Texas 78584
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Phone: 956.849.1377
Fax: 956.849.4874



School Board of Trustees

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

January 18, 2016

Mrs. Leticia Garza-Galvan, President,
Board of Trustees, Carlos Guzman, Superintendent
and Patrons of the Roma Independent School District

Dear Mrs. Garza-Galvan, Board of Trustees, Superintendent and Patrons:

Management hereby submits the Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended August 31, 2015. 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.

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 6,400 students for the 2015-2016 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 Single Audit as mandated by the Office of Management and Budget Circular A-133. The results of the District's Single Audit for the fiscal year ended August 31, 2014, 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. Most recently, the District has been recognized for the following:

The Roma Independent School District received a rating of "Passed" under Texas' Schools FIRST financial accountability rating system based upon an analysis of staff, student, budgetary and actual financial data reported for the 2013-2014 fiscal year. The rating is the state's highest, demonstrating the quality of Roma ISD's financial management and reporting system.

School FIRST (Financial Integrity Rating System of Texas), is a financial accountability system for Texas school districts developed by the Texas Education Agency (TEA) in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of School FIRST is to achieve quality performance in the management of school districts' financial resources. This goal is made more significant due to the complexity of accounting associated with Texas' school finance system.

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 about three percent for the 2015-2016 fiscal year. The property tax rate for school district maintenance and operations (M&O) is at the maximum \$1.17 per hundred dollars of valuation rate that the District can levy.

The change for funding formula elements authorized with the passage of Senate Bill 1 and House Bill 1025, 83rd Texas Legislature include: An increased basic allotment (from \$4,950 in 2013-2014 to \$5,040 in 2014-2015 per student).

The District's total funding from the State increased from \$53,024,138 to \$54,851,801 for the 2014-2015 fiscal year, an increase of a little over one million dollars.



Long-Term Financial Planning

Our General Fund Balance at year end is \$30.1 million. The adopted 2015-2016 budget for the General Fund includes a reduction in fund balance of \$6,971,100.

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

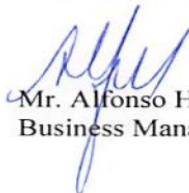
It is the responsibility of the Finance and Accounting Department to oversee the financial planning, tracking and accounting for the finances of the District in serving the community and its students. The Superintendent's Office and Administrative Staff oversee and coordinate all the elements involved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

Acknowledgments

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

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

Very truly yours,



Mr. 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, 2014

Executive Director/CEO

ROMA INDEPENDENT SCHOOL DISTRICT

ROMA, TEXAS

YEAR ENDED AUGUST 31, 2015

TRUSTEES

Leticia Garza-Galvan, President

Raul P. Moreno Jr., Vice-President

Juan Antonio Saenz, Secretary

Reynaldo Rodriguez, Member

Arturo S. Perez, Member

Clarissa B. Alvarez, Member

Dagoberto Salinas, Member

SUPERINTENDENT

Carlos Guzman

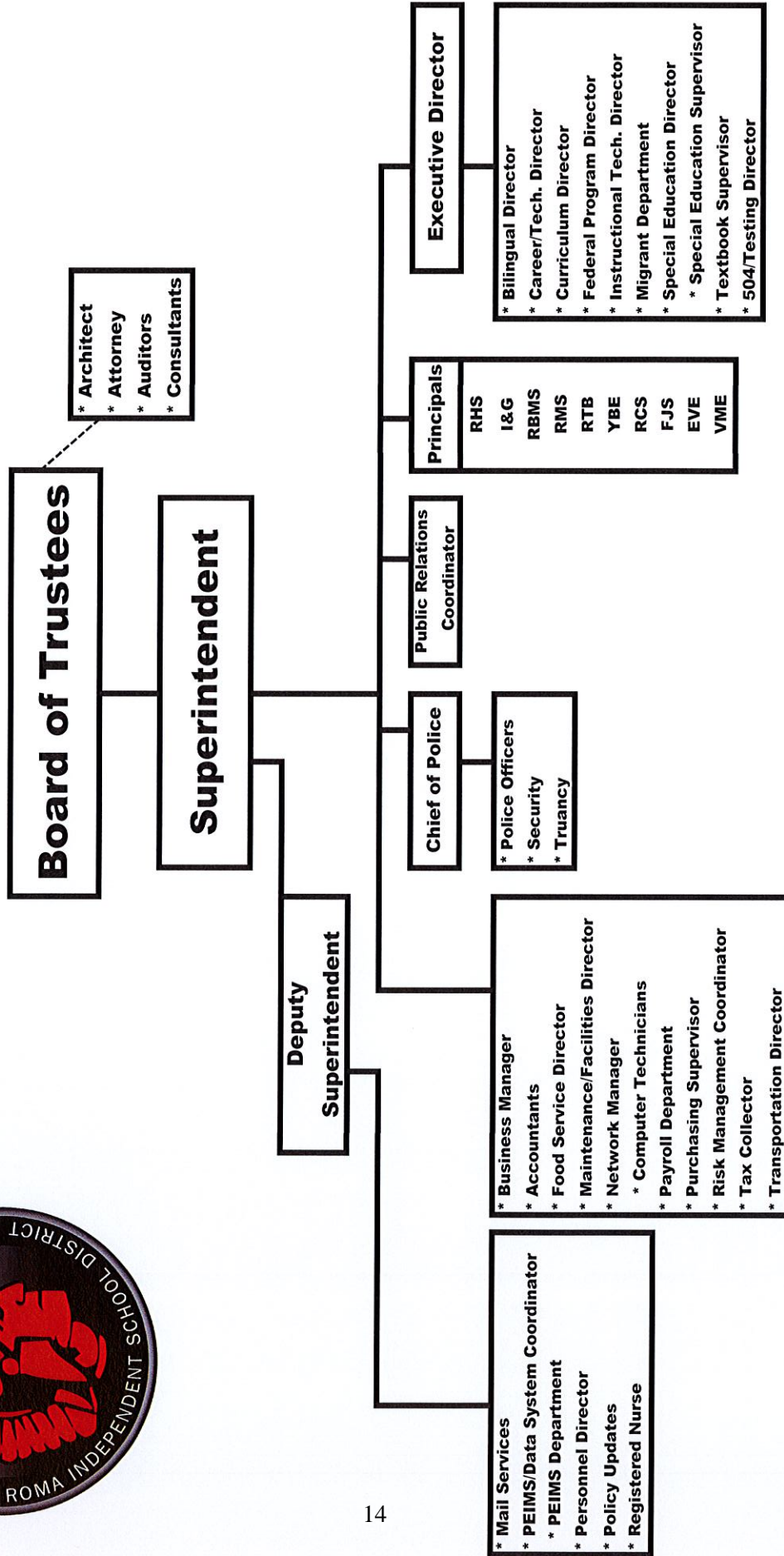
BUSINESS MANAGER

Alfonso Perez



Roma ISD

Administrative Organizational Chart



CERTIFICATE OF THE BOARD

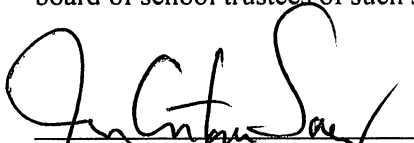
Roma Independent School District
Name of School District

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, 2015 at a meeting of the
(Check one)

board of school trustees of such school district on the 18th day of January, 2016.


Signature of Board Secretary


Signature of Board President



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Roma Independent School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Roma Independent School District as of and for the year ended August 31, 2015, 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, 2015, 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.

Change in Accounting Principle

As described in Note B to the financial statements, in 2015, the District adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, General Fund - Budgetary Comparison Schedule and net pension liability and pension contribution information on pages 25-37 and 84-86 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, other supplementary information - combining fund financial statements, debt service budgetary comparison, Agency Fund Schedule of Changes in Assets and Liabilities, other supplementary information listed as Texas Education Agency Required Schedules and the statistical section 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 U.S. Office of Management and Budget Circular A133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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The combining fund statements, debt service budgetary comparison, Agency Fund Schedule of Changes in Assets and Liabilities, the Texas Education Agency Required Schedules 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 fund statements, debt service budgetary comparison, Agency Fund Schedule of Changes in Assets and Liabilities, Texas Education Agency Required Schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and the 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 18, 2016, 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 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 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 Roma Independent School District's internal control over financial reporting and compliance.



LONG CHILTON, LLP
Certified Public Accountants

Harlingen, Texas
January 18, 2016

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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, 2015. 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 \$94,279,775 at August 31, 2015. This is a decrease of \$13,786,969 from the prior year. The decrease in net position as shown on the statement of activities includes \$(4,404,156) resulting from the District's change in net position and an adjustment to beginning net position totaling \$(9,382,813) which was attributable to a change in accounting principle resulting from pension related adjustments.
- During the year the District's expenses were \$4,404,156 more than the \$75,554,321 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$30,116,000, a decrease of \$3,733,732.
- The District received a "Pass" rating for the Financial Integrity Reporting System of Texas (FIRST) for 2014, earning 30 of 30 points. The Texas Administrative Rule 109.1001 "Financial Accountability Ratings" provides for only two ratings for 2014-2015-P for Pass if it scores with the acceptable range established by the commissioners for a P rating or F for substandard achievement if it scores below the pass range. Effective for the 2015-2016 and all subsequent school years there will be 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 first 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:

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.

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

- *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.

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.

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

New Accounting Standards

In fiscal year 2015, the District adopted five new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*.
- Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- Statement No. 69, *Government Combinations and Disposals of Government Operations*
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

Statement No. 67 establishes financial reporting standards, but not funding or budgetary standards, for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements (Pension Trusts) in which:

- a. Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- b. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- c. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and presentation as pension trust funds in the financial statements of another government, and specifies the required approach to measuring the pension liability of employers and any nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which certain information is required to be presented. Distinctions are made regarding the particular presentation requirements depending upon the type of pension plan administered. For defined contribution plans, the Statement provides specific note disclosure requirements.

The adoption of Statement No. 67 has no impact on the District's financial statements.

Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirement of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

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

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined by the state legislature for the TRS plan. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2014 government-wide financial statements to reflect the reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement. Net position as of September 1, 2014 was decreased by \$9,382,813 to reflect the cumulative effect of adoption.

Statement No. 69 improves financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term "government combinations" is used to refer to a variety of arrangements including mergers and acquisitions. Mergers include combinations of legally separate entities without the exchange of significant consideration. Government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. Government combinations also include transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services.

There was no impact on the District's financial statements as a result of the implementation of Statement No. 69.

Statement No. 70 was issued to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

The Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The Statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

There was no impact on the District's financial statements as a result of the implementation of Statement No. 70.

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

Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Since the measurement date of the pension plan was different than the District's fiscal year-end, the effect from the District's reported contributions to the plan subsequent to the respective measurement date of the plan is an increase in deferred outflow of resources and a decrease in net position.

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.

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

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. 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 is the Schedule of the District's Proportional Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan and the Schedule of District Contributions to the Teacher Retirement System Pension Plan (TRS).

Combining Fund Statements

This section contains information for the purpose for 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 Schedules

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

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). The District has committed \$7,348,000 for the future construction of an elementary campus; **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
Roma Independent School District's Net Position
(In thousands of dollars)

	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 42,453	\$ 49,302
Capital assets	<u>127,091</u>	<u>127,687</u>
Total assets	<u>169,544</u>	<u>176,989</u>
Deferred Outflows of Resources	<u>1,767</u>	<u>904</u>
Current liabilities	6,403	2,564
Long-term liabilities	<u>69,542</u>	<u>67,263</u>
Total liabilities	<u>75,945</u>	<u>69,827</u>
Deferred Inflows of Resources	1,086	-
Net Position		
Net investment in capital assets	63,389	64,042
Restricted	879	465
Unrestricted	<u>30,012</u>	<u>43,559</u>
Total net position	<u>\$ 94,280</u>	<u>\$ 108,066</u>

As depicted in Table I, a significant portion of the District's net position, 67%, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Also, approximately 1% of the net position of the District represents resources that are subject to external restriction on how they may be used. The remaining 32% of net position are unrestricted and may be used to meet the District's ongoing obligations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$94,279,775 as of August 31, 2015, a decrease of 12.8% (See Table A-1).

Net position may serve over time as a useful indicator of a government's financial position. In the case of Roma ISD, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$94,279,775 at the close of August 31, 2015.

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

By far, the largest portion of the Roma ISD's net position (67%) 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.

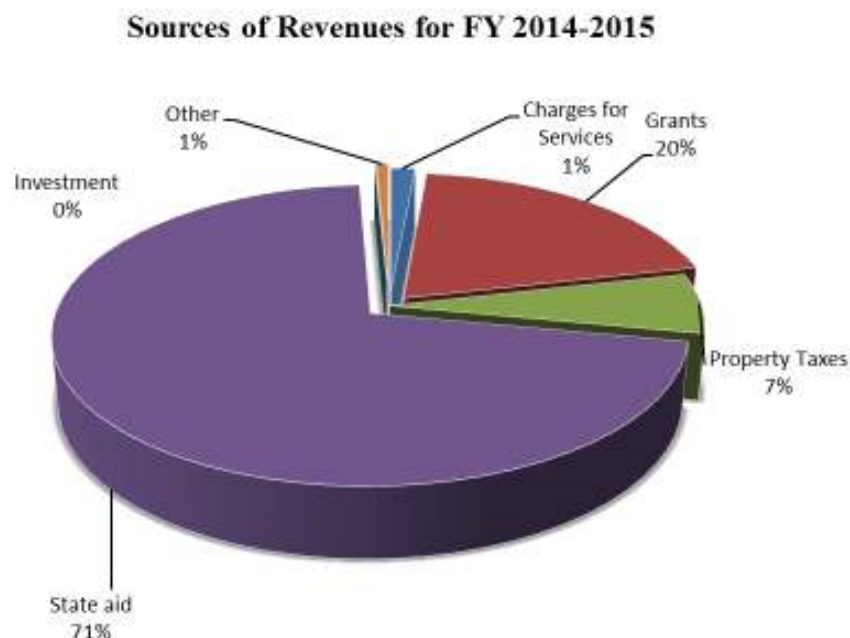
An additional portion of the net position (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$30,011,830 may be used to meet the government's ongoing obligations to citizens and creditors.

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

The District experienced a decrease in current assets of about \$6.9 due to the use of cash to complete capital projects.

Governmental Activities

- Property tax rates remained constant at 1.45909/\$100. Property taxable values increased by 1% from the prior year.
- The cost of all governmental activities this year was \$79,958,477, an increase of \$5,483,185.
- Some of the cost was paid by those who directly benefited from the programs, \$1,112,157, or by grants and contributions totaling \$15,227,784.



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

Table A-2
Changes in Roma Independent School District's Net Position
(in thousands of dollars)

	Governmental Activities	
	2015	2014
Program Revenues:		
Charges for Services	\$ 1,112	\$ 1,241
Operating Grants and Contributions	15,228	15,340
General Revenues:		
Property Taxes	5,001	5,110
State Aid – Formula and grants	53,400	51,455
Investment Earnings	272	327
Other	541	484
Total Revenues	75,554	73,957
Instruction	40,324	37,949
Instructional Resources and Media Services	1,321	1,175
Curriculum Dev. And Instructional Staff Dev	260	227
Instructional Leadership	987	845
School Leadership	4,005	3,654
Guidance, Counseling and Evaluation Services	2,387	1,985
Social Work Services	294	276
Health Services	757	723
Student (Pupil) Transportation	2,547	2,700
Food Services	5,637	5,010
Curricular/Extracurricular Activities	3,255	2,879
General Administration	3,297	2,250
Plant Maintenance & Operations	9,301	8,331
Security & Monitoring Services	1,630	1,383
Data Processing Services	1,027	809
Community Services	117	90
Debt Service	2,445	3,697
Bond Issuance Fees	214	144
Capital outlay	-	5
Other Intergovernmental Charges	153	149
Total Expenses	79,958	74,281
Change in net position	\$ (4,404)	\$ (324)
Beginning net position	108,067	108,391
Prior period adjustment	(9,383)	-
Beginning net position, as restated	98,684	108,391
Ending net position	\$94,280	\$ 108,067

The restatement of the beginning net position in fiscal year 2015 is the result of the District implementing GASB Statements No. 68 and 71 \$(9,382,813) as described further in Note T.

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

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

Table A-3
Net Cost of Selected District Functions
(in thousands of dollars)

	Total Cost of		% Change	Net Cost of		% Change
	Services			Services		
	2015	2014		2015	2014	
Instruction	\$40,324	\$37,949	6%	\$31,936	\$29,385	9%
School leadership	4,006	3,654	10%	3,813	3,486	9%
Food Services	5,637	5,010	13%	503	(183)	-375%
Facilities Maintenance & Operations	9,302	8,331	12%	9,091	8,118	12%

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 \$30,116,000 at August 31, 2015. Of this balance, \$7,348,000 is committed for construction.

Capital Projects Fund

Fund balance of Roma ISD’s Capital Projects Fund decreased by \$3,798,665 from \$3,049,297 to a deficit of \$(749,368) as of August 31, 2015. The decrease resulted from the purchase of land which will be used to construct a new elementary campus. Some of the purchase of the land will be reimbursed through IFA.

General Fund Budgetary Highlights

Over the course of the year, the District revised the budget three times. The amendments were needed to record additional revenues, capital outlay and to transfer money to the capital projects fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015, the District had invested \$190,264,873 in a broad range of capital assets, including land, equipment, buildings, vehicles, and construction in progress. (See Table A-4.) This amount represents a net increase (including additions and deductions) of 7.4% over last year.

Most of the increase in capital assets resulted from the new elementary campus that is being constructed. The District also made A/C improvements at the Roma High School. The District also purchased four new school buses, vehicles and other equipment and replaced computers at various school campuses.

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

The following projects were started and completed during the fiscal year ended August 31, 2015.

RBMS football stadium turf	\$ 776,275
Football stadium press box	263,700
FJ Scott fence	126,610
RMS fence	73,739
New YBE school fence (partial)	24,500
FJ Scott roof insulation	98,000
High school roof insulation	50,625
Maintenance office roof completion	44,871
VME billboard	32,059
RMS billboard	15,300
RCS sprinkler system	24,000
Indoor signs for Performing Arts Center	20,635
Field House entrance aluminum sign	10,015
Press box aluminum sign	2,700
High School Gym sign	4,536
VME completion	18,906

Construction in progress

High School roof architect fees	218,046
New YBE school engineering & other	17,815

Land purchase

Land for new YBE school	844,322
-------------------------	---------

The following vehicles & equipment were acquired during the fiscal year ended August 31, 2015.

3 school buses	284,663
2 delivery trucks	74,144
3 Ford Taurus cars	59,433
2 Ford Fusion cars	35,016
3 Ford F-150 pickups	59,751
3 Ford F-250 pickups	97,800

Other furniture & equipment acquired during the fiscal year ended August 31, 2015.

VME internet installation	246,281
VME phone system	9,685
RBMS internet installation	13,016
RCS internet installation	12,840
Band instruments	163,058
Orchestra instruments	25,720
Network server (Central Office)	156,479
Playground equipment (FJS)	34,503
Playground equipment (RCS)	29,522
Playground equipment (RTB)	29,522
Playground equipment (VME)	29,522
Playground equipment (Emma Vera)	18,999
Playground equipment (YBE)	4,995
Police unit lights	31,266
2 John Deere 997 Tractor Model 95BTC	29,741
2007 Genie Lift	21,000
Trailer High School shop department	5,500
Projectors & smartboards (Sp Ed Dept)	9,724
High jump landing pad	6,400
Flat pole vault	4,142

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

Other technology expenditures acquired during the fiscal year ended August 31, 2015.

Computers	640,473
Software and site licenses	380,713

Projects for the next fiscal year include:

Roma High School Roof
New YBE school

Table A-4
District's Capital Assets
(In thousands of dollars)

	Governmental Activities	
	2015	2014
Land	\$ 4,257	\$ 3,413
Buildings and improvements	168,764	166,973
Furniture and Equipment	17,008	15,478
Construction in Progress	236	-
Totals at historical cost	190,265	185,864
 Total accumulated depreciation	 63,174	 58,177
Net capital assets	<u>\$ 127,091</u>	<u>\$127,687</u>

More detailed information about the District's capital assets is presented in the notes to the financial statements.

Long-Term Debt

At year-end the District had \$59,485,000 in General Obligation Bonds outstanding as shown in Table A-5. Of this amount, \$2,630,000 is due within the next year. The total long-term debt outstanding as of August 31, 2015 is \$72,461,140. 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
District's Long-Term Debt
(In thousands of dollars)

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
General Obligation Bonds		
Unlimited Tax School Building		
Bonds – Series 2006	1,745	2,280
Bonds – Series 2008	13,795	14,140
Bonds – Series 2010	9,805	10,060
Unlimited Tax Refunding Bonds		
Bonds – Series 2005	-	11,225
Bonds – Series 2012	8,240	8,425
Bonds – Series 2013	8,035	8,135
Bonds – Series 2014	8,500	8,580
Bonds – Series 2015	<u>9,365</u>	<u>-</u>
	59,485	62,845
Bond interest accretion	82	197
Premium on issuance, Bonds - Series 2006	4,481	3,095
Discount on issuance, Bonds - Series 2014	(58)	(63)
Compensated absences	190	166
Net pension liability	<u>8,281</u>	<u>9,383</u>
Total long-term debt	<u>\$72,461</u>	<u>\$75,623</u>

More detailed information about the District's long-term debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Total property adjusted taxable value increased from \$344,268,560 to \$347,565,810, a .96% increase.
- State revenue per student will increase from \$8,282 to \$8,626.
- Local revenue per student will increase from \$796 to \$862.
- The board approved the 2015-2016 budget with expenditures totaling \$66,786,100, an increase of .02% over 2014-2015 revised budget of \$66,634,288.
- Student enrollment will remain constant for the next year.

These indicators were taken into account when adopting the general fund budget for FY 2015-2016

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.



BASIC FINANCIAL STATEMENTS

ROMA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2015

EXHIBIT A-1

Data Control Codes		Primary Government
		Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	\$ 10,536,259
1120	Current Investments	21,070,593
1220	Property Taxes Receivable (Delinquent)	10,690,613
1230	Allowance for Uncollectible Taxes	(1,603,592)
1240	Due from Other Governments	1,117,522
1250	Accrued Interest	18,162
1300	Inventories	87,223
1410	Prepayments	536,038
Capital Assets:		
1510	Land	4,257,148
1520	Buildings, Net	118,480,846
1530	Furniture and Equipment, Net	4,117,373
1580	Construction in Progress	235,861
1000	Total Assets	169,544,046
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Charge for Refunding	1,100,341
1705	Deferred Outflow Related to TRS	2,113,574
1700	Total Deferred Outflows of Resources	3,213,915
LIABILITIES		
2110	Accounts Payable	768,785
2140	Interest Payable	49,760
2150	Payroll Deductions & Withholdings	372,791
2160	Accrued Wages Payable	1,535,129
2180	Due to Other Governments	622,721
2200	Accrued Expenses	134,568
Noncurrent Liabilities		
2501	Due Within One Year	2,919,176
2502	Due in More Than One Year	61,260,607
2540	Net Pension Liability (District's Share)	8,281,357
2000	Total Liabilities	75,944,894
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflow Related to TRS	2,533,292
2600	Total Deferred Inflows of Resources	2,533,292
NET POSITION		
3200	Net Investment in Capital Assets	63,389,183
3820	Restricted for Federal and State Programs	363,296
3850	Restricted for Debt Service	515,466
3900	Unrestricted	30,011,830
3000	Total Net Position	\$ 94,279,775

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, 2015

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
		Charges for	Operating	Primary Gov.
	Expenses	Services	Grants and Contributions	Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 40,323,645	\$ -	\$ 8,387,540	\$ (31,936,105)
12 Instructional Resources and Media Services	1,320,761	-	47,191	(1,273,570)
13 Curriculum and Staff Development	260,380	-	8,823	(251,557)
21 Instructional Leadership	987,020	-	139,980	(847,040)
23 School Leadership	4,005,850	-	192,973	(3,812,877)
31 Guidance, Counseling and Evaluation Services	2,386,571	-	388,913	(1,997,658)
32 Social Work Services	293,814	-	168,483	(125,331)
33 Health Services	756,865	45,287	39,285	(672,293)
34 Student (Pupil) Transportation	2,546,858	-	256,625	(2,290,233)
35 Food Services	5,637,195	234,764	4,899,199	(503,232)
36 Extracurricular Activities	3,255,142	-	71,497	(3,183,645)
41 General Administration	3,297,147	832,106	226,247	(2,238,794)
51 Facilities Maintenance and Operations	9,301,671	-	210,941	(9,090,730)
52 Security and Monitoring Services	1,629,827	-	74,177	(1,555,650)
53 Data Processing Services	1,027,221	-	48,586	(978,635)
61 Community Services	116,987	-	67,324	(49,663)
72 Debt Service - Interest on Long Term Debt	2,445,098	-	-	(2,445,098)
73 Debt Service - Bond Issuance Cost and Fees	213,584	-	-	(213,584)
99 Other Intergovernmental Charges	152,841	-	-	(152,841)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 79,958,477	\$ 1,112,157	\$ 15,227,784	(63,618,536)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			4,012,396
DT	Property Taxes, Levied for Debt Service			988,978
SF	State Aid - Formula Grants			47,886,137
GC	Grants and Contributions not Restricted			5,513,872
IE	Investment Earnings			271,632
MI	Miscellaneous Local and Intermediate Revenue			541,365
TR	Total General Revenues			59,214,380
CN	Change in Net Position			(4,404,156)
NB	Net Position - Beginning			108,066,744
PA	Prior Period Adjustment			(9,382,813)
NE	Net Position--Ending			\$ 94,279,775

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

ROMA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2015

Data Control Codes	10 General Fund	60 Capital Projects	50 Debt Service Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 10,517,798	\$ -	\$ 18,461
1120 Investments - Current	21,070,593	-	-
1220 Property Taxes - Delinquent	9,428,016	-	1,262,597
1230 Allowance for Uncollectible Taxes (Credit)	(1,414,202)	-	(189,390)
1240 Receivables from Other Governments	-	-	-
1250 Accrued Interest	18,162	-	-
1260 Due from Other Funds	2,565,167	372,200	373,221
1300 Inventories	87,223	-	-
1410 Prepayments	536,038	-	-
1000 Total Assets	<u>\$ 42,808,795</u>	<u>\$ 372,200</u>	<u>\$ 1,464,889</u>
LIABILITIES			
2110 Accounts Payable	\$ 470,732	\$ 231,845	\$ -
2150 Payroll Deductions and Withholdings Payable	372,791	-	-
2160 Accrued Wages Payable	1,290,410	-	-
2170 Due to Other Funds	1,914,079	889,723	-
2180 Due to Other Governments	622,721	-	-
2200 Accrued Expenditures	110,835	-	-
2000 Total Liabilities	<u>4,781,568</u>	<u>1,121,568</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	<u>7,911,227</u>	<u>-</u>	<u>1,052,321</u>
2600 Total Deferred Inflows of Resources	<u>7,911,227</u>	<u>-</u>	<u>1,052,321</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	87,223	-	-
3430 Prepaid Items	536,038	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3480 Retirement of Long-Term Debt	-	-	412,568
Committed Fund Balance:			
3510 Construction	7,348,000	-	-
3600 Unassigned Fund Balance	22,144,739	(749,368)	-
3000 Total Fund Balances	<u>30,116,000</u>	<u>(749,368)</u>	<u>412,568</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 42,808,795</u>	<u>\$ 372,200</u>	<u>\$ 1,464,889</u>

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

Other Funds	Total Governmental Funds
\$ -	\$ 10,536,259
-	21,070,593
-	10,690,613
-	(1,603,592)
1,117,522	1,117,522
-	18,162
275,196	3,585,784
-	87,223
-	536,038
<u>\$ 1,392,718</u>	<u>\$ 46,038,602</u>
\$ 66,208	\$ 768,785
-	372,791
244,719	1,535,129
781,982	3,585,784
-	622,721
23,734	134,569
<u>1,116,643</u>	<u>7,019,779</u>
-	8,963,548
<u>-</u>	<u>8,963,548</u>
-	87,223
-	536,038
276,075	276,075
-	412,568
-	7,348,000
-	21,395,371
<u>276,075</u>	<u>30,055,275</u>
<u>\$ 1,392,718</u>	<u>\$ 46,038,602</u>



ROMA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2015

Total Fund Balances - Governmental Funds	\$ 30,055,275
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 \$190,264,873 and the accumulated depreciation was \$63,173,644. The net effect of including the beginning balances for capital assets (net of depreciation) in the governmental activities is to increase (decrease) net position.	127,091,229
2 Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(59,485,000)
3 Long-term liabilities for compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(190,058)
4 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.	1,100,341
5 Premiums totalling (\$4,480,899) and discounts in the amount of \$58,499 resulting from the issuance of bonds are capitalized, net of amortization, on the government-wide statements.	(4,422,400)
6 Long-term liabilities, including interest accretion on bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(82,325)
7 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB Statement No. 68 in the amount of \$(8,281,357), a deferred resource outflow related to TRS in the amount of \$2,113,574, and a deferred resource inflow related to TRS in the amount of \$(2,533,292). This resulted in a decrease of net position of \$ (8,701,075).	(8,701,075)
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.	8,963,548
9 Long-term liabilities for accrued interest on outstanding, unmatured bonds are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(49,760)
19 Net Position of Governmental Activities	\$ 94,279,775

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 BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	10 General Fund	60 Capital Projects	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 5,531,864	\$ 58,036	\$ 956,507
5800 State Program Revenues	50,464,028	-	4,387,773
5900 Federal Program Revenues	5,664,563	-	-
5020 Total Revenues	61,660,455	58,036	5,344,280
EXPENDITURES:			
Current:			
0011 Instruction	31,239,618	188,779	-
0012 Instructional Resources and Media Services	1,247,051	-	-
0013 Curriculum and Instructional Staff Development	245,848	-	-
0021 Instructional Leadership	822,373	-	-
0023 School Leadership	3,761,473	-	-
0031 Guidance, Counseling and Evaluation Services	1,947,212	-	-
0032 Social Work Services	114,252	-	-
0033 Health Services	710,727	-	-
0034 Student (Pupil) Transportation	2,579,037	-	-
0035 Food Services	5,136,853	-	-
0036 Extracurricular Activities	3,083,426	-	-
0041 General Administration	2,938,366	-	-
0051 Facilities Maintenance and Operations	8,777,619	-	-
0052 Security and Monitoring Services	1,624,505	-	-
0053 Data Processing Services	968,541	-	-
0061 Community Services	44,445	-	-
Debt Service:			
0071 Principal on Long Term Debt	-	-	2,464,998
0072 Interest on Long Term Debt	-	-	2,568,098
0073 Bond Issuance Cost and Fees	-	-	213,584
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	3,667,922	-
Intergovernmental:			
0099 Other Intergovernmental Charges	152,841	-	-
6030 Total Expenditures	65,394,187	3,856,701	5,246,680
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,733,732)	(3,798,665)	97,600
OTHER FINANCING SOURCES (USES):			
7916 Premium or Discount on Issuance of Bonds	-	-	1,679,245
7949 Other Resources - Refunding Debt Issue	-	-	9,535,000
8949 Other (Uses) - Payment to Escrow	-	-	(11,007,367)
7080 Total Other Financing Sources (Uses)	-	-	206,878
1200 Net Change in Fund Balances	(3,733,732)	(3,798,665)	304,478
0100 Fund Balance - September 1 (Beginning)	33,849,732	3,049,297	108,090
3000 Fund Balance - August 31 (Ending)	\$ 30,116,000	\$ (749,368)	\$ 412,568

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

Other Funds	Total Governmental Funds
\$ -	\$ 6,546,407
-	54,851,801
8,111,430	13,775,993
8,111,430	75,174,201
6,861,835	38,290,232
-	1,247,051
-	245,848
109,562	931,935
20,812	3,782,285
306,166	2,253,378
163,165	277,417
3,897	714,624
165,043	2,744,080
192,938	5,329,791
-	3,083,426
174,767	3,113,133
45,880	8,823,499
-	1,624,505
1,351	969,892
66,014	110,459
-	2,464,998
-	2,568,098
-	213,584
-	3,667,922
-	152,841
8,111,430	82,608,998
-	(7,434,797)
-	1,679,245
-	9,535,000
-	(11,007,367)
-	206,878
-	(7,227,919)
276,075	37,283,194
\$ 276,075	\$ 30,055,275

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, 2015

Total Net Change in Fund Balances - Governmental Funds	\$ (7,227,919)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets, \$4,401,817, is allocated over their useful lives as depreciation expense which totaled (\$4,997,107) at year end. This is the amount of capital assets in excess of depreciation expense in the current period.	(595,290)
Property tax revenues in the statement of activities do not provide current financial resources and are not reported as revenues in the funds.	380,120
Repayment of bond principal is an expenditure in the funds but is not an expense in the statement of activities.	2,464,998
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	(9,535,000)
Governmental funds report the effect of current period premiums issued of \$(1,679,245) and related amortization of \$293,355, amortization of discounts \$(4,179), gains/losses amortized totaling \$(316,616), amortization of deferred charges for refunding in the amount of (65,091) 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.	(1,771,776)
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.	(23,925)
The implementation of GASB Statement No. 68 required that certain expenditures be de-expended and recorded as deferred resource inflows. These contributions made after the measurement date of August 31, 2014 caused the change in the ending net position to increase in the amount of \$1,447,203. The net pension expense decreased the change in net position \$765,465. The result of these amounts is to increase the change in net position by \$ (681,738).	681,738
The current period accretion of interest on capital appreciation bond totaled \$114,467, and accrued interest on unpaid, unmatured bonds due at the end of the year totaled \$101,064.	215,531
Payments to escrow agent for refunded bonds is an expenditure in the governmental funds, but the payment to the escrow agent reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	11,007,367
Change in Net Position of Governmental Activities	<u><u>\$ (4,404,156)</u></u>

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, 2015

	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 183,833
Total Assets	<u>\$ 183,833</u>
LIABILITIES	
Due to Student Groups	\$ 183,833
Total Liabilities	<u>\$ 183,833</u>

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



NOTES TO FINANCIAL STATEMENTS

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

NOTE A - 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 B - 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.

1. *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.

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.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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.

Governmental Funds:

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

The District reports the following fiduciary fund types:

Fiduciary Funds:

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

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

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.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

2. 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, as are the proprietary fund financial statements. 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, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements 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.

3. New Accounting Standards Adopted

In fiscal year 2015, the District adopted five new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25.*
- Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- Statement No. 69, *Government Combinations and Disposals of Government Operations*
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.*

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Statement No. 67 establishes financial reporting standards, but not funding or budgetary standards, for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements (Pension Trusts) in which:

1. Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
2. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
3. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and presentation as pension trust funds in the financial statements of another government, and specifies the required approach to measuring the pension liability of employers and any nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which certain information is required to be presented. Distinctions are made regarding the particular presentation requirements depending upon the type of pension plan administered. For defined contribution plans, the Statement provides specific note disclosure requirements.

The adoption of Statement No. 67 has no impact on the District's financial statements.

Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirement of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Statement No. 69 improves financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term “government combinations” is used to refer to a variety of arrangements including mergers and acquisitions. Mergers include combinations of legally separate entities without the exchange of significant consideration. Government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. Government combinations also include transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services.

There was no impact on the District’s financial statements as a result of the implementation of Statement No. 69.

Statement No. 70 was issued to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

The Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The Statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

There was no impact on the District’s financial statements as a result of the implementation of Statement No. 70.

Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Since the measurement date of the pension plan was different than the District’s fiscal year-end, the effect from the District’s reported contributions to the plan subsequent to the respective measurement date of the plan as an increase in deferred outflow of resources and a decrease in net position.

4. *Budgets*

The official school budget was prepared for adoption for required Governmental Fund Types by August 20, 2014. 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 school trustees once during the year. Expenditures may not legally exceed budgeted appropriations at the function level.

5. *Cash and Cash Equivalents*

Investments are considered to be cash equivalents if they are highly liquid with maturity within three months or less.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Investments

Money market investments which are short-term, highly liquid debt instruments including commercial paper, bankers' acceptances and U.S. Treasury and agency obligations are reported at fair value.

7. 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.

8. Prepayments

Prepayments are prepaid expenses that will benefit periods beyond August 31, 2015. The only prepayments included are for unexpired insurance policy premiums paid by August 31, 2015, and which extend beyond that date. The reported prepaid insurance is equally offset by a non-spendable 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 purchased rather than when consumed.

9. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used. Capital assets are 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

10. 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.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. 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.

12. Use of Estimates

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

13. 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.

14. 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.

15. 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.

16. 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. Appropriations lapse at August 31st and encumbrances outstanding at that time are either cancelled or appropriately provided for in the subsequent year's budget.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

17. 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. It 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 outflow of resources related the employee TRS pension.

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 inflow of resources related to employee TRS pensions.

18. 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.

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.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

19. 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 the government's policy to consider restricted net position to have been depleted before unrestricted net position applied.

NOTE C – DEPOSITS AND INVESTMENTS

Investment Accounting Policy

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

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

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

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE C - DEPOSITS AND INVESTMENTS - Continued

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.

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, 2015, the carrying amount of the District's deposits had a balance of \$10,720,092 (cash, certificates of deposit, and interest-bearing savings accounts) and the bank balance was \$12,079,967. The District's cash deposits at August 31, 2015 and during the year ended August 31, 2015 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, 2015 are maintained primarily at Lone Star National Bank. The deposits were collateralized in accordance with Texas Law, and the Texas Education Agency maintains copies of all safekeeping receipts in the name of the District. Deposits were properly secured at all times.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE C - DEPOSITS AND INVESTMENTS – Continued

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

- a. Name of Bank Lone Star National Bank
- b. Amount of bond and/or market value of securities pledged as of the date of the highest combined balance on deposit was \$50,008,400.
- c. Largest cash, savings and time deposit combined account balance amounted to \$27,928,097 and occurred during the month of January 23, 2015.
- d. Total amount of FDIC coverage at the time of largest combined balance was \$250,000.

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:

<u>Description</u>	<u>CUSIP</u>	<u>Amount</u>	<u>Maturity</u>	<u>Days</u>
TexPool	N/A	\$ 89,644*	N/A	Daily
Lone Star National Bank Certificates of Deposit	N/A	<u>21,070,593</u> <u>\$21,160,237</u>	10-4-2015	Daily

**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.

<u>Description</u>	<u>Minimum Legal Rating</u>	<u>Amount</u>	<u>Rating</u>	<u>%</u>
TexPool	AAA	\$ 89,644	AAA	1%
Lone Star National Bank Certificates of Deposit	AAA	<u>21,070,593</u> <u>\$21,160,237</u>	AAA	<u>99</u> <u>100%</u>

**Included as cash and cash equivalents.*

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE C - DEPOSITS AND INVESTMENTS – Continued

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. 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.

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. TexPool operates in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at cost, which approximates fair value. TexPool is currently rated AAAM by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

The District's investment in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

NOTE D - 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.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE D - PROPERTY TAX – Continued

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District's 2014 tax rate was \$1.17 for maintenance and \$.28909 for debt service per \$100 assessed valuation. The 2014 assessed valuation was \$347,565,810. 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, 2015, outstanding taxes were \$9,428,016 and \$1,262,597 in the general fund and debt service fund with a corresponding allowance of \$1,414,202 and \$189,390.

NOTE E - DUE FROM OTHER GOVERNMENTS AND AGENCIES

Amounts due from other governments and agencies are as follows:

	<u>Due From</u>
Texas Education Agency	
ESEA Title I Part A – Improving Basic Programs	\$ 706,564
ESEA Title I Part C – Migratory Children	51,736
IDEA Part B, Formula	229,154
Summer Feeding Program	3,320
Career and Technical – Basic Grant	3,500
ESEA Title II Part A – Teacher & Principal Training & Recruitment	23,593
ESEA Title III Part A, English Language Acquisition	22,544
Gear Up	<u>77,111</u>
Total	<u>\$1,117,522</u>

NOTE F - INTERFUND RECEIVABLES, PAYABLES

Interfund receivable and payable balances at August 31, 2015 were:

<u>Due From</u>	<u>Due To</u>	
Capital Projects Fund	General Fund	\$ 889,723
General Fund	Capital Projects Fund	372,200
General Fund	General Fund – Food Service	481,290
General Fund – Payroll Clearing	General Fund	412,172
General Fund	Nonmajor Funds	275,196
General Fund	Debt Service Fund	373,221
Nonmajor Funds	General Fund	<u>781,982</u>
Total		<u>\$3,585,784</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.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE G – DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2015, were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Accrued Interest</u>	<u>Due From Other Funds</u>	<u>Total Receivables</u>
Governmental Activities:					
General Fund	\$8,013,814	\$ -	\$ 18,162	\$2,565,167	\$10,597,143
Debt Service Fund	1,073,207	-	-	373,221	1,446,428
Capital Projects Fund	-	-	-	372,200	372,200
Nonmajor Funds	<u>-</u>	<u>1,117,522</u>	<u>-</u>	<u>275,196</u>	<u>1,392,718</u>
Total	<u>\$9,087,021</u>	<u>\$1,117,522</u>	<u>\$ 18,162</u>	<u>\$3,585,784</u>	<u>\$13,808,489</u>

Payables at August 31, 2015, were as follows:

	<u>Accounts Payable</u>	<u>Salaries and Benefits</u>	<u>Due to Other Funds</u>	<u>Due to Other Governments</u>	<u>Total Payables</u>
Governmental Activities:					
General Fund	\$470,732	\$1,663,201	\$1,914,079	\$622,721	\$4,670,733
Capital Projects Fund	231,845	-	889,723	-	1,121,568
Nonmajor Funds	<u>66,208</u>	<u>244,719</u>	<u>781,982</u>	<u>-</u>	<u>1,092,909</u>
Total	<u>\$768,785</u>	<u>\$1,907,920</u>	<u>\$3,585,784</u>	<u>\$622,721</u>	<u>\$6,885,210</u>

NOTE H – CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2015, was as follows:

	<u>General Capital Assets Sept. 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>General Capital Assets Aug. 31, 2015</u>
Governmental activities					
Capital assets not being depreciated					
Land	\$ 3,412,826	\$ 844,322	\$ -	\$ -	\$ 4,257,148
Construction in progress	<u>-</u>	<u>235,861</u>	<u>-</u>	<u>-</u>	<u>235,861</u>
Total capital assets not being depreciated	3,412,826	1,080,183	-	-	4,493,009
Capital assets being depreciated					
Building and improvements	166,972,738	1,791,219	-	-	168,763,957
Furniture and equipment	7,588,586	881,922	-	-	8,470,508
Vehicles	<u>7,888,907</u>	<u>648,493</u>	<u>-</u>	<u>-</u>	<u>8,537,400</u>
Total capital assets being depreciated	<u>182,450,231</u>	<u>3,321,634</u>	<u>-</u>	<u>-</u>	<u>185,771,865</u>
Less accumulated depreciation for:					
Building and improvements	46,505,275	3,777,836	-	-	50,283,111
Furniture and equipment	5,352,538	812,721	-	-	6,165,259
Vehicles	<u>6,318,725</u>	<u>406,550</u>	<u>-</u>	<u>-</u>	<u>6,725,275</u>
Total accumulated depreciation	58,176,538	4,997,107	-	-	63,173,645
Total capital assets being depreciated, net	<u>124,273,693</u>	<u>(1,675,473)</u>	<u>-</u>	<u>-</u>	<u>122,598,220</u>
Governmental activities capital assets, net	<u>\$127,686,519</u>	<u>\$ (595,290)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$127,091,229</u>

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE H – CAPITAL ASSETS – Continued

Depreciation was charged to the following functions:

Government Activities:

11 – Instruction	\$2,606,375
12 – Instructional Resources and Media Services	84,885
13 – Curriculum and Staff Development	16,735
21 – Instructional Leadership	63,436
23 – School Leadership	257,456
31 – Guidance, Counseling and Evaluation Services	153,385
32 – Social Work Services	18,883
33 – Health Services	48,644
34 – Student Transportation	186,787
35 – Food Services	354,005
36 – Extracurricular Activities	209,886
41 – General Administration	211,908
51 – Plant Maintenance and Operations	600,606
52 – Security and Monitoring Services	110,578
53 – Data Processing Services	66,020
61 – Community Services	7,518
	<u>\$4,997,107</u>

NOTE I - LONG-TERM OBLIGATIONS

Long-term obligations include bonds payable and capital leases payable. Changes in long-term obligations for the year ended August 31, 2015 are as follows:

	Beginning Balance Sept. 1, 2014	Increase	Decrease	Ending Balance Aug. 31, 2015	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
Unlimited Tax School Building					
Bonds - Series 2006	\$ 2,280,000	\$ -	\$ (535,000)	\$ 1,745,000	\$ 560,000
Bonds - Series 2008	14,140,000	-	(345,000)	13,795,000	355,000
Bonds - Series 2010	10,060,000		(255,000)	9,805,000	260,000
Unlimited Tax Refunding Bonds					
Bonds – Series 2005	11,225,000	-	(11,225,000)	-	-
Bonds – Series 2012	8,425,000	-	(185,000)	8,240,000	480,000
Bonds – Series 2013	8,135,000	-	(100,000)	8,035,000	100,000
Bonds – Series 2014	8,580,000	-	(80,000)	8,500,000	80,000
Bonds – Series 2015	-	9,535,000	(170,000)	9,365,000	795,000
	62,845,000	9,535,000	(12,895,000)	59,485,000	2,630,000
Interest accretion CAB bonds					
Bonds - Series 2012	168,803	116,197	(285,000)	-	-
Bonds - Series 2013	22,100	20,753	-	42,853	-
Bonds - Series 2014	5,887	33,585	-	39,472	-
Premium on issuance, bonds	3,095,009	1,679,245	(293,355)	4,480,899	293,355
Discount on issuances, bonds	(62,678)	-	4,179	(58,499)	(4,179)
Compensated absences	166,133	251,655	(227,730)	190,058	-
	66,240,254	11,636,435	(13,696,906)	64,179,783	2,919,176
Net pension liability	9,382,813	-	(1,101,456)	8,281,357	-
Total governmental activities	<u>\$75,623,067</u>	<u>\$11,636,435</u>	<u>\$(14,798,362)</u>	<u>\$72,461,140</u>	<u>\$2,919,176</u>

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE I - LONG-TERM OBLIGATIONS – Continued

The District's other non-current liabilities, including compensated absences, are liquidated in the fund where the liability was incurred. Thus, the general fund satisfies most liabilities for governmental activities.

General Obligation Bonds:

Bonds payable at August 31, 2015 are comprised of the following individual issues:

The Roma Independent School District Board of Trustees authorized the issuance of \$23,005,000 in Unlimited Tax School Building Bonds, Series 2006. The bonds are officially dated August 24, 2006, but proceeds were received October 6, 2006. They mature every year with principal payments ranging from \$400,000 to \$1,375,000 until August 15, 2037. Interest rates range from 4.25% to 5.00% and will be payable semiannually on the 15th of February and August. The bonds were being issued to construct a new middle school and a new elementary. In April 2013, the District refunded a portion of these bonds. \$ 1,745,000

In October 2008, the District issued \$15,500,000 in Unlimited Tax School Building Bonds, Series 2008. The bond components consist of \$355,000 in capital appreciation bonds (CAB), \$6,760,000 in serial bonds and \$8,385,000 in term bonds. Interest rates range from 2.75% to 5.00% and mature on August 15 of each year until 2038. Interest is paid semi-annually on February 15 and August 15. The bonds were issued to complete construction of the new middle school and new elementary. 13,795,000

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. 9,805,000

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. 8,240,000

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE I - LONG-TERM OBLIGATIONS - Continued

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.

\$ 8,035,000

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

8,500,000

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.

Total general obligations bonds

\$59,485,000

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE I - LONG-TERM OBLIGATIONS - Continued

Debt service requirements on long-term debt at August 31, 2015 are as follows:

Year Ending August 31,	Bonds Payable		Total Requirement
	Principal	Interest	
2016	\$ 2,630,000	\$ 2,239,221	\$ 4,869,221
2017	2,715,000	2,163,746	4,878,746
2018	2,800,000	2,075,671	4,875,671
2019	2,205,000	2,658,284	4,863,284
2020	2,970,000	1,907,359	4,877,359
2021-2025	16,500,000	7,853,129	24,353,129
2026-2030	11,765,000	6,032,017	17,797,017
2031-2035	11,045,000	4,047,920	15,092,920
2036-2040	<u>6,855,000</u>	<u>666,400</u>	<u>7,521,400</u>
	<u>\$59,485,000</u>	<u>\$29,643,747</u>	<u>\$89,128,747</u>

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, 2015.

Advance Refunding

In April 2015, the District issued \$9,535,000 in Unlimited Tax Refunding Bonds, Series 2015 for the purpose of refunding a portion of the District's outstanding bonds Series 2005 and to provide resources to cover costs of issuance to purchase qualifying securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the accounts of the District. The refunding bonds were sold at a premium in the amount of \$1,366,629. The cost of issuance totaled \$206,878. Principal payments range from \$170,000 to \$1,075,000 plus interest and interest rates range from 2% to 5%.

The advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$1,698,832 to obtain an economic gain (difference between the present value of the debt service payment of the refunded and refunding bonds) of \$1,531,793.

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, 2015, the following outstanding bonds are considered defeased:

<u>Series</u>	<u>Ending Balance</u>
2004	\$ 8,150,000
2005	10,430,000
2006A	8,370,000
2006B	8,740,000

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE J – 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 charge on refunding	\$1,100,341	\$ -	\$ -
Deferred outflows from pension activities	<u>2,113,571</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>\$3,213,912</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred inflows of resources:			
Deferred inflows from pension activities	\$2,533,292	\$ -	\$ -
Unavailable property taxes	<u>-</u>	<u>7,911,227</u>	<u>1,052,321</u>
Total deferred inflows of resources	<u>\$2,533,292</u>	<u>\$7,911,227</u>	<u>\$1,052,321</u>

NOTE K - REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Debt Service	Capital Projects	Nonmajor Funds	Total
Property taxes	\$3,735,174	\$889,080	\$ -	\$ -	\$4,624,254
Food sales	235,838	-	-	-	235,838
Investment income	264,821	5,737	-	-	270,558
Penalty and interest income	476,674	61,690	-	-	538,364
Co-curricular student activities	45,287	-	-	-	45,287
Miscellaneous	<u>774,070</u>	<u>-</u>	<u>58,036</u>	<u>-</u>	<u>832,106</u>
Total	<u>\$5,531,864</u>	<u>\$956,507</u>	<u>\$58,036</u>	<u>\$ -</u>	<u>\$6,546,407</u>

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE L - 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, 2015, from various federal sources as follows:

<u>Programs or Source</u>	<u>CFDA Number</u>	<u>Amount</u>
School Breakfast	10.553	\$1,568,023
National School Lunch	10.555	2,732,890
Commodity Supplemental Fund	10.565	284,750
School Health and Related Services (SHARS)	-	713,900
Indirect costs		
Child Nutrition Program		<u>365,000</u>
Total general fund federal revenue		<u>\$5,664,563</u>

NOTE M – 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 - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE M – 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 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on 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. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

Contribution Rates

	<u>2014</u>	<u>2015</u>
Member	6.4%	6.7%
Non-employer contributing entity (state)	6.8%	6.8%
Employer	6.8%	6.8%

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:

Employer Contributions	\$ 786,015
Member Contributions	\$2,556,213
Nonemployer contributing agency (state) Contributions	\$1,950,066

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE M – DEFINED BENEFIT PENSION PLAN - Continued

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, 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.

Actuarial Assumptions

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

**Includes Inflation of 3%*

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE M – DEFINED BENEFIT PENSION PLAN - Continued

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. 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 projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. 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, 2014 are summarized below:

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE M – DEFINED BENEFIT PENSION PLAN – Continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Geometric Basis</u>	<u>Long-term Expected Portfolio Real Rate of Return*</u>
Global Equity			
U.S.	18%	7.0%	1.4%
Non-U. S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
Risk Parity			
Risk Parity	5%	8.9%	0.4%
Alpha	<u>-</u>		<u>1.0%</u>
Total	<u>100%</u>		<u>8.7%</u>

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

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE M – DEFINED BENEFIT PENSION PLAN – Continued

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease In Discount <u>Rate (7.0%)</u>	Discount <u>Rate (8.0%)</u>	1% Increase in Discount <u>Rate (9.0%)</u>
District's proportionate share of the net pension liability	\$14,798,283	\$8,281,357	\$3,407,910

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

At August 31, 2014, the District reported a liability of \$8,281,357 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	\$ 8,281,357
State's proportionate share that is associated with the District	<u>20,589,492</u>
Total	<u>\$28,870,849</u>

The net pension liability was measured as of August 31, 2014 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, 2013 thru August 31, 2014.

At August 31, 2014 the employer's proportion of the collective net pension liability was .0310031%. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2013. The Notes to the Financial Statements for August 31, 2014 for TRS stated that the change in proportion was immaterial and, therefore, disregarded this year.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective 09/01/2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE M – DEFINED BENEFIT PENSION PLAN – Continued

For the year ended August 31, 2015, the District recognized pension expense of \$1,903,460 and revenue of \$1,903,460 for support provided by the State.

At August 31, 2015, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 128,074	\$ -
Changes in actuarial assumptions	538,297	-
Difference between projected and actual investment earnings	-	2,531,121
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	2,171
Total net amounts per August 31, 2014 measurement date	666,371	2,533,292
Contributions paid to TRS subsequent to the measurement date	1,447,203	-
Total	\$2,113,574	\$2,533,292

The \$1,447,203 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, 2016. 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:

<u>Pension Plan Years Ended August 31:</u>	<u>Pension Expense Amount</u>
2015	\$(520,730)
2016	(520,730)
2017	(520,730)
2018	(520,730)
2019	112,050
Thereafter	103,949

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE N - SCHOOL DISTRICT RETIREE HEALTH PLAN

Plan Description. The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS Care), a cost sharing multiple employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS Care provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203 and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2014–2015.

Fiscal Year	Contribution Rates and Contribution Amounts						
	Member		State on-behalf		District		Covered Payroll
	Rate	Amount	Rate	Amount	Rate	Amount	
2015	6.500%	\$281,510	1.00%	\$363,093	0.550%	\$238,201	\$43,309,255
2014	6.500%	259,615	1.00%	332,015	0.550%	219,675	39,940,823
2013	6.500%	249,056	0.500%	157,017	0.550%	210,740	38,316,279

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 2014-2015.

Fiscal Year	Medicare Part D
2015	\$182,820
2014	104,363
2013	99,771

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.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE O - 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 2015, 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, 2015 employees of the Roma Independent School District were covered by a health insurance plan (the Plan). The District paid premiums of \$430.88 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, 2015. The Plan was renewed subsequent to year end. This is a fully-funded, pure premium plan, and the terms of coverage and premium costs are included in the contractual provisions.

Workers' Compensation

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

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

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE P - 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, 2015 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.

Legal Proceedings

At August 31, 2015, the District was subject to claims asserted by a contractor that served as general contractor for the District for breach of contract. Roma ISD is vigorously contesting these claims. The District is unable to determine the likelihood of an unfavorable outcome or range of loss but believes that they are limited to the outstanding retainage withheld and recorded in accounts payable totaling approximately \$122,000. The District believes that there will be no additional impact to the financial statements at year end.

NOTE Q – COMPLIANCE AND ACCOUNTABILITY

Finance-Related Legal and Contractual Provision

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

The District's capital projects fund had a deficit fund balance at August 31, 2015. The general fund's purchase of land for the site of a future campus resulted in a deficit fund balance in the capital projects fund. The District anticipates the repayment of the purchase of this land by the summer of 2016, when the District issues school construction bonds.

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 - CONTINUED
YEAR ENDED AUGUST 31, 2015

NOTE R – FUND BALANCES

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.

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:					
Nonspendable Fund Balance					
Inventories	\$ 87,223	\$ -	\$ -	\$ -	\$ 87,223
Prepaid Items	536,038	-	-	-	536,038
Restricted Fund Balance:					
Federal or State Funds Grant					
Restriction	-	-	-	276,075	276,075
Capital Acquisition and					
Contractual Obligation	-	-	-	-	-
Retirement of Long-Term Debt	-	412,568	-	-	412,568
Committed Fund Balance					
Construction	7,348,000	-	-	-	7,348,000
Unassigned Fund Balance	<u>22,144,739</u>	<u>-</u>	<u>(749,368)</u>	<u>-</u>	<u>21,395,371</u>
Total Fund Balances	<u>\$30,116,000</u>	<u>\$412,568</u>	<u>\$(749,368)</u>	<u>\$276,075</u>	<u>\$30,055,275</u>

NOTE S – PRIOR PERIOD ADJUSTMENT

Change in Accounting Principle

During fiscal year 2015, the District adopted GASB Statement No. 68 for Accounting and Reporting for Pensions. With GASB 68, the District must assume their proportionate share of the Net Pension Liability of the Teacher Retirement System of Texas. Adoption of GASB 68 required a prior period adjustment to report the effect of GASB 68 retroactively. The amount of the prior adjustment is \$(9,382,813). The restated beginning net position is \$98,683,932.

NOTE T – SUBSEQUENT EVENT

Advance Refunding

On January 18, 2016, the District authorized the issuance of \$13,870,000 in Unlimited Tax Refunding Bonds, Series 2016. The proceeds of the bonds will be used to provide resources to cover costs of issuance to purchase qualifying securities that will be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt.



REQUIRED
SUPPLEMENTARY INFORMATION

ROMA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 5,250,000	\$ 5,010,000	\$ 5,531,864	\$ 521,864
5800 State Program Revenues	49,403,000	50,230,000	50,464,028	234,028
5900 Federal Program Revenues	5,135,000	5,545,000	5,664,563	119,563
5020 Total Revenues	59,788,000	60,785,000	61,660,455	875,455
EXPENDITURES:				
Current:				
0011 Instruction	30,533,000	31,288,000	31,239,616	48,384
0012 Instructional Resources and Media Services	1,127,000	1,317,000	1,247,051	69,949
0013 Curriculum and Instructional Staff Development	259,500	259,500	245,848	13,652
0021 Instructional Leadership	867,500	867,500	822,373	45,127
0023 School Leadership	3,694,000	3,859,000	3,761,473	97,527
0031 Guidance, Counseling and Evaluation Services	1,878,000	1,993,000	1,947,212	45,788
0032 Social Work Services	133,500	133,500	114,252	19,248
0033 Health Services	717,500	742,500	710,727	31,773
0034 Student (Pupil) Transportation	2,921,000	2,976,000	2,579,037	396,963
0035 Food Services	5,040,288	5,215,288	5,136,853	78,435
0036 Extracurricular Activities	2,690,000	3,155,000	3,083,426	71,574
0041 General Administration	2,010,000	2,980,000	2,938,366	41,634
0051 Facilities Maintenance and Operations	8,661,000	9,016,000	8,777,619	238,381
0052 Security and Monitoring Services	1,435,000	1,640,000	1,624,505	15,495
0053 Data Processing Services	914,000	974,000	968,541	5,459
0061 Community Services	5,000	53,000	44,445	8,555
Intergovernmental:				
0099 Other Intergovernmental Charges	165,000	165,000	152,841	12,159
6030 Total Expenditures	63,051,288	66,634,288	65,394,185	1,240,103
1200 Net Change in Fund Balances	(3,263,288)	(5,849,288)	(3,733,730)	2,115,558
0100 Fund Balance - September 1 (Beginning)	33,849,732	33,849,732	33,849,732	-
3000 Fund Balance - August 31 (Ending)	\$ 30,586,444	\$ 28,000,444	\$ 30,116,002	\$ 2,115,558

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM
YEAR ENDED AUGUST 31, 2015

District's proportion of the net pension liability (asset)	0.0310031%
District's proportionate share of net pension liability (asset)	\$ 8,281,357
State's proportionate share of the net pension liability (asset) associated with the District	<u>20,589,492</u>
Total	<u>\$28,870,849</u>
District's covered employee payroll	\$39,940,823
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	20.73%
Plan fiduciary net position as a percentage of the total pension liability	83.25%

Note: GASB 68, paragraph 81.2.a requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2013 – August 31, 2014.

Note: Only one year of data is presented in accordance with GASB #68, paragraph 138. "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
YEAR ENDED AUGUST 31, 2015

Contractually required contribution	\$1,447,203
Contribution in relation to the contractually required contribution	(<u>1,447,203</u>)
Contribution deficiency (excess)	\$ _____ -
District's covered employee payroll	\$43,309,255
Contributions as a percentage of covered employee payroll	3.34%

Note: GASB 68, paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2013 – August 31, 2014.

Note: Only one year of data is presented in accordance with GASB #68, paragraph 138. "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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2015

Stewardship, compliance, and accountability

Budgetary information

The Board adopts an “appropriated budget” on a basis consistent with GAAP for the general fund and major special revenue funds. 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 31st 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 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.

II. Pension

Changes in Assumptions – There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Benefit Changes – There were no changes of benefit terms that affected measurement of the total pension liability



OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE 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.

Fund Name & 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 could 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-inclined 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 needs 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 II, Part A (Teacher and Principal Training and Recruiting) - supplements the professional development, retention and recruitment programs district-wide, specifically on high needs campuses.

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.

NON-MAJOR GOVERNMENTAL FUNDS (continued)

SPECIAL REVENUE FUNDS (continued)

GEAR UP - This discretionary grant program is designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education.

Summer School Program for Limited English Proficient (LEP) - Supports the development of the additional State assessments and standards required by the Elementary and Secondary Education Act (ESEA), as amended; and to support the administration of those assessments or to carry out other activities related to ensuring that the State's schools and local education agencies are held accountable for results.

Student Success Initiative (SSI) - ensure that all students receive the instruction and support they need to be academically successful in reading and mathematics.

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



COMBINING STATEMENTS

ROMA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2015

Data Control Codes		211	212	224	225
		ESEA I, A Improving Basic Program	ESEA Title I Part C Migrant	IDEA - Part B Formula	IDEA - Part B Preschool
ASSETS					
1240	Receivables from Other Governments	\$ 706,564	\$ 51,736	\$ 229,154	\$ -
1260	Due from Other Funds	-	-	-	-
1000	Total Assets	<u>\$ 706,564</u>	<u>\$ 51,736</u>	<u>\$ 229,154</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts Payable	\$ 39,034	\$ 1,034	\$ 4,476	\$ -
2160	Accrued Wages Payable	197,218	-	38,023	-
2170	Due to Other Funds	451,203	50,702	182,947	-
2200	Accrued Expenditures	19,109	-	3,708	-
2000	Total Liabilities	<u>706,564</u>	<u>51,736</u>	<u>229,154</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 706,564</u>	<u>\$ 51,736</u>	<u>\$ 229,154</u>	<u>\$ -</u>

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	270 ESEA VI, Pt B Rural & Low Income	274 GEAR UP	Total Nonmajor Governmental Funds
\$ 3,320	\$ 3,500	\$ 23,593	\$ 22,544	\$ -	\$ 77,111	\$ 1,117,522
274,792	-	-	-	404	-	275,196
<u>\$ 278,112</u>	<u>\$ 3,500</u>	<u>\$ 23,593</u>	<u>\$ 22,544</u>	<u>\$ 404</u>	<u>\$ 77,111</u>	<u>\$ 1,392,718</u>
\$ 2,037	\$ -	\$ 1,882	\$ 17,000	\$ 404	\$ 341	\$ 66,208
-	-	9,478	-	-	-	244,719
-	3,500	11,316	5,544	-	76,770	781,982
-	-	917	-	-	-	23,734
<u>2,037</u>	<u>3,500</u>	<u>23,593</u>	<u>22,544</u>	<u>404</u>	<u>77,111</u>	<u>1,116,643</u>
<u>276,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,075</u>
<u>276,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,075</u>
<u>\$ 278,112</u>	<u>\$ 3,500</u>	<u>\$ 23,593</u>	<u>\$ 22,544</u>	<u>\$ 404</u>	<u>\$ 77,111</u>	<u>\$ 1,392,718</u>

ROMA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

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
REVENUES:					
5900	Federal Program Revenues	\$ 4,672,523	\$ 556,958	\$ 1,259,764	\$ 17,198
5020	Total Revenues	<u>4,672,523</u>	<u>556,958</u>	<u>1,259,764</u>	<u>17,198</u>
EXPENDITURES:					
Current:					
0011	Instruction	4,338,540	252,487	928,094	17,198
0021	Instructional Leadership	5,408	-	34,228	-
0023	School Leadership	7,392	-	-	-
0031	Guidance, Counseling and Evaluation Services	307	6,669	297,304	-
0032	Social Work Services	-	163,165	-	-
0033	Health Services	2,589	1,308	-	-
0034	Student (Pupil) Transportation	135,043	30,000	-	-
0035	Food Services	-	-	-	-
0041	General Administration	171,382	2,923	-	-
0051	Facilities Maintenance and Operations	-	45,880	-	-
0053	Data Processing Services	512	-	-	-
0061	Community Services	11,350	54,526	138	-
6030	Total Expenditures	<u>4,672,523</u>	<u>556,958</u>	<u>1,259,764</u>	<u>17,198</u>
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	270 ESEA VI, Pt B Rural & Low Income	274 GEAR UP	Total Nonmajor Governmental Funds
\$ 192,938	\$ 92,781	\$ 576,187	\$ 499,474	\$ 123,696	\$ 119,911	\$ 8,111,430
192,938	92,781	576,187	499,474	123,696	119,911	8,111,430
-	91,301	569,206	491,278	123,696	50,035	6,861,835
-	-	-	50	-	69,876	109,562
-	-	6,058	7,362	-	-	20,812
-	1,480	84	322	-	-	306,166
-	-	-	-	-	-	163,165
-	-	-	-	-	-	3,897
-	-	-	-	-	-	165,043
192,938	-	-	-	-	-	192,938
-	-	-	462	-	-	174,767
-	-	-	-	-	-	45,880
-	-	839	-	-	-	1,351
-	-	-	-	-	-	66,014
192,938	92,781	576,187	499,474	123,696	119,911	8,111,430
-	-	-	-	-	-	-
276,075	-	-	-	-	-	276,075
\$ 276,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 276,075

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, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,013,670	\$ 1,013,670	\$ 956,507	\$ (57,163)
5800 State Program Revenues	4,105,251	4,105,251	4,387,773	282,522
5020 Total Revenues	5,118,921	5,118,921	5,344,280	225,359
EXPENDITURES:				
Debt Service:				
0071 Principal on Long Term Debt	2,215,000	2,215,000	2,464,998	(249,998)
0072 Interest on Long Term Debt	2,898,921	2,898,921	2,568,098	330,823
0073 Bond Issuance Cost and Fees	5,000	5,000	213,584	(208,584)
6030 Total Expenditures	5,118,921	5,118,921	5,246,680	(127,759)
1100 Excess of Revenues Over Expenditures	-	-	97,600	97,600
OTHER FINANCING SOURCES (USES):				
7916 Premium or Discount on Issuance of Bonds	-	-	1,362,629	1,362,629
7949 Other Resources	-	-	9,535,000	9,535,000
8949 Other (Uses)	-	-	(10,690,751)	(10,690,751)
7080 Total Other Financing Sources (Uses)	-	-	206,878	206,878
1200 Net Change in Fund Balances	-	-	304,478	304,478
0100 Fund Balance - September 1 (Beginning)	108,090	108,090	108,090	-
3000 Fund Balance - August 31 (Ending)	\$ 108,090	\$ 108,090	\$ 412,568	\$ 304,478

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED AUGUST 31, 2015

	BALANCE SEPTEMBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2015
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 123,963	\$ 1,153,967	\$ 1,094,097	\$ 183,833
Due From Other Funds	1,103	-	1,103	-
Total Assets	<u>\$ 125,066</u>	<u>\$ 1,153,967</u>	<u>\$ 1,095,200</u>	<u>\$ 183,833</u>
Liabilities:				
Due to Other Funds	\$ 19,140	\$ -	\$ 19,140	\$ -
Due to Student Groups	105,926	1,153,967	1,076,060	183,833
Total Liabilities	<u>\$ 125,066</u>	<u>\$ 1,153,967</u>	<u>\$ 1,095,200</u>	<u>\$ 183,833</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 123,963	\$ 1,153,967	\$ 1,094,097	\$ 183,833
Due From Other Funds	1,103	-	1,103	-
Total Assets	<u>\$ 125,066</u>	<u>\$ 1,153,967</u>	<u>\$ 1,095,200</u>	<u>\$ 183,833</u>
Liabilities:				
Due to Other Funds	\$ 19,140	\$ -	\$ 19,140	\$ -
Due to Student Groups	105,926	1,153,967	1,076,060	183,833
Total Liabilities	<u>\$ 125,066</u>	<u>\$ 1,153,967</u>	<u>\$ 1,095,200</u>	<u>\$ 183,833</u>



TEXAS EDUCATION AGENCY
REQUIRED SCHEDULES

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2015

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2006 and prior years	Various	Various	\$ Various
2007	1.370000	0.151000	465,237,560
2008	1.010000	0.194000	440,896,880
2009	1.170000	0.267680	480,145,750
2010	1.170000	0.246680	447,197,040
2011	1.170000	0.294760	406,401,590
2012	1.170000	0.289920	368,178,140
2013	1.170000	0.289090	347,776,140
2014	1.170000	0.289090	344,268,560
2015 (School year under audit)	1.170000	0.289090	347,565,810
1000 TOTALS			

(10) Beginning Balance 9/1/2014	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2015
\$ 4,653,441	\$ -	\$ 139,978	\$ 7,144	\$ (60,779)	\$ 4,445,540
493,263	-	23,376	2,575	(1,575)	465,737
427,604	-	17,585	3,281	(1,444)	405,294
610,803	-	25,934	5,931	(1,726)	577,212
653,530	-	34,627	7,299	(1,741)	609,863
719,152	-	34,060	8,548	(2,601)	673,943
781,424	-	47,817	11,841	(4,343)	717,423
927,330	-	75,117	18,362	(6,131)	827,720
1,059,620	-	136,618	33,428	(6,278)	883,296
-	5,224,345	3,264,451	805,184	(70,125)	1,084,585
<u>\$ 10,326,167</u>	<u>\$ 5,224,345</u>	<u>\$ 3,799,563</u>	<u>\$ 903,593</u>	<u>\$ (156,743)</u>	<u>\$ 10,690,613</u>



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>
Financial Trends	107
These schedules contain trend information to assist users in understanding how the District's financial and position has changed over time.	
Revenue Capacity Information	117
These schedules contain information to assist users in understanding the factors affecting the District's ability to generate its own-source revenues.	
Debt Capacity Information	129
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.	
Demographic and Economic Information	133
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.	
Operating Information	137
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.	

FINANCIAL TRENDS

INFORMATION

ROMA INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Primary government				
Net investment in capital assets	\$ 52,635,505	\$ 62,434,472	\$ 63,171,570	\$ 62,642,952
Restricted for federal and state programs	340,746	241,860	255,680	400,445
Restricted for debt service	-	-	84,535	368,895
Restricted for capital projects	-	-	1,176,461	5,300,161
Unrestricted	<u>27,342,905</u>	<u>24,195,536</u>	<u>23,790,749</u>	<u>23,788,325</u>
Total primary government activities net position	<u>\$ 80,319,156</u>	<u>\$ 86,871,868</u>	<u>\$ 88,478,995</u>	<u>\$ 92,500,778</u>

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

Table 1

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 57,151,157	\$ 63,710,877	\$ 63,212,361	\$ 54,011,900	\$ 64,041,922	\$ 63,389,183
257,644	256,631	256,631	-	276,075	363,296
155,795	82,376	-	141,143	188,808	515,466
-	17,031,516	29,379,516	21,366,067	-	-
<u>37,912,973</u>	<u>19,761,619</u>	<u>12,330,992</u>	<u>32,872,148</u>	<u>43,559,940</u>	<u>30,011,830</u>
<u>\$ 95,477,569</u>	<u>\$ 100,843,019</u>	<u>\$ 105,179,500</u>	<u>\$ 108,391,258</u>	<u>\$ 108,066,745</u>	<u>\$ 94,279,775</u>

ROMA INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008
Expenses			
Governmental Activities:			
Instruction	\$ 29,585,474	\$ 30,982,158	\$ 33,682,316
Instructional Resources & Media Services	870,697	889,029	1,040,119
Curriculum & Staff Development	123,239	119,558	221,876
Instructional Leadership	890,994	873,198	883,297
School Leadership	2,179,461	2,432,108	2,792,331
Guidance, Counseling & Evaluation Services	1,379,498	1,541,593	1,507,892
Social Work Services	137,031	120,531	306,155
Health Services	561,126	520,259	567,738
Student (Pupil) Transportation	1,989,475	2,027,396	2,380,456
Food Services	3,809,776	3,875,257	4,437,554
Cocurricular/Extracurricular Activities	1,719,217	1,755,694	1,888,936
General Administration	1,445,350	1,635,854	1,683,503
Plant Maintenance & Operations	5,342,548	6,373,478	7,080,416
Security & Monitoring Services	717,538	909,391	982,655
Data Processing Services	540,714	536,167	576,148
Community Services	200,379	162,346	123,008
Debt Service - Interest on Long Term Debt	1,407,514	2,177,168	2,383,917
Debt Service - Bond Issuance Cost & Fees	1,255	2,963	1,774
Other Intergovernmental Charges	-	-	-
Total Governmental Activities	<u>52,901,286</u>	<u>56,934,148</u>	<u>62,540,091</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Instruction	-	-	-
Health Services	-	-	-
Student (Pupil) Transportation	-	-	-
Food Services	349,922	249,640	232,850
Cocurricular/Extracurricular Activities	35,367	38,567	31,194
General Administration	-	-	-
Plant Maintenance & Operations	16,051	-	-
Operating Grants and Contributions	<u>18,778,163</u>	<u>19,557,978</u>	<u>19,067,587</u>
Total governmental Activities Program Revenues	<u>19,179,503</u>	<u>19,846,185</u>	<u>19,331,631</u>
Net (Expense)/Revenue			
Total Primary Governmental Net Expense	(33,721,783)	(37,087,963)	(43,208,460)
General Revenues			
Property Taxes, Levied for General Purposes	6,004,590	6,616,663	4,825,282
Property Taxes, Levied for Debt Service	371,820	707,117	854,176
Grants and Contributions not Restricted to Specific Programs	32,584,262	33,808,532	37,385,468
Investment Earnings	979,872	2,454,673	1,676,730
Miscellaneous	<u>221,229</u>	<u>53,690</u>	<u>73,931</u>
Total Primary Government General Revenues	<u>40,161,773</u>	<u>43,640,675</u>	<u>44,815,587</u>
Total Change in Net Position	<u>\$ 6,439,990</u>	<u>\$ 6,552,712</u>	<u>\$ 1,607,127</u>

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

Table 2

	2009	2010	2011	2012	2013	2014	2015
\$	34,746,103	\$ 36,999,482	\$ 35,415,764	\$ 34,451,430	\$ 35,633,480	\$ 37,949,465	\$ 40,323,645
	976,782	957,375	1,009,492	966,627	1,016,705	1,175,300	1,320,761
	222,943	231,746	237,864	241,976	249,177	227,387	260,380
	864,554	870,530	834,254	777,448	769,486	845,413	987,020
	3,173,728	3,244,338	3,379,649	3,289,239	3,264,954	3,653,777	4,005,850
	1,599,645	1,641,823	1,727,290	1,734,911	1,786,814	1,985,107	2,386,571
	267,436	227,843	267,990	262,575	254,582	276,307	293,814
	643,254	652,931	696,367	690,987	710,391	722,826	756,865
	2,262,634	2,432,229	2,694,517	2,572,967	2,685,067	2,700,359	2,546,858
	4,400,540	4,442,284	5,020,402	4,638,936	4,903,433	5,009,811	5,637,195
	2,068,397	2,445,513	2,411,036	2,510,837	2,763,074	2,878,705	3,255,142
	1,424,412	1,645,856	1,678,781	1,660,584	1,699,756	2,250,219	3,297,147
	7,423,128	7,673,181	8,027,905	7,598,812	8,081,405	8,331,488	9,301,671
	937,800	1,028,750	1,060,726	948,219	977,210	1,382,509	1,629,827
	570,460	611,164	655,773	677,615	789,986	808,720	1,027,221
	106,968	137,303	116,835	102,311	86,439	89,908	116,987
	3,058,724	1,606,689	3,114,534	3,663,720	2,819,550	3,695,797	2,445,098
	11,300	1,418,156	11,699	2,350	205,053	148,768	213,584
	161,420	155,845	136,578	170,786	114,853	149,316	152,841
	<u>64,920,228</u>	<u>68,423,038</u>	<u>68,497,456</u>	<u>66,962,330</u>	<u>68,811,415</u>	<u>74,281,182</u>	<u>79,958,477</u>
	-	-	-	51,624	-	-	-
	-	38,886	53,177	39,812	47,301	47,569	45,287
	-	-	-	-	-	-	-
	297,183	287,821	364,151	330,632	320,168	349,317	234,764
	38,710	-	-	-	-	-	-
	94,331	1,499,344	599,861	637,202	972,465	843,646	832,106
	-	-	-	-	-	-	-
	<u>20,095,417</u>	<u>16,630,048</u>	<u>19,247,951</u>	<u>15,552,553</u>	<u>14,523,041</u>	<u>15,340,056</u>	<u>15,227,784</u>
	<u>20,525,641</u>	<u>18,456,099</u>	<u>20,265,140</u>	<u>16,611,823</u>	<u>15,862,975</u>	<u>16,580,588</u>	<u>16,339,941</u>
	(44,394,587)	(49,966,939)	(48,232,316)	(50,350,507)	(52,948,440)	(57,700,594)	(63,618,536)
	5,420,051	5,064,001	5,071,416	4,065,233	3,828,719	4,100,877	4,012,396
	1,250,376	1,069,726	582,961	1,002,000	940,886	1,009,546	988,978
	40,738,797	46,493,710	47,088,993	48,599,493	51,707,513	51,455,289	53,400,009
	397,861	73,503	301,387	319,256	323,669	326,857	271,632
	609,285	242,790	553,009	397,564	440,666	483,512	541,365
	<u>48,416,370</u>	<u>52,943,730</u>	<u>53,597,766</u>	<u>54,383,546</u>	<u>57,241,453</u>	<u>57,376,081</u>	<u>59,214,380</u>
\$	<u>4,021,783</u>	<u>\$ 2,976,791</u>	<u>\$ 5,365,450</u>	<u>\$ 4,033,039</u>	<u>\$ 4,293,013</u>	<u>\$ (324,513)</u>	<u>\$ (4,404,156)</u>

ROMA INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
<i>Nonspendable Fund Balances:</i>				
Inventories	\$ 89,514	\$ 131,004	\$ 26,767	\$ 8,406
Prepaid Items	1,476,082	932,647	687,495	602,814
<i>Committed Fund Balances:</i>				
Construction	5,000,000	7,800,000	7,800,000	10,300,000
<i>Unassigned:</i>				
Reported in the General Fund	<u>9,870,115</u>	<u>8,791,790</u>	<u>8,592,934</u>	<u>10,904,556</u>
Total General Fund Balance	<u>16,435,711</u>	<u>17,655,441</u>	<u>17,107,196</u>	<u>21,815,776</u>
 All Other Governmental Funds				
<i>Reserved, Reported In:</i>				
<i>Nonspendable Fund Balances:</i>				
Prepaid Items	-	-	-	-
<i>Restricted Fund Balances:</i>				
Federal or State Funds Grant Restriction	232,198	198,724	210,632	220,442
Retirement of Long Term Debt	6,730	83,892	84,535	368,895
Capital Acquisition & Contractual Obligations	5,183,379	28,171,279	1,176,461	5,300,161
<i>Committed Fund Balance:</i>				
Reported in Special Revenue funds	<u>108,548</u>	<u>43,136</u>	<u>45,048</u>	<u>180,003</u>
Total All Other Governmental Fund Balances	<u>5,530,855</u>	<u>28,497,031</u>	<u>1,516,676</u>	<u>6,069,501</u>
Total Governmental funds -- Fund Balance	<u><u>\$ 21,966,566</u></u>	<u><u>\$ 46,152,472</u></u>	<u><u>\$ 18,623,872</u></u>	<u><u>\$ 27,885,277</u></u>

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

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 72,147	\$ 66,965	\$ 86,475	\$ 101,764	\$ 91,990	\$ 87,223
373,930	1,038,249	1,450,226	501,804	1,162,991	536,038
12,348,000	12,348,000	12,348,000	12,348,000	7,348,000	7,348,000
<u>11,352,274</u>	<u>15,592,688</u>	<u>19,761,398</u>	<u>24,016,692</u>	<u>25,246,752</u>	<u>22,144,739</u>
<u>24,146,351</u>	<u>29,045,902</u>	<u>33,646,099</u>	<u>36,968,260</u>	<u>33,849,733</u>	<u>30,116,000</u>
-	-	-	-	-	-
228,716	256,631	248,955	252,514	276,075	276,075
44,473	94,636	-	59,721	108,090	412,568
5,679,965	17,031,516	15,243,189	10,079,255	3,049,297	-
<u>110,089</u>	<u>126,467</u>	<u>135,540</u>	<u>108,414</u>	<u>-</u>	<u>(749,368)</u>
<u>6,063,243</u>	<u>17,509,250</u>	<u>15,627,684</u>	<u>10,499,904</u>	<u>3,433,462</u>	<u>(60,725)</u>
<u>\$ 30,209,594</u>	<u>\$ 46,555,152</u>	<u>\$ 49,273,783</u>	<u>\$ 47,468,164</u>	<u>\$ 37,283,195</u>	<u>\$ 30,055,275</u>

ROMA INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009
Revenues				
Local and Intermediate Sources	7,659,705	9,756,640	7,482,305	7,748,323
State Programs	37,984,306	41,392,218	44,173,253	48,345,487
Federal Programs	13,378,119	11,974,292	12,279,802	12,488,726
Total governmental Activities Program Revenues	59,022,130	63,123,150	63,935,360	68,582,536
Expenditures				
Current:				
Instruction	\$ 28,354,756	\$ 29,722,087	\$ 32,119,432	\$ 34,041,628
Instructional Resources & Media Services	833,113	848,061	986,991	1,066,491
Curriculum & Staff Development	117,920	114,049	210,543	211,720
Instructional Leadership	858,811	832,959	838,180	821,032
School Leadership	2,085,383	2,320,030	2,649,703	3,013,960
Guidance, Counseling & Evaluation Services	1,319,951	1,470,552	1,430,871	1,519,118
Social Work Services	143,289	114,977	290,517	253,973
Health Services	536,904	496,284	538,739	610,872
Student (Pupil) Transportation	2,566,171	2,321,584	2,371,654	2,568,355
Food Services	3,695,038	3,921,680	4,338,456	4,419,308
Cocurricular/Extracurricular Activities	1,645,006	1,682,375	1,792,452	1,964,272
General Administration	1,388,605	1,560,470	1,597,512	1,376,258
Plant Maintenance & Operations	5,117,484	6,364,337	6,851,891	7,697,534
Security & Monitoring Services	686,565	911,440	949,876	890,590
Data Processing Services	517,374	511,459	546,719	541,743
Community Services	191,731	154,865	116,725	101,583
Debt Service:				
Principal on Long-term Debt	1,664,154	1,350,000	1,355,000	1,780,000
Interest on Long-term Debt	1,305,129	2,061,452	2,256,627	2,775,669
Bond Issuance Costs and Fees	1,255	318,016	1,774	272,945
Capital Outlay:				
Facilities Acquisition and Constructin	7,433,857	5,203,451	30,220,298	8,994,288
Intergovernmental:				
Other Intergovernmental Charges	-	-	-	161,420
Total Expenditures	60,462,496	62,280,128	91,463,960	75,082,759
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,440,366)	843,022	(27,528,600)	(6,500,223)
Other Financing Sources (Uses) and Special Items				
Refunding Bonds Issued	-	-	-	-
Issuance of Capital Related Debt (Regular Bonds)	-	23,342,884	-	15,500,000
Premium or Discount on Issuance of Bonds	-	-	-	261,645
Capital Leases	-	-	-	-
Transfer In	5,055,698	3,891,332	-	2,534,102
Transfer Out	(5,055,698)	(3,891,332)	-	(2,534,102)
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	-	23,342,884	-	15,761,645
Net Change in Fund Balances	\$ (1,440,366)	\$ 24,185,906	\$ (27,528,600)	\$ 9,261,422
Debt Service as a Percentage of Noncapital Expenditures	5.9%	7.0%	6.3%	7.9%

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

Table 4

	2010	2011	2012	2013	2014	2015
	7,780,254	7,198,350	6,491,041	6,559,772	6,836,044	6,546,407
	44,791,267	49,220,352	50,033,711	51,990,902	53,024,138	54,851,801
	18,332,491	17,116,594	14,118,334	14,239,652	13,771,207	13,775,993
	<u>70,904,012</u>	<u>73,535,296</u>	<u>70,643,086</u>	<u>72,790,326</u>	<u>73,631,389</u>	<u>75,174,201</u>
\$	35,191,969	\$ 33,461,012	\$ 32,022,658	\$ 33,256,009	\$ 35,585,402	\$ 38,290,232
	895,734	964,009	898,234	949,123	1,100,988	1,247,051
	216,825	221,697	224,855	232,614	212,992	245,848
	814,481	777,551	722,441	718,337	791,892	931,935
	3,035,450	3,149,939	3,056,513	3,047,928	3,422,464	3,782,285
	1,536,114	1,609,888	1,612,159	1,668,042	1,859,434	2,253,378
	213,173	249,775	243,997	237,660	258,815	277,417
	610,892	649,036	642,097	663,170	677,065	714,624
	2,689,353	2,733,903	2,684,155	2,822,985	2,922,098	2,744,080
	4,228,183	4,703,403	4,313,901	4,577,495	4,719,481	5,329,791
	2,288,058	2,247,161	2,333,186	2,690,024	2,704,890	3,083,426
	1,539,886	1,564,676	1,543,091	1,576,121	2,115,005	3,113,133
	7,295,731	7,517,224	7,354,407	7,589,968	8,024,797	8,823,499
	968,806	988,630	881,129	928,648	1,343,463	1,624,505
	571,813	611,201	629,671	737,475	757,522	969,892
	128,463	108,893	95,072	80,693	84,216	110,459
	1,625,000	1,482,026	1,582,963	2,305,000	2,510,000	2,464,998
	1,580,249	3,761,900	3,648,003	2,777,733	2,539,659	2,568,098
	1,418,155	239,270	215,745	205,053	143,983	213,584
	1,575,513	1,274,537	3,566,228	7,621,986	12,032,434	3,667,922
	<u>155,845</u>	<u>136,578</u>	<u>170,786</u>	<u>114,853</u>	<u>149,316</u>	<u>152,841</u>
	<u>68,579,693</u>	<u>68,452,309</u>	<u>68,441,291</u>	<u>74,800,917</u>	<u>83,955,916</u>	<u>82,608,998</u>
	2,324,319	5,082,987	2,201,795	(2,010,591)	(10,324,527)	(7,434,797)
	-	-	8,565,000	8,370,000	8,740,000	9,535,000
	-	11,035,000	-	-	-	-
	-	227,571	1,146,675	1,547,134	1,066,548	1,362,629
	-	-	-	-	-	-
	6,140,781	1,935,230	1,834,840	1,475,000	5,000,000	-
	(6,140,781)	(1,935,230)	(1,834,840)	(1,475,000)	(5,000,000)	-
	<u>-</u>	<u>-</u>	<u>(9,498,280)</u>	<u>(9,712,081)</u>	<u>(9,666,990)</u>	<u>(10,690,751)</u>
	<u>-</u>	<u>11,262,571</u>	<u>213,395</u>	<u>205,053</u>	<u>139,558</u>	<u>206,878</u>
\$	<u>2,324,319</u>	<u>\$ 16,345,558</u>	<u>\$ 2,415,190</u>	<u>\$ (1,805,538)</u>	<u>\$ (10,184,969)</u>	<u>\$ (7,227,919)</u>
	7.4%	8.9%	9.2%	8.5%	7.8%	7.1%



REVENUE CAPACITY INFORMATION

ROMA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES BY SOURCE
LAST TEN YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Local Sources:					
Property tax	\$ 5,734,063	\$ 6,589,911	\$ 5,080,158	\$ 6,310,951	\$ 5,637,909
Other	1,925,642	3,166,729	2,402,147	1,437,372	2,142,345
State sources	37,984,306	41,392,218	44,173,253	48,345,487	44,791,267
Federal sources	<u>13,378,119</u>	<u>11,974,292</u>	<u>12,279,802</u>	<u>12,488,726</u>	<u>18,332,491</u>
Total	<u>\$ 59,022,130</u>	<u>\$ 63,123,150</u>	<u>\$ 63,935,360</u>	<u>\$ 68,582,536</u>	<u>\$ 70,904,012</u>

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

Table 5

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 5,425,049	\$ 4,714,952	\$ 4,455,503	\$ 4,785,143	\$ 4,621,253
1,773,301	1,776,089	2,104,269	2,050,901	1,925,154
49,220,352	50,033,711	51,990,902	53,024,138	54,851,801
<u>17,116,594</u>	<u>14,118,334</u>	<u>14,239,652</u>	<u>13,771,207</u>	<u>13,775,993</u>
<u>\$ 73,535,296</u>	<u>\$ 70,643,086</u>	<u>\$ 72,790,326</u>	<u>\$ 73,631,389</u>	<u>\$ 75,174,201</u>

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
2006	\$ 158,420,550	\$ 202,800,320	\$ 249,340,920	\$ 610,561,790
2007	160,584,260	276,537,730	251,148,570	688,270,560
2008	166,651,000	245,622,470	251,049,052	663,322,522
2009	182,921,250	249,634,820	338,266,060	770,822,130
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

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

Table 6

Exemptions		Adjusted Assessed Value	*Total Direct Tax Rate
\$	220,405,879	\$ 390,155,911	1.594900
	223,088,858	465,181,702	1.521000
	222,618,063	440,704,459	1.235000
	303,126,210	467,695,920	1.437680
	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



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			Overlapping Tax Rates				Total Direct and Overlapping Tax Rate
		Roma Independent School District			South Texas College	City of Roma	City of Escobares	Starr County	
		Maintenance	Debt Service	Total Direct					
2006	2005	1.500000	0.119700	1.619700	0.158900	0.394940	-	0.614400	2.787940
2007	2006	1.500000	0.094900	1.594900	0.154800	0.394940	-	0.609200	2.753840
2008	2007	1.370000	0.151000	1.521000	0.154000	0.453780	0.300000	0.699200	2.827980
2009	2008	1.041000	0.194000	1.235000	0.149800	0.444600	0.300000	0.699200	2.528600
2010	2009	1.170000	0.267683	1.437683	0.149100	0.446330	0.300000	0.699200	2.732313
2011	2010	1.170000	0.246680	1.416680	0.149700	0.508710	0.322050	0.699200	2.774290
2012	2011	1.170000	0.294760	1.464760	0.150700	0.508710	0.340000	0.699200	2.823370
2013	2012	1.170000	0.289920	1.459920	0.150700	0.516500	0.340000	0.779200	2.906320
2014	2013	1.170000	0.289920	1.459920	0.150000	0.519030	0.364809	0.779200	2.908150
2015	2014	1.170000	0.289920	1.459920	0.185000	0.523000	0.364809	0.779200	2.947120

Source: Roma Independent School District Tax Office

ROMA INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Adjusted Tax Levy</u>	<u>Collections in Subsequent Years</u>
2006	6,198,039	5,168,884	83.40%	491,703
2007	7,089,188	6,078,169	85.74%	539,113
2008	5,384,901	4,603,038	85.48%	560,474
2009	6,813,796	5,769,543	84.67%	523,498
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

Source: Roma Independent School District Annual Financial and Compliance Reports

Table 8

<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy Plus Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
5,660,587	42.79%	7,030,743	113.43%
6,617,282	45.58%	7,427,822	104.78%
5,163,512	39.78%	7,595,386	141.05%
6,293,041	42.39%	8,032,142	117.88%
5,640,041	37.94%	8,616,575	137.85%
5,385,074	36.08%	9,047,112	153.93%
4,736,499	32.14%	9,444,657	178.51%
4,417,742	29.73%	9,858,610	197.06%
4,720,348	31.02%	10,093,134	196.91%
4,703,156	29.55%	10,690,613	204.63%

ROMA INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO

		Fiscal Year 2015	
Taxpayer	Type of Business	2014 Assessed Valuation	Percentage of Total Assessed Valuation
Kinder Morgans TX Pipeline LP	Oil and Gas	\$ 24,166,601	6.95%
Cantera Operating LLC	Oil and Gas	19,173,168	5.52%
Bluestone Natural RES II, LLC	Oil and Gas	11,479,326	3.30%
AEP Central Power & Light Company	Utility	10,911,027	3.14%
Kinder Morgans TX Pipeline LP	Oil and Gas	6,158,151	1.77%
RLU Operating, LLC	Oil and Gas	4,178,710	1.20%
New Gulf Petroleum	Oil and Gas	3,187,021	0.92%
Pena Riverview Investments, LLC	Retail	2,582,515	0.74%
Electric Transmissions TX, LLC	Utility	2,277,798	0.66%
Medina Electric COOP, Inc.	Utility	2,141,161	0.62%
Totals		<u>\$ 86,255,478</u>	<u>19.95%</u>

Source: Roma Independent School District Tax Office

Table 9

Taxpayer	Type of Business	Fiscal Year 2006	
		Tax Year 2005 Assessed Valuation	Percentage of Total Assessed Valuation
El Paso Prod Oil & Gas Company	Oil and Gas	\$ 65,039,460	20.23%
El Paso Prod Oil & Gas Company	Oil and Gas	11,025,720	3.43%
El Paso Prod Oil & Gas Company	Oil and Gas	7,542,420	2.35%
AEP Central Power & Light Company	Utility	5,026,640	1.56%
Patterson Drilling	Oil and Gas	4,120,000	1.28%
Kinder Morgan TX Pipeline, LP	Oil and Gas	3,931,240	1.22%
Verizon Southwest	Utility	3,546,670	1.10%
Starr county Gathering Company	Agriculture	3,422,960	1.06%
Kinder Morgan TX Pipeline, LP	Oil and Gas	3,403,980	1.06%
Guerra Mineral Trust	Oil and Gas	<u>2,915,040</u>	<u>0.91%</u>
Totals		<u>\$ 109,974,130</u>	<u>34.21%</u>



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 Toal Debt to Estimated Actual Property Value (1)	Total Debt PerAverage Daily Membership	Ratio of Debt to Personal Income (2)	Net Bonded Debt per Capita (3)
	General Bonds	Refunding Bonds					
2006	13,570,012	13,724,989	27,295,001	4.47%	2,146	17%	2,598
2007	35,320,012	13,629,989	48,950,001	7.11%	2,124	29%	4,595
2008	34,065,012	13,529,989	47,595,001	7.18%	2,141	25%	4,407
2009	47,890,012	13,424,989	61,315,001	7.95%	2,135	31%	5,600
2010	46,370,000	13,319,989	59,689,989	7.74%	2,108	28%	5,379
2011	56,250,000	12,992,963	69,242,963	10%	1,961	31%	6,152
2012	46,390,000	21,270,000	67,660,000	10%	3,206	29%	5,928
2013	36,720,000	31,156,649	67,876,649	11%	4,785	28%	5,866
2014	26,480,000	39,594,121	66,074,121	10%	6,101	26%	5,633
2015	25,345,000	38,644,725	63,989,725	10%	6,002	23%	5,383

Source: Roma Independent School District Annual Financial and Compliance Reports

(1) See schedule 17 for adjusted assessed values

(2) See Schedule 21 for personal income

(3) See schedule 21 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

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Estimated Actual Value</u>	<u>General Bonded Debt</u>	<u>Less Reserve for Retirement of Bonded Debt</u>	<u>General Bonded Debt</u>	<u>Bonded Debt to Estimated Actual Value</u>	<u>Debt Per Average Daily Membership</u>
2006	6,396	610,561,790	27,295,001	418,806	26,876,195	4.40%	4,202
2007	6,417	688,270,560	48,950,001	573,277	48,376,724	7.03%	7,539
2008	6,320	663,322,522	47,595,001	664,856	46,930,145	7.08%	7,426
2009	6,289	770,822,130	61,315,001	658,110	60,656,891	7.87%	9,645
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	67,876,649	59,721	67,816,928	10.57%	10,416
2014	6,490	648,107,060	66,074,121	108,090	65,966,031	10.18%	10,164
2015	6,439	651,103,440	63,989,725	412,568	63,577,157	9.76%	9,874

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, 2015

Table 12

<u>Political Subdivision</u>	<u>Net Debt Amounts</u>	<u>As of</u>	<u>Percentage Applicable to Roma ISD (1)</u>	<u>Roma ISD's Share of Debt</u>
Roma ISD	\$ 63,989,723	8/31/2015	100.00%	\$ 63,989,723
Total direct debt	63,989,723			63,989,723
<u>OVERLAPPING DEBT</u>				
City of Roma	\$ 8,213,000	05/21/15	100.00%	8,213,000
South Texas College	88,834,991	05/21/15	1.28%	1,137,088
Sarr County	4,485,000	05/21/15	19.46%	872,781
Total overlapping debt	101,532,991			10,222,869
Total Direct and Overlapping Debt	<u><u>\$ 165,522,714</u></u>			<u><u>\$ 74,212,592</u></u>

* Most recent data available

Source: City of Roma and Sarr 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 be the overlapping taxing authority'es total taxable assessed value.

DEMOGRAPHIC
AND
ECONOMIC INFORMATION

ROMA INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 13

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (PCPI)</u>	<u>Average Daily Attendance</u>	<u>Unemployment Rate</u>
2006	10,505	156,104,300	14,860	5,911	11.6%
2007	10,653	168,722,214	15,838	5,947	10.5%
2008	10,801	186,803,295	17,295	5,868	11.3%
2009	10,949	200,114,873	18,277	5,773	16.4%
2010	11,097	215,070,957	19,381	5,799	17.3%
2011	11,255	225,674,005	20,051	6,104	16.2%
2012	11,413	232,083,355	20,335	6,097	14.5%
2013	11,571	240,804,081	20,811	5,992	14.8%
2014	11,729	257,580,569	21,961	5,980	13.5%
2015	11,888	275,516,288	23,176	5,952	13.1%

Sources: City of Roma, Texas

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

* Estimate

** 2010 Census

ROMA INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Table 14

2015			
Employer	Employees	Rank	Percentage of Total Area Employment
Roma Independent School District	1,028	1	*
Starr County, Texas	600-650	2	*
City of Roma, Texas	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	1,028		*
Other Employers	*		*
Total Employers	*		*

2006			
Employer	Employees	Rank	Percentage of Total Area Employment
Roma Independent School District	1,000	1	*
City of Roma, Texas	110	2	*
Starr County	65	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	1,175		*
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

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Average Daily Membership</u>	<u>Percent of Attendance</u>
2006	6,151	6,396	96.17%
2007	6,384	6,417	99.49%
2008	6,293	6,320	99.57%
2009	6,182	6,289	98.30%
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%

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	2006	2007	2008
STAFF INFORMATION			
Total Staff:	984.7	985.1	1,000.9
Professional Staff:	504.6	511.5	520.6
Teachers	415.6	424.5	431.6
Professional Support	51	50	50
Campus Administration	24	24	26
Central Administration	14	13	13
Educational Aides	158.4	154.2	145.1
Auxiliary Staff	321.6	319.3	335.2
Teachers by Highest Degree Held:	415.7	424.5	431.6
No Degree	5	4.3	3
Bachelors	366.3	358.9	366.8
Masters	44.4	61.3	61.8
Doctorate	0	0	0
Teachers by Years of Experience:	415.6	424.5	431.6
Beginning Teachers	46	20.6	43.7
1-5 Years Experience	146.1	184.3	161
6-10 Years Experience	83	74	88
11-20 Years Experience	80.8	83.8	91
Over 20 Years Experience	59.7	61.8	47.9

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

Table 16

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
1,009.7	974.9	965.7	945.3	906.5	948.6	1,027.5
542.8	532.3	538.2	535.6	537.9	541.6	584.3
450.8	437.3	444.1	441.7	446	447	471.2
53	54	54.1	52.9	53	55	69.1
28	28	29	29	27.9	27.6	32
11	13	11	12	11	12	12
131.0	114.6	114.1	104.5	109.7	112.8	115.9
335.9	328.0	313.4	305.2	258.8	294.2	327.3
450.8	437.2	444.1	441.7	445.4	447	471.2
2	0	1	0	0	0	1.8
390.8	365.4	358.1	345.7	348.4	356	376.4
58	71.8	85	96	97	90	91
0	0	0	0	0	1	2
451.7	437.3	444.1	441.8	446	447.1	471.1
36.8	19.6	30.3	22.9	28	19.8	37.2
180	171.8	140.8	133.9	112.9	99.5	85.4
88.9	105	111	118	124.8	131.9	140.7
99	92	107	111	120.8	133.9	145
47	48.9	55	56	59.5	62	62.8

ROMA INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Table 17

<u>Fiscal Year</u>	<u>Daily Attendance</u>	<u>Operating Expenditures</u>	<u>Cost per Student</u>	<u>Percent Change</u>	<u>Government Wide Expenses</u>	<u>Cost per Student</u>	<u>Percent Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>
2006	6,151	60,462,496	9,830	2.15%	52,901,286	8,600	2.54%	416	14.79
2007	6,384	62,280,128	9,756	-0.75%	56,934,148	8,918	3.70%	425	15.02
2008	6,293	91,463,960	14,534	48.97%	62,540,091	9,938	11.44%	432	14.57
2009	6,182	75,082,759	12,145	-16.44%	64,920,228	10,501	5.67%	451	13.71
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

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

<u>Fiscal Year</u>	<u>District Salary (1)</u>	<u>County Average Salary</u>	<u>City of Roma Average Salary</u>	<u>Statewide Average Salary (2)</u>
2006	39,162	*	*	41,743
2007	42,535	*	*	44,897
2008	42,939	*	*	46,178
2009	43,330	*	*	47,157
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

Source: Academic Excellence Indicator System (AEIS)

* Information not available

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF SCHOOL BUILDINGS

Table 19

	Estimated Square Footage	Recommended Capacity	Enrollment
HIGH SCHOOLS			
Roma High School	330,706	2,400	1,707
MIDDLE SCHOOLS			
Roma Middle School	122,156	1,000	741
Ramiro Barrera Middle School	133,968	1,000	635
TOTAL	256,124	2,000	1,376
SPECIAL CAMPUSES			
Instructional and Guidance	33,551	350	32
ELEMENTARY SCHOOLS			
Emma Vera	55,427	800	428
Florence J. Scott	65,945	700	613
Rafaela T. Barrera	53,857	800	547
Roel and Celia Saenz	57,439	800	583
Veterans Memorial	62,653	880	704
YB Escobar	69,493	700	447
TOTAL	364,814	3,980	3,322

Source: Facility Area information provided by District Operations

SINGLE AUDIT SECTION

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**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, 2015, and the related notes to the financial statements, which collectively comprise Roma Independent School District's basic financial statements, and have issued our report thereon dated January 18, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 Roma Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 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*.

However, we noted certain other matters that are reported to management of the Roma Independent School District in a separate letter dated January 18, 2016.

Purpose of this Report

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

A handwritten signature in black ink that reads "Long Chilton, LLP". The signature is written in a cursive, flowing style.

LONG CHILTON, LLP
Certified Public Accountants

Harlingen, Texas
January 18, 2016

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Trustees
Roma Independent School District

Report on Compliance for Each Major Federal Program

We have audited Roma Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Roma Independent School District's major federal programs for the year ended August 31, 2015. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 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 Roma Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, 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, 2015.

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Report on Internal Control Over Compliance

Management of 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 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 OMB Circular A-133, 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 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



LONG CHILTON, LLP
Certified Public Accountants

Harlingen, Texas
January 18, 2016

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ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
• Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes	_____ <u>X</u> none noted
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
• Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes	_____ <u>X</u> none noted
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____ yes	_____ <u>X</u> no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
84.010	ESEA, Title I, Part A – Improving Basic Programs
84.011	ESEA, Title I, Part C Migrant Education Program
84.367	Improving Teacher Quality (TPTR)

Dollar threshold used to distinguish between Type A and Type B programs:	\$391,863
Auditee qualified as low-risk auditee?	_____ <u>X</u> yes _____ no

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

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

A. Significant Deficiencies in Internal Control

None reported

B. Compliance Findings

None reported

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
YEAR ENDED AUGUST 31, 2015

Section III – Federal Award Findings and Questioned Costs

None reported

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
SCHEDULE OF STATUS OF PRIOR FINDINGS
YEAR ENDED AUGUST 31, 2015

None that required to be reported.

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
CORRECTIVE ACTION PLAN
YEAR ENDED AUGUST 31, 2015

None reported

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	1561010121490	\$ 3,965,959
	84.010A	1661010121490	706,564
Total CFDA Number 84.010A			4,672,523
ESEA, Title I, Part C - Migratory Children	84.011	15615001214903	556,958
*IDEA - Part B, Formula	84.027	156600012149036	1,259,764
*IDEA - Part B, Preschool	84.173	156610012149036	17,198
Total Special Education Cluster (IDEA)			1,276,962
Career and Technical - Basic Grant	84.048	15420006214903	89,281
	84.048	16420006214903	3,500
Total CFDA Number 84.048			92,781
GEAR UP	84.334S	1st Gen Y5-5	119,911
ESEA, Title VI, Part B - Rural & Low Income Prog.	84.358B	15696001214903	123,696
Title III, Part A - English Language Acquisition	84.365A	15671001214903	487,141
	84.365A	16671001214903	12,333
Total CFDA Number 84.365A			499,474
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	15694501214903	566,616
	84.367A	16694501214903	9,571
Total CFDA Number 84.367A			576,187
Total Passed Through State Department of Education			\$ 7,918,492
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 7,918,492
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71401201	\$ 1,568,023
*National School Lunch Program - Cash Assistance	10.555	71301101	3,097,900
*National School Lunch Prog. - Non-Cash Assistance	10.555		284,750
Total CFDA Number 10.555			3,382,650
*Summer Feeding Program - Cash Assistance	10.559		192,938
Total Child Nutrition Cluster			5,143,611
Total Passed Through the State Department of Agriculture			\$ 5,143,611
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 5,143,611
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 13,062,103

*Clustered Programs

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2015

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Roma Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

Reconciliation:

Amount of federal revenues Exhibit C-3	\$13,775,993
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>(713,890)</u>
Total expenditures of federal awards, per Schedule of Expenditures of Federal Awards (Exhibit K-1)	<u>\$13,062,103</u>