



INDEPENDENT SCHOOL DISTRICT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2014

**ROMA INDEPENDENT
SCHOOL DISTRICT**

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

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, 2014**

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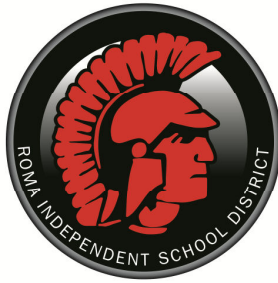
INTRODUCTORY SECTION

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Roma Independent School District

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Business Manager

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Roma, Texas 78584
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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
Mr. John Clyde Guerra, Member
Dr. Raymond P. Mussett, Member
Mr. Arturo S. Perez, Member
Mr. Dagoberto Salinas, Member

December 16, 2014

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, 2014. 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 2014-2015 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.

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 District received a rating of Superior on the Schools Financial Integrity Rating System of Texas (FIRST) for the 12th year in a row. The district met all 20 indicators on the assessment. Texas implemented FIRST to ensure school districts are held accountable for the quality of their financial management practices.

The Roma Independent School District received a rating of "Superior Achievement" under Texas' Schools FIRST financial accountability rating system based upon an analysis of staff, student, budgetary and actual financial data reported for the 2012-2013 fiscal year. The Superior Achievement 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 five percent for the 2014-2015 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.

Senate Bill 1 and House Bill 1025 increased the Foundation School Program (FSP) formula by \$3.4 billion for the 2014-2015 biennium (4.0 billion reduction last biennium from FSP).

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 \$4,765 in 2012-2013 to \$4,950 in 2013-2014 per student), an increased equalized wealth level in Tier I (from \$476,500 in 2012-2013 to \$495,000 in 2013-2014), and an increased regular program adjustment factor (from 0.98 in 2012-2013 to 1.0 in 2013-2014), and an increased target revenue reduction factor (from .09235 in 2012-2013 to .09263 in 2013-2014).

The District's total funding from the State increased from \$51,990,902 to \$53,024,138 for the 2014-2015 fiscal year, an increase of a little over one million dollars.

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Long-Term Financial Planning

The District recognized the likelihood of significant State funding cuts several years ago and implemented an austerity program to reduce expenditures and increase operational efficiencies. The program enabled the District to increase our fund balance. Our General Fund Balance at year end is \$33,849,733. The adopted 2014-2015 budget for the General Fund included a reduction in fund balance of \$3.1 million but it included a transfer of \$5 million to Capital Projects Fund to complete Veterans Memorial Elementary and for future construction projects.

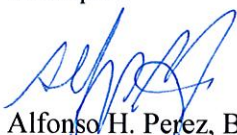
Roma Independent School District is planning ahead. Student enrollment and demographics drives the District's planning process along with management's commitment to providing the best education possible to our students. The District's strategic planning is an ongoing process lead by the Superintendent 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.



Alfonso H. Perez, Business Manager
Roma ISD



ROMA INDEPENDENT SCHOOL DISTRICT

ROMA, TEXAS

YEAR ENDED AUGUST 31, 2014

TRUSTEES

Leticia Garza-Galvan, President

Raul P. Moreno Jr., Vice-President

Tony Saenz, Secretary

Dr. Raymond P. Mussett, Member

Arturo S. Perez, Member

John Clyde Guerra, Member

Dagoberto Salinas, Member

SUPERINTENDENT

Carlos Guzman

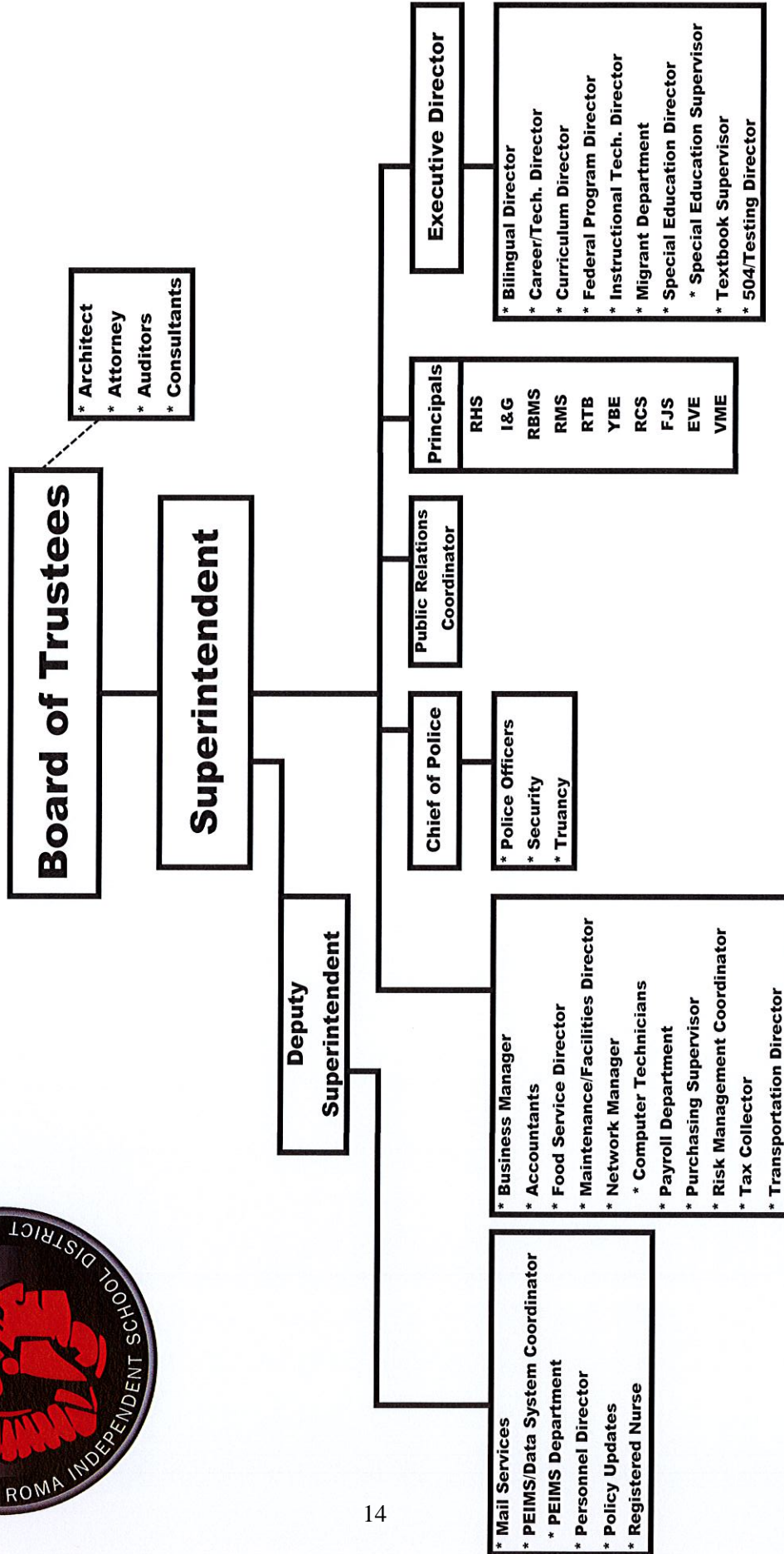
BUSINESS MANAGER

Alfonso Perez



Roma ISD

Administrative Organizational Chart



CERTIFICATE OF THE BOARD

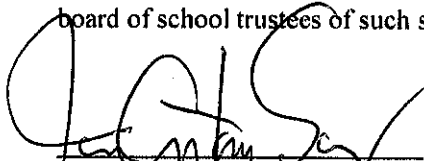
Roma Independent School District
Name of School District


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, 2014 at a meeting of the
(Check one)

board of school trustees of such school district on the 16th day of December, 2014.


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, 2014, 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, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and General Fund - Budgetary Comparison Schedule 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.

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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2014, 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.

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
December 16, 2014

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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, 2014. 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 \$108,066,745 at August 31, 2014. This is a decrease of \$324,513 from the prior year.
- The general fund reported a fund balance this year of \$33,849,733.
- The District received a superior rating for the Financial Integrity Reporting System of Texas (FIRST) for 2014. This rating evaluates quality of performance in the management of school district's financial resources.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report is composed of three main sections – (A) Introductory Section, (B) Financial Section and (C) the Statistical Section. The Financial Section of this Comprehensive Annual Financial Report consists of four parts: (1) *management's discussion and analysis* (this section), (2) the *basic financial statements*, (3) *required supplemental 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.

- *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.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the 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 government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

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.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	♦ Statement of net position	♦ Balance sheet	♦ Statement of net position	♦ Statement of fiduciary net position
	♦ Statement of activities	♦ Statement of revenues, expenditures & changes in fund balances	♦ Statement of revenues, expenses and changes in fund net position ♦ Statement of cash flows	♦ Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflow of resources and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities and deferred inflows of Res. that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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.

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

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

Table A-1
Roma Independent School District's Net Position
(In thousands of dollars)

	2014	2013
Current and other assets	\$ 49,302	\$ 58,241
Capital assets	<u>127,687</u>	<u>119,367</u>
Total assets	<u>176,989</u>	<u>177,608</u>
Deferred Outflows of Resources	<u>904</u>	<u>1,342</u>
Current liabilities	2,564	2,515
Long-term liabilities	<u>67,263</u>	<u>68,044</u>
Total liabilities	<u>69,827</u>	<u>70,559</u>
Net Position		
Net investment in capital assets	64,042	54,012
Restricted	465	21,615
Unrestricted	<u>43,559</u>	<u>32,764</u>
Total net position	<u><u>\$ 108,066</u></u>	<u><u>\$ 108,391</u></u>

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$108,066,745 as of August 31, 2014, a decrease of 0.3% (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 exceeded liabilities by \$108,066,745 at the close of August 31, 2014.

By far, the largest portion of the Roma ISD's net position (59%) 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 (0.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$43,559,940 may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in net position. (See Table A-3)

The District experienced a decrease in current assets of about \$8.9 million and an increase in capital assets of about \$8.3 million due to the fact that the school used current assets to pay for the new elementary school. Total revenues in the General Fund exceeded expenditures by about \$1.9 million. There was a transfer of \$5 million from the General Fund to the Capital Projects Fund for future constructions projects that are going to be needed in the near future.

Governmental Activities

- Property tax rates remained at constant at .45909/\$100. Property taxable values decreased by 1.1% from the prior year.
- The cost of all governmental activities this year was \$74,281,182 an increase of \$5,469,737.
- Some of the cost was paid by those who directly benefited from the programs \$1,240,532 or by grants and contributions totaling \$15,340,056.

Sources of Revenues for FY 2013-2014

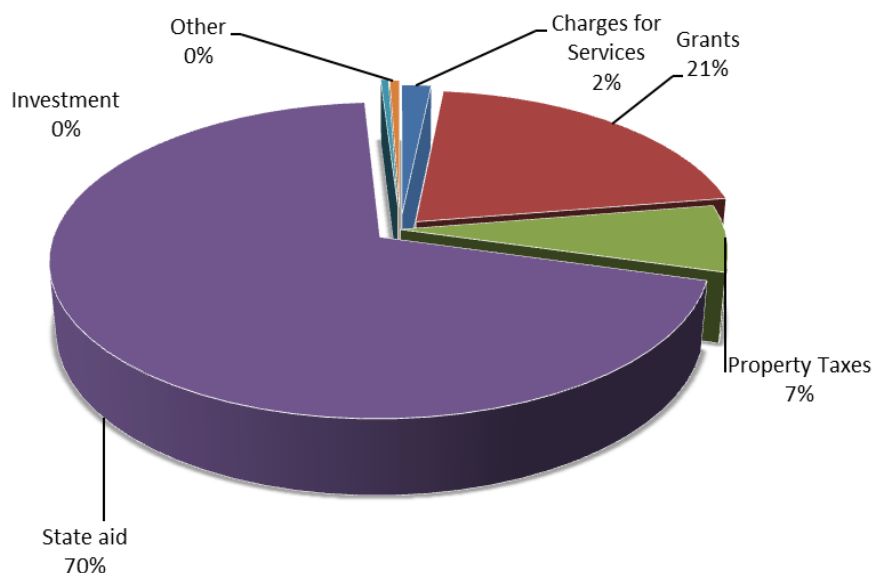


Table A-2
Changes in Roma Independent School District's Net Position
(in thousands of dollars)

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Program Revenues:		
Charges for Services	\$ 1,241	\$ 1,340
Operating Grants and Contributions	15,340	20,478
Capital Grants and Contributions		
General Revenues:		
Property Taxes	5,110	4,770
State Aid – Formula and grants	51,455	45,751
Investment Earnings	327	324
Other	484	441
Total Revenues	<u>73,957</u>	<u>73,104</u>
Instruction	37,949	35,634
Instructional Resources and Media Services	1,175	1,017
Curriculum Dev. And Instructional Staff Dev	227	249
Instructional Leadership	845	769
School Leadership	3,654	3,265
Guidance, Counseling and Evaluation Services	1,985	1,787
Social Work Services	276	255
Health Services	723	710
Student (Pupil) Transportation	2,700	2,685
Food Services	5,010	4,903
Curricular/Extracurricular Activities	2,879	2,763
General Administration	2,250	1,700
Plant Maintenance & Operations	8,331	8,081
Security & Monitoring Services	1,383	977
Data Processing Services	809	790
Community Services	90	86
Debt Service	3,697	2,820
Bond Issuance Fees	144	205
Capital outlay	5	-
Other Intergovernmental Charges	149	115
Total Expenses	<u>74,281</u>	<u>68,811</u>
Increase (Decrease) in		
Net Position	<u>\$ (324)</u>	<u>\$4,293</u>

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		
	2014	2013		2014	2013	
Instruction	\$37,949	\$35,634	6%	\$29,385	\$27,429	7%
School leadership	3,654	3,265	12%	3,486	3,122	12%
Food Services	5,010	4,903	2%	(183)	(10)	1730%
Facilities Maintenance & Operations	8,331	8,081	3%	8,118	7,875	3%

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 \$33,849,733 at August 31, 2014. Of this balance, \$7,348,000 is committed for construction.

Capital Projects Fund

Fund balance of Roma ISD's Capital Projects Fund decreased by \$7,029,958 from \$10,079,255 to \$3,049,297 as of August 31, 2014. The decrease resulted from continued construction of the District's new elementary campus.

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 2014, the District had invested \$185,863,056 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.

The following projects were started and completed during the fiscal year ended August 31, 2014.

• Completion of Veterans Memorial Elementary	\$15,678,493
• Baseball and Softball Fields Turf	\$ 1,242,835
• Baseball Field Lighting	\$ 210,000
• Tennis Courts Lights	\$ 163,000
• Football Stadium Press Box	\$ 69,300
• Special Ed Office Roof	\$ 210,000
• Baseball Scoreboard	\$ 34,023

The following vehicles & equipment were acquired during the fiscal year ended August 31, 2014.

• 5 school buses	\$419,234
• 5 vehicles	\$102,691

Other furniture & equipment acquired during the fiscal year ended August 31, 2014.

• Veterans Memorial Elementary Furniture & Equipment	\$573,839
• Veterans Memorial Elementary Library Furniture	\$130,548
• Performing Arts Center Projectors	\$ 36,460
• Janitorial Equipment	\$ 34,999
• Band Instruments	\$ 23,511
• Performing Arts Equipment	\$ 14,149
• Cafeteria Furniture & Equipment	\$128,931

Other technology expenditures acquired during the fiscal year ended August 31, 2014.

• Computers	\$523,944
• Software and site licenses	\$321,698

Projects for the next fiscal year include:

- Roma High School Roof
- RBMS Football Stadium Turf
- Playground Equipment for 4 elementary schools

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

	Governmental Activities	
	2014	2013
Land	\$ 3,413	\$ 3,413
Buildings and improvements	166,973	149,150
Furniture and Equipment	15,478	14,111
Construction in Progress	-	6,370
Totals at historical cost	185,864	173,044
Total accumulated depreciation	58,177	53,677
Net capital assets	\$127,687	\$119,367

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 \$62,845,000 in General Obligation Bonds outstanding as shown in Table A-5. Of this amount, \$2,295,000 is due within the next year. The total long-term debt outstanding as of August 31, 2014 is \$66,240,254. 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.

Table A-5
District's Long-Term Debt
(In thousands of dollars)

	Governmental Activities	
	2014	2013
General Obligation Bonds		
Unlimited Tax School Building		
Bonds – Series 2004	\$ -	\$ 400
Bonds – Series 2006	2,280	11,535
Bonds – Series 2008	14,140	14,475
Bonds – Series 2010	10,060	10,310
Unlimited Tax Refunding Bonds		
Bonds – Series 2005	11,225	11,980
Bonds – Series 2012	8,425	8,425
Bonds – Series 2013	8,135	8,230
Bonds – Series 2014	8,580	-
	62,845	65,355
Interest accretion, Bond - Series 2012	197	86
Premium on issuance, Bonds - Series 2006	3,095	2,435
Discount on issuance, Bonds - Series 2014	(63)	-
Compensated absences	166	168
Total long-term debt	<u>\$66,240</u>	<u>\$68,044</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 \$344,382,070 to \$361,315,220 a 4.98% increase
- State revenue per student will increase from \$8,475 to \$8,626.
- Local revenue per student will decrease from \$810 to \$796.
- Student enrollment will decrease by about 20 students.

These indicators were taken into account when adopting the general fund budget for FY 2014-2015.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Financial Services Department at 608 North Garcia Street, Roma, Texas 78584.

BASIC FINANCIAL STATEMENTS

ROMA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2014

Data Control Codes		Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	\$ 22,221,864
1120	Current Investments	15,852,804
1220	Property Taxes Receivable (Delinquent)	10,326,167
1230	Allowance for Uncollectible Taxes	(1,548,925)
1240	Due from Other Governments	1,159,398
1250	Accrued Interest	18,162
1267	Due from Fiduciary Funds	18,037
1300	Inventories	91,990
1410	Prepayments	1,162,991
	Capital Assets:	
1510	Land	3,412,826
1520	Buildings, Net	120,467,463
1530	Furniture and Equipment, Net	3,806,230
1000	Total Assets	<u>176,989,007</u>
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Charge for Refunding	904,481
1700	Total Deferred Outflows of Resources	<u>904,481</u>
LIABILITIES		
2110	Accounts Payable	1,070,190
2140	Interest Payable	150,824
2150	Payroll Deductions & Withholdings	76,841
2160	Accrued Wages Payable	1,424,699
2180	Due to Other Governments	722,257
2200	Accrued Expenses	49,888
2300	Unearned Revenue	91,990
	Noncurrent Liabilities	
2501	Due Within One Year	2,563,803
2502	Due in More Than One Year	63,676,251
2000	Total Liabilities	<u>69,826,743</u>
NET POSITION		
3200	Net Investment in Capital Assets	64,041,922
3820	Restricted for Federal and State Programs	276,075
3850	Restricted for Debt Service	188,808
3900	Unrestricted	43,559,940
3000	Total Net Position	<u>\$ 108,066,745</u>

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, 2014

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 37,949,465	\$ -	\$ 8,564,900	\$ (29,384,565)
12 Instructional Resources and Media Services	1,175,300	-	43,608	(1,131,692)
13 Curriculum and Staff Development	227,387	-	8,728	(218,659)
21 Instructional Leadership	845,413	-	141,109	(704,304)
23 School Leadership	3,653,777	-	168,147	(3,485,630)
31 Guidance, Counseling and Evaluation Services	1,985,107	-	456,900	(1,528,207)
32 Social Work Services	276,307	-	132,793	(143,514)
33 Health Services	722,826	47,569	45,138	(630,119)
34 Student (Pupil) Transportation	2,700,359	-	238,943	(2,461,416)
35 Food Services	5,009,811	349,317	4,843,497	183,003
36 Extracurricular Activities	2,878,705	-	71,307	(2,807,398)
41 General Administration	2,250,219	843,646	227,147	(1,179,426)
51 Facilities Maintenance and Operations	8,331,488	-	213,034	(8,118,454)
52 Security and Monitoring Services	1,382,509	-	59,743	(1,322,766)
53 Data Processing Services	808,720	-	41,184	(767,536)
61 Community Services	89,908	-	83,878	(6,030)
72 Debt Service - Interest on Long Term Debt	3,695,797	-	-	(3,695,797)
73 Debt Service - Bond Issuance Cost and Fees	143,983	-	-	(143,983)
81 Capital Outlay	4,785	-	-	(4,785)
99 Other Intergovernmental Charges	149,316	-	-	(149,316)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 74,281,182	\$ 1,240,532	\$ 15,340,056	(57,700,594)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			4,100,877
DT	Property Taxes, Levied for Debt Service			1,009,546
SF	State Aid - Formula Grants			46,527,675
GC	Grants and Contributions not Restricted			4,927,614
IE	Investment Earnings			326,857
MI	Miscellaneous Local and Intermediate Revenue			483,512
TR	Total General Revenues			57,376,081
CN	Change in Net Position			(324,513)
NB	Net Position - Beginning			108,391,258
NE	Net Position--Ending			\$ 108,066,745

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

ROMA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2014

Data Control Codes	10 General Fund	60 Capital Projects	50 Debt Service Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 21,960,386	\$ -	\$ 261,478
1120 Investments - Current	15,852,804	-	-
1220 Property Taxes - Delinquent	9,164,022	-	1,162,145
1230 Allowance for Uncollectible Taxes (Credit)	(1,374,603)	-	(174,322)
1240 Receivables from Other Governments	-	-	112,781
1250 Accrued Interest	18,162	-	-
1260 Due from Other Funds	1,924,118	3,441,296	-
1300 Inventories	91,990	-	-
1410 Prepayments	1,162,991	-	-
1000 Total Assets	<u>\$ 48,799,870</u>	<u>\$ 3,441,296</u>	<u>\$ 1,362,082</u>
LIABILITIES			
2110 Accounts Payable	\$ 610,113	\$ 391,999	\$ -
2150 Payroll Deductions and Withholdings Payable	76,841	-	-
2160 Accrued Wages Payable	1,167,493	-	-
2170 Due to Other Funds	4,622,541	-	304,569
2180 Due to Other Governments	722,257	-	-
2200 Accrued Expenditures	24,897	-	-
2300 Unearned Revenues	91,990	-	-
2000 Total Liabilities	<u>7,316,132</u>	<u>391,999</u>	<u>304,569</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	7,634,005	-	949,423
2600 Total Deferred Inflows of Resources	<u>7,634,005</u>	<u>-</u>	<u>949,423</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	91,990	-	-
3430 Prepaid Items	1,162,991	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	3,049,297	-
3480 Retirement of Long-Term Debt	-	-	108,090
Committed Fund Balance:			
3510 Construction	7,348,000	-	-
3600 Unassigned Fund Balance	25,246,752	-	-
3000 Total Fund Balances	<u>33,849,733</u>	<u>3,049,297</u>	<u>108,090</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 48,799,870</u>	<u>\$ 3,441,296</u>	<u>\$ 1,362,082</u>

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

Other Funds	Total Governmental Funds
\$ -	\$ 22,221,864
-	15,852,804
-	10,326,167
-	(1,548,925)
1,046,617	1,159,398
-	18,162
276,075	5,641,489
-	91,990
-	1,162,991
<u>\$ 1,322,692</u>	<u>\$ 54,925,940</u>
\$ 68,078	\$ 1,070,190
-	76,841
257,206	1,424,699
696,342	5,623,452
-	722,257
24,991	49,888
-	91,990
<u>1,046,617</u>	<u>9,059,317</u>
-	8,583,428
<u>-</u>	<u>8,583,428</u>
-	91,990
-	1,162,991
276,075	276,075
-	3,049,297
-	108,090
-	7,348,000
-	25,246,752
<u>276,075</u>	<u>37,283,195</u>
<u>\$ 1,322,692</u>	<u>\$ 54,925,940</u>

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ROMA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2014

Total Fund Balances - Governmental Funds	\$ 37,283,195
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 \$185,863,057 and the accumulated depreciation was (\$58,176,537). The net effect of including balances of capital assets (net of accumulated depreciation) is to increase net position.	127,686,520
2 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 deferred in the funds.	8,583,428
3 Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. The District reports the following noncurrent liabilities: Bonds payable (\$62,845,000), Interest accretion on capital appreciation bonds (\$196,791), Premium on bond refundings (\$3,163,842), Discount on bond refundings \$131,712 and Compensated absences (\$166,133).	(66,240,054)
4 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.	(150,825)
5 Deferred charges on debt refundings are not available to pay for current period expenditures and are not reported in the funds.	904,481
19 Net Position of Governmental Activities	\$ 108,066,745

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, 2014

Data Control Codes	10 General Fund	60 Capital Projects	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 5,736,369	\$ 2,476	\$ 988,070
5800 State Program Revenues	48,909,755	-	4,114,383
5900 Federal Program Revenues	5,371,624	-	-
5020 Total Revenues	60,017,748	2,476	5,102,453
EXPENDITURES:			
Current:			
0011 Instruction	28,253,705	-	-
0012 Instructional Resources and Media Services	1,100,932	-	-
0013 Curriculum and Instructional Staff Development	212,992	-	-
0021 Instructional Leadership	675,924	-	-
0023 School Leadership	3,410,467	-	-
0031 Guidance, Counseling and Evaluation Services	1,476,315	-	-
0032 Social Work Services	132,293	-	-
0033 Health Services	666,444	-	-
0034 Student (Pupil) Transportation	2,767,550	-	-
0035 Food Services	4,606,580	-	-
0036 Extracurricular Activities	2,704,306	-	-
0041 General Administration	1,924,159	-	-
0051 Facilities Maintenance and Operations	7,954,797	-	-
0052 Security and Monitoring Services	1,343,463	-	-
0053 Data Processing Services	756,694	-	-
0061 Community Services	338	-	-
Debt Service:			
0071 Principal on Long Term Debt	-	-	2,510,000
0072 Interest on Long Term Debt	-	-	2,539,659
0073 Bond Issuance Cost and Fees	-	-	143,983
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	12,032,434	-
Intergovernmental:			
0099 Other Intergovernmental Charges	149,316	-	-
6030 Total Expenditures	58,136,275	12,032,434	5,193,642
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,881,473	(12,029,958)	(91,189)
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued (Regular Bonds)	-	-	8,740,000
7915 Transfers In	-	5,000,000	-
7916 Premium or Discount on Issuance of Bonds	-	-	1,066,548
8911 Transfers Out (Use)	(5,000,000)	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	(9,666,990)
7080 Total Other Financing Sources (Uses)	(5,000,000)	5,000,000	139,558
1200 Net Change in Fund Balances	(3,118,527)	(7,029,958)	48,369
0100 Fund Balance - September 1 (Beginning)	36,968,260	10,079,255	59,721
3000 Fund Balance - August 31 (Ending)	\$ 33,849,733	\$ 3,049,297	\$ 108,090

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

Other Funds	Total Governmental Funds
\$ 109,129	\$ 6,836,044
-	53,024,138
8,399,583	13,771,207
8,508,712	73,631,389
7,331,697	35,585,402
56	1,100,988
-	212,992
115,968	791,892
11,997	3,422,464
383,119	1,859,434
126,522	258,815
10,621	677,065
154,548	2,922,098
112,901	4,719,481
584	2,704,890
190,846	2,115,005
70,000	8,024,797
-	1,343,463
828	757,522
83,878	84,216
-	2,510,000
-	2,539,659
-	143,983
-	12,032,434
-	149,316
8,593,565	83,955,916
(84,853)	(10,324,527)
-	8,740,000
-	5,000,000
-	1,066,548
-	(5,000,000)
-	(9,666,990)
-	139,558
(84,853)	(10,184,969)
360,928	47,468,164
\$ 276,075	\$ 37,283,195

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, 2014

Total Net Change in Fund Balances - Governmental Funds	\$ (10,184,969)
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements.	12,819,576
Depreciation is not recognized as an expense in the governmental funds since it does not require the use of financial resources. The net effect of the current year's depreciation is to decrease net position.	(4,499,956)
Current year long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as reductions in long-term debt in the government-wide financial statements.	2,510,000
The current period accretion of interest on capital appreciation bonds (\$110,455) and accrued interest on unpaid, unmatured bonds due at the end of the year (\$150,824)	(261,279)
Premiums for current bond refundings totaled (\$2,127,468) and discounts in the amount of \$66,857 at year-end with related amortizations of \$145,829 and (\$7,630), respectively.	(1,922,412)
Compensated absences are reported as the amount earned in the statement of activities but as the amount paid in the funds.	1,253
Proceeds from the issuance of bonds is a revenue source in the governmental funds, but it increases long-term liabilities in the statement of net position and does not impact the statement of activities.	(8,740,000)
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.	9,666,990
Certain property tax revenues are deferred in the funds. This is the change in the current period.	325,280
Current period amortization of deferred charges for refunding is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of the current year's amortization is to decrease net position.	(38,996)
Change in Net Position of Governmental Activities	<u><u>\$ (324,513)</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, 2014

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 123,963
Due from Other Funds	1,103
	<hr/>
Total Assets	\$ 125,066
	<hr/> <hr/>
LIABILITIES	
Due to Other Funds	\$ 19,140
Due to Student Groups	105,926
	<hr/>
Total Liabilities	\$ 125,066
	<hr/> <hr/>

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

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NOTES TO FINANCIAL STATEMENTS

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

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, 2014

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.

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, 2014

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 the 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. Budgets

The official school budget was prepared for adoption for required Governmental Fund Types by August 20, 2013. 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.

4. Cash and Cash Equivalents

For the purposes of the statement of cash flows, 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, 2014

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. 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.

6. Inventory

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

7. Other Current Assets

Other current assets consist of prepayments that will benefit periods beyond August 31, 2014. The only prepayments included are for unexpired insurance policy premiums paid by August 31, 2014, 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.

8. 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

9. 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, 2014

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. 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.

11. Use of Estimates

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

12. 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.

13. 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.

14. 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.

15. 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, 2014

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

16. *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 only has one item that qualifies 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.

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 only one type of item, which 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.

17. *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.
- **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, 2014

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

18. 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.

19. Fund Balance Policies

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

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, 2014

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, 2014, the District's carrying amount had a balance of \$22,345,827 (cash, certificates of deposit, and interest-bearing savings accounts) and the bank balance was \$34,428,278. The District's cash deposits at August 31, 2014 and during the year ended August 31, 2014 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, 2014 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, 2014

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 \$53,964,087.
- c. Largest cash, savings and time deposit combined account balance amounted to \$38,534,539 and occurred during the month of October 25, 2013.
- d. Total amount of FDIC coverage at the time of largest combined balance was \$500,000.

Interest Rate Risk

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

<u>Description</u>	<u>CUSIP</u>	<u>Amount</u>	<u>Maturity</u>	<u>Days</u>
TexPool	N/A	\$ 89,675*	N/A	Daily
Lone Star National Bank				
Certificates of Deposit	N/A	<u>15,852,804</u>	10-4-2015	Daily
		<u>\$15,942,479</u>		

**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	\$ 89,675*	AAA	1%
Lone Star National Bank				
Certificates of Deposit	AAA	<u>15,852,804</u>	AAA	<u>99</u>
		<u>\$ 15,942,479</u>		<u>100%</u>

**Included as cash and cash equivalents.*

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2014

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, 2014

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 2013 tax rate was \$1.17 for maintenance and \$.28909 for debt service per \$100 assessed valuation. The 2013 assessed valuation was \$344,268,560. 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, 2014, outstanding taxes were \$9,164,022 and \$1,162,145 in the general fund and debt service fund with a corresponding allowance of \$1,374,603 and \$174,322.

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 III Part A, English Language Acquisition	\$ 37,256
ESEA Title I Part A – Improving Basic Programs	604,240
ESEA Title II Part A – Teacher & Principal Training & Recruitment	50,048
ESEA Title I Part C – Migratory Children	95,111
IDEA Part B, Formula	113,890
IDEA Part B, Preschool	5,498
Vocational Education - Basic	40,012
Gear Up	100,489
Title VI, Part B – Rural and Low Income Programs	73
Instructional Facilities Allotment Program	<u>112,781</u>
	<u>\$1,159,398</u>

NOTE F - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable balances at August 31, 2014 were:

<u>Due From</u>	<u>Due To</u>	
General Fund	Capital Projects Fund	\$3,441,296
General Fund	General Fund – Food Service	188,759
General Fund	Nonmajor Funds	276,075
Debt Service Fund	General Fund	304,569
Nonmajor Funds	General Fund	697,731
General Fund – Payroll Clearing	General Fund	<u>715,022</u>
Due from other funds		5,623,452
Agency Fund	General Fund	<u>18,037</u>
		<u>\$5,641,489</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.

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2014

NOTE F - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS - Continued

All amounts are rescheduled to be repaid within one year.

Interfund transfers out during the year ended August 31, 2014 were as follows:

<u>Transfers Out</u>	<u>Transfer In</u>	
General Fund	Capital Projects	<u>\$5,000,000</u>

NOTE G – DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2014, were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Due From Other Funds</u>	<u>Total Receivables</u>
Governmental Activities:				
General Fund	\$7,789,419	\$ -	\$1,924,118	\$ 9,713,537
Debt Service Fund	987,823	112,781	-	1,100,604
Capital Projects Fund	-	-	3,441,296	3,441,296
Nonmajor Funds	<u>-</u>	<u>1,046,617</u>	<u>276,075</u>	<u>1,322,692</u>
Total	<u>\$8,777,242</u>	<u>\$1,159,398</u>	<u>\$5,641,489</u>	<u>\$15,578,129</u>

Payables at August 31, 2014, 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	\$ 610,113	\$1,244,334	\$4,622,541	\$ 722,257	\$7,199,245
Debt Service Fund	-	-	304,569	-	304,569
Capital Projects Fund	391,999	-	-	-	391,999
Nonmajor Funds	<u>68,078</u>	<u>257,206</u>	<u>696,342</u>	<u>-</u>	<u>1,021,626</u>
Total	<u>\$1,070,190</u>	<u>\$1,501,540</u>	<u>\$5,623,452</u>	<u>\$ 722,257</u>	<u>\$8,917,439</u>

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2014

NOTE H – CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2014, was as follows:

	General Capital Assets <u>Sept. 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	General Capital Assets <u>Aug. 31, 2014</u>
Governmental activities					
Capital assets not being depreciated					
Land	\$ 3,412,826	\$ -	\$ -	\$ -	\$ 3,412,826
Construction in progress	<u>6,370,008</u>	<u>9,308,485</u>	<u>-</u>	<u>(15,678,493)</u>	<u>-</u>
Total capital assets not being depreciated	9,782,834	9,308,485	-	(15,678,493)	3,412,826
Capital assets being depreciated					
Building and improvements	149,150,167	2,144,078	-	15,678,493	166,972,738
Furniture and equipment	6,787,098	801,487	-	-	7,588,585
Vehicles	<u>7,323,382</u>	<u>565,525</u>	<u>-</u>	<u>-</u>	<u>7,888,907</u>
Total capital assets being depreciated	<u>163,260,647</u>	<u>3,511,090</u>	<u>-</u>	<u>15,678,493</u>	<u>182,450,230</u>
Less accumulated depreciation for:					
Building and improvements	43,150,833	3,354,442	-	-	46,505,275
Furniture and equipment	4,619,993	732,545	-	-	5,352,538
Vehicles	<u>5,905,755</u>	<u>412,969</u>	<u>-</u>	<u>-</u>	<u>6,318,724</u>
Total accumulated depreciation	53,676,581	4,499,956	-	-	58,176,537
Total capital assets being depreciated, net	<u>109,584,066</u>	<u>(988,866)</u>	<u>-</u>	<u>15,678,493</u>	<u>124,273,693</u>
Governmental activities capital assets, net	<u>\$119,366,900</u>	<u>\$8,319,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$127,686,519</u>

Depreciation was charged to the following functions:

Government Activities:

11 – Instruction	\$2,405,100
12 – Instructional Resources and Media Services	74,412
13 – Curriculum and Staff Development	14,395
21 – Instructional Leadership	53,521
23 – School Leadership	231,313
31 – Guidance, Counseling and Evaluation Services	125,673
32 – Social Work Services	17,492
33 – Health Services	45,761
34 – Student Transportation	197,495
35 – Food Services	318,974
36 – Extracurricular Activities	182,815
41 – General Administration	142,946
51 – Plant Maintenance and Operations	542,369
52 – Security and Monitoring Services	90,800
53 – Data Processing Services	51,198
61 – Community Services	<u>5,692</u>
	<u>\$4,499,956</u>

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2014

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, 2014 are as follows:

	Beginning Balance Sept. 1, 2013	Increase	Decrease	Ending Balance Aug. 31, 2014	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
Unlimited Tax School Building					
Bonds - Series 2004	\$ 400,000	\$ -	\$ (400,000)	\$ -	\$ -
Bonds - Series 2006	11,535,000	-	(9,255,000)	2,280,000	535,000
Bonds - Series 2008	14,475,000	-	(335,000)	14,140,000	345,000
Bonds - Series 2010	10,310,000	-	(250,000)	10,060,000	255,000
Unlimited Tax Refunding Bonds					
Bonds - Series 2005	11,980,000	-	(755,000)	11,225,000	795,000
Bonds - Series 2012	8,425,000	-	-	8,425,000	185,000
Bonds - Series 2013	8,230,000	-	(95,000)	8,135,000	100,000
Bonds - Series 2014	-	8,740,000	(160,000)	8,580,000	80,000
	65,355,000	8,740,000	(11,250,000)	62,845,000	2,295,000
Interest accretion CAB bonds					
Bonds - Series 2012	81,333	87,470	-	168,803	168,803
Bonds - Series 2013	5,002	17,098	-	22,100	-
Bonds - Series 2014	-	5,887	-	5,887	-
Premium on issuance, bonds	2,435,314	1,133,404	(473,709)	3,095,009	-
Discount on issuances, bonds	-	4,179	(66,857)	(62,678)	-
Compensated absences	167,386	251,206	(252,459)	166,133	100,000
Total governmental activities	\$68,044,035	\$10,239,244	\$(12,043,025)	\$66,240,254	\$2,563,803

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, 2014 are comprised of the following individual issues:

The Roma Independent School District Board of Trustees authorized the issuance of \$12,000,000 in Unlimited Tax School Building Bonds, Series 2004. The bonds are officially dated August 26, 2004, but proceeds were received September 23, 2004. They mature every year with various amounts until August 15, 2029. Interest range from 3.00% to 5.00% and are payable semiannually on the 15th of February and August. The bonds were issued to construct a new fine arts auditorium, to construct and renovate instructional facilities, and to repair the roof of the high school. In May 2012, the District refunded a portion of these bonds. During the year the District made its final payment on this bond.

\$ -

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2014

NOTE I - LONG-TERM OBLIGATIONS - Continued

In April 2005, the District issued \$13,849,989 in Unlimited Tax Refunding Bonds, Series 2005 for the purpose of refunding a portion of the District's currently outstanding debt and to pay the costs of issuance of the bonds. The District issued \$13,235,000 in current interest bonds (CIB) and \$614,989 in capital appreciation bonds (CAB). Interest rates on CIBs range from 3.0% to 5.0% and principal payments range from \$30,000 to \$1,285,000, and will be payable on August 15 of each year, commencing August 15, 2005 and continuing until August 15, 2025. The CABs matured on August 15, 2011 and 2012. 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 of \$13,850,000 are considered defeased and the liability for those bonds, has been removed from the long-term debt account.

\$11,225,000

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 are being issued to construct a new middle school and a new elementary. In April 2013, the District refunded a portion of these bonds.

2,280,000

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.

14,140,000

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 will be used to build a new pre-k campus to replace an existing campus.

10,060,000

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2014

NOTE I - LONG-TERM OBLIGATIONS - Continued

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

\$ 8,425,000

The Roma Independent School District Board of Trustees authorized the issuance of \$8,370,000 in Unlimited Tax Refunding Bonds, Series 2013. The bond components consist of \$4,865,000 in current interest bonds (CIBs), \$3,430,000 in term bonds and \$75,000 in premium capital appreciation bonds (CABs). Interest rates range from 1.00% to 3.50% and mature on August 15 of each year until 2034. Interest is paid semi-annually on February 15 and August 15. The bonds are being 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.

8,135,000

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 bonds and carry an interest rate of 1.57%. The bonds are being 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.

8,580,000

Total general obligations bonds

\$62,845,000

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2014

NOTE I - LONG-TERM OBLIGATIONS – Continued

Debt service requirements on long-term debt at August 31, 2014 are as follows:

Year Ending August 31,	Bonds Payable		Total Requirement
	Principal	Interest	
2015	\$ 2,295,000	\$ 3,393,551	\$ 5,688,551
2016	2,660,000	3,022,063	5,682,063
2017	2,770,000	2,988,438	5,758,438
2018	2,870,000	2,881,213	5,751,213
2019	2,300,000	2,629,263	4,929,263
2020-2024	16,565,000	8,598,809	25,163,809
2025-2029	14,390,000	5,588,167	19,978,167
2030-2034	9,525,000	5,741,070	15,266,070
2035-2039	8,875,000	1,262,763	10,137,763
2040-2044	<u>595,000</u>	<u>23,800</u>	<u>618,800</u>
	<u>\$62,845,000</u>	<u>\$36,129,137</u>	<u>\$98,974,137</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, 2014.

Advance Refunding

In May 2014, the District issued \$8,740,000 in Unlimited Tax Refunding Bonds, Series 2014 for the purpose of refunding a portion of the District's outstanding bonds Series 2006 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 \$1,133,404. The cost of issuance totaled \$139,558. Principal payments range from \$40,000 to \$935,000 plus interest and interest rates range from 1.57% to 3.50%.

The advance refunding was undertaken to reduce total debt service payments over the next 23 years by \$1,319,384 to obtain an economic gain (difference between the present value of the debt service payment of the refunded and refunding bonds) of \$281,944.

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, 2014, the following outstanding bonds are considered defeased:

<u>Series</u>	<u>Ending Balance</u>
2004	\$8,150,000
2006	\$8,370,000
2006	\$8,740,000

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2014

NOTE J – UNEARNED REVENUE

Inventories of food commodities received by the District are recorded as inventory and as unearned revenue at their fair values. As the inventory is consumed, both inventory and unearned revenue are reduced and revenue is realized in an equal amount. The unearned revenue at August 31, 2014 of \$91,990 is the fair value of the commodities on hand at year end.

NOTE K – DEFERRED INFLOWS OF RESOURCES

Unavailable revenues from property taxes in the general fund and the debt service fund at August 31, 2014 were \$7,634,005 and \$949,423 respectively.

NOTE L - REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

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

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Property taxes	\$3,856,315	\$928,828	\$ -	\$ -	\$4,785,143
Food sales	349,317	-	-	-	349,317
Investment income	319,283	5,098	2,476	-	326,857
Penalty and interest income	357,580	54,144	-	-	411,724
Co-curricular student activities	47,569	-	-	-	47,569
E-rate credit	453,116	-	-	-	453,116
Campus activity	-	-	-	109,129	109,129
Miscellaneous	<u>353,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,189</u>
	<u>\$5,736,369</u>	<u>\$988,070</u>	<u>\$ 2,476</u>	<u>\$109,129</u>	<u>\$6,836,044</u>

NOTE M - 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, 2014, from various federal sources as follows:

<u>Programs or Source</u>	<u>CFDA Number</u>	<u>Amount</u>
School Breakfast	10.553	\$1,567,210
National School Lunch	10.555	2,705,804
Commodity Supplemental Fund	10.565	313,575
School Health and Related Services (SHARS)	-	539,044
Indirect costs		
ESEA, Title I, Part A		208,712
ESEA, Title I, Part C		<u>37,279</u>
Total general fund federal revenue		<u>\$5,371,624</u>

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2014

NOTE N - DEFINED BENEFIT PENSION PLAN

Plan Description. The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year; (2) state statute prohibits benefit improvements, if as a result of a 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.

Contribution rates and contributions for fiscal years 2014–2012 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state's and/or member's contribution including federally funded personnel, new hires and amounts above statutory minimum.

Fiscal Year	Contribution Rates and Contribution Amounts					
	Member		Rate	State on-behalf Amount	District Amount	Covered Payroll
	Rate	Amount				
2014	6.400%	\$2,556,213	6.400%	\$2,328,606	\$285,821	\$39,940,823
2013	6.400%	2,452,242	6.400%	1,941,832	249,785	38,316,279
2012	6.400%	2,399,926	6.000%	1,901,751	222,368	37,498,851

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED AUGUST 31, 2014

NOTE O - 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 2014–2012.

Fiscal Year	Contribution Rates and Contribution Amounts						
	Member		State on-behalf		District		Covered Payroll
	Rate	Amount	Rate	Amount	Rate	Amount	
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
2012	6.500%	243,743	1.000%	294,904	0.550%	206,244	37,498,851

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 2013-2011.

Fiscal Year	Medicare Part D
2014	\$104,363
2013	99,771
2012	98,136

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, 2014

NOTE P - 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 2013, 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, 2014 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, 2014. 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, 2014

NOTE Q - 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, 2014 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, 2014, 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 R – 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:

<u>Violations</u>	<u>Action Taken</u>
None noted	None necessary

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, 2014

NOTE S – FUND BALANCES

Committed for Campus Activity Funds – the School Board has taken action to commit the fund balance in the campus activity fund to the respective 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	\$ 91,990	\$ -	\$ -	\$ -	\$ 91,990
Prepaid Items	1,162,991	-	-	-	1,162,991
Restricted Fund Balance:					
Federal or State Funds Grant					
Restriction	-	-	-	276,075	276,075
Capital Acquisition and					
Contractual Obligation	-	-	3,049,297	-	3,049,297
Retirement of Long-Term Debt	-	108,090	-	-	108,090
Committed Fund Balance					
Construction	7,348,000	-	-	-	7,348,000
Unassigned Fund Balance	<u>25,246,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,246,752</u>
Total Fund Balances	<u>\$33,849,733</u>	<u>\$108,090</u>	<u>\$3,049,297</u>	<u>\$276,075</u>	<u>\$37,283,195</u>

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, 2014

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	\$ 5,204,100	\$ 5,344,100	\$ 5,736,369	\$ 392,269
5800 State Program Revenues	47,324,962	48,406,962	48,909,755	502,793
5900 Federal Program Revenues	5,050,000	5,147,000	5,371,624	224,624
5020 Total Revenues	57,579,062	58,898,062	60,017,748	1,119,686
EXPENDITURES:				
Current:				
0011 Instruction	27,740,738	28,728,739	28,253,705	475,034
0012 Instructional Resources and Media Services	1,014,893	1,231,894	1,100,932	130,962
0013 Curriculum and Instructional Staff Development	253,781	253,781	212,992	40,789
0021 Instructional Leadership	742,584	742,584	675,924	66,660
0023 School Leadership	3,219,850	3,438,850	3,410,467	28,383
0031 Guidance, Counseling and Evaluation Services	1,381,133	1,490,133	1,476,315	13,818
0032 Social Work Services	127,345	142,345	132,293	10,052
0033 Health Services	700,325	700,325	666,444	33,881
0034 Student (Pupil) Transportation	2,981,542	2,981,542	2,767,550	213,992
0035 Food Services	4,880,344	4,935,343	4,606,580	328,763
0036 Extracurricular Activities	2,423,435	2,847,435	2,704,306	143,129
0041 General Administration	1,618,845	1,955,846	1,924,159	31,687
0051 Facilities Maintenance and Operations	8,564,799	8,345,800	7,954,797	391,003
0052 Security and Monitoring Services	956,314	1,464,314	1,343,463	120,851
0053 Data Processing Services	778,134	778,134	756,694	21,440
0061 Community Services	5,000	5,000	338	4,662
Intergovernmental:				
0099 Other Intergovernmental Charges	190,000	190,000	149,316	40,684
6030 Total Expenditures	57,579,062	60,232,065	58,136,275	2,095,790
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,334,003)	1,881,473	3,215,476
OTHER FINANCING SOURCES (USES):				
8911 Transfers Out (Use)	-	(5,000,000)	(5,000,000)	-
1200 Net Change in Fund Balances	-	(6,334,003)	(3,118,527)	3,215,476
0100 Fund Balance - September 1 (Beginning)	36,968,260	36,968,260	36,968,260	-
3000 Fund Balance - August 31 (Ending)	\$ 36,968,260	\$ 30,634,257	\$ 33,849,733	\$ 3,215,476

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2014

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. Because the District has a policy of careful budgetary control, only one amendment was necessary during the year.
- 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.

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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, 2014

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	\$ 604,240	\$ 95,111	\$ 113,890	\$ 5,498
1260	Due from Other Funds	-	-	-	-
1000	Total Assets	<u>\$ 604,240</u>	<u>\$ 95,111</u>	<u>\$ 113,890</u>	<u>\$ 5,498</u>
LIABILITIES					
2110	Accounts Payable	\$ 28,177	\$ 2,004	\$ -	\$ 4,799
2160	Accrued Wages Payable	201,550	-	46,489	-
2170	Due to Other Funds	355,017	93,107	62,815	699
2200	Accrued Expenditures	19,496	-	4,586	-
2000	Total Liabilities	<u>604,240</u>	<u>95,111</u>	<u>113,890</u>	<u>5,498</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>\$ 604,240</u>	<u>\$ 95,111</u>	<u>\$ 113,890</u>	<u>\$ 5,498</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	289 Summer School LEP	404 Student Success Initiative
\$ - 276,075	\$ 40,012 -	\$ 50,048 -	\$ 37,256 -	\$ 73 -	\$ 100,489 -	\$ - -	\$ - -
<u>\$ 276,075</u>	<u>\$ 40,012</u>	<u>\$ 50,048</u>	<u>\$ 37,256</u>	<u>\$ 73</u>	<u>\$ 100,489</u>	<u>\$ -</u>	<u>\$ -</u>
\$ - - - -	\$ 20 - 39,992 -	\$ 2,084 9,167 37,888 909	\$ 29,694 - 7,562 -	\$ - - 73 -	\$ 1,300 - 99,189 -	\$ - - - -	\$ - - - -
<u>-</u>	<u>40,012</u>	<u>50,048</u>	<u>37,256</u>	<u>73</u>	<u>100,489</u>	<u>-</u>	<u>-</u>
<u>276,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>276,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 276,075</u>	<u>\$ 40,012</u>	<u>\$ 50,048</u>	<u>\$ 37,256</u>	<u>\$ 73</u>	<u>\$ 100,489</u>	<u>\$ -</u>	<u>\$ -</u>



ROMA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2014

Data Control Codes		461 Campus Activity Funds	Total Nonmajor Governmental Funds
	ASSETS		
1240	Receivables from Other Governments	\$ -	\$ 1,046,617
1260	Due from Other Funds	-	276,075
1000	Total Assets	<u>\$ -</u>	<u>\$ 1,322,692</u>
	LIABILITIES		
2110	Accounts Payable	\$ -	\$ 68,078
2160	Accrued Wages Payable	-	257,206
2170	Due to Other Funds	-	696,342
2200	Accrued Expenditures	-	24,991
2000	Total Liabilities	<u>-</u>	<u>1,046,617</u>
	FUND BALANCES		
	Restricted Fund Balance:		
3450	Federal or State Funds Grant Restriction	-	276,075
3000	Total Fund Balances	<u>-</u>	<u>276,075</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 1,322,692</u>

ROMA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

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:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5900	Federal Program Revenues	4,719,595	760,577	1,223,409	20,635
5020	Total Revenues	4,719,595	760,577	1,223,409	20,635
EXPENDITURES:					
Current:					
0011	Instruction	4,377,271	362,068	894,983	20,550
0012	Instructional Resources and Media Services	56	-	-	-
0021	Instructional Leadership	8,864	-	40,390	-
0023	School Leadership	3,848	-	-	85
0031	Guidance, Counseling and Evaluation Services	1,168	91,037	287,674	-
0032	Social Work Services	-	126,522	-	-
0033	Health Services	8,510	2,111	-	-
0034	Student (Pupil) Transportation	124,548	30,000	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	180,085	10,761	-	-
0051	Facilities Maintenance and Operations	-	70,000	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	15,245	68,078	362	-
6030	Total Expenditures	4,719,595	760,577	1,223,409	20,635
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	270 ESEA VI, Pt B Rural & Low Income	274 GEAR UP	289 Summer School LEP	404 Student Success Initiative
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
136,462	153,718	637,692	493,193	120,120	116,373	17,809	-
136,462	153,718	637,692	493,193	120,120	116,373	17,809	-
-	151,212	629,976	490,321	120,120	50,428	17,809	-
-	-	-	-	-	-	-	-
-	-	397	372	-	65,945	-	-
-	-	5,757	2,307	-	-	-	-
-	2,506	734	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
112,901	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	828	-	-	-	-	-
-	-	-	193	-	-	-	-
112,901	153,718	637,692	493,193	120,120	116,373	17,809	-
23,561	-	-	-	-	-	-	-
252,514	-	-	-	-	-	-	-
\$ 276,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ROMA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes		461 Campus Activity Funds	Total Nonmajor Governmental Funds
REVENUES:			
5700	Total Local and Intermediate Sources	\$ 109,129	\$ 109,129
5900	Federal Program Revenues	-	8,399,583
5020	Total Revenues	<u>109,129</u>	<u>8,508,712</u>
EXPENDITURES:			
Current:			
0011	Instruction	216,959	7,331,697
0012	Instructional Resources and Media Services	-	56
0021	Instructional Leadership	-	115,968
0023	School Leadership	-	11,997
0031	Guidance, Counseling and Evaluation Services	-	383,119
0032	Social Work Services	-	126,522
0033	Health Services	-	10,621
0034	Student (Pupil) Transportation	-	154,548
0035	Food Services	-	112,901
0036	Extracurricular Activities	584	584
0041	General Administration	-	190,846
0051	Facilities Maintenance and Operations	-	70,000
0053	Data Processing Services	-	828
0061	Community Services	-	83,878
6030	Total Expenditures	<u>217,543</u>	<u>8,593,565</u>
1200	Net Change in Fund Balance	(108,414)	(84,853)
0100	Fund Balance - September 1 (Beginning)	<u>108,414</u>	<u>360,928</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 276,075</u>

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, 2014

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	\$ 1,054,664	\$ 1,054,664	\$ 988,070	\$ (66,594)
5800	State Program Revenues	4,061,345	4,061,345	4,114,383	53,038
5020	Total Revenues	5,116,009	5,116,009	5,102,453	(13,556)
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	2,255,000	2,255,000	2,510,000	(255,000)
0072	Interest on Long Term Debt	-	-	2,539,659	(2,539,659)
0073	Bond Issuance Cost and Fees	-	-	143,983	(143,983)
6030	Total Expenditures	2,255,000	2,255,000	5,193,642	(2,938,642)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	2,861,009	2,861,009	(91,189)	(2,952,198)
OTHER FINANCING SOURCES (USES):					
7911	Capital Related Debt Issued (Regular Bonds)	-	-	8,740,000	8,740,000
7916	Premium or Discount on Issuance of Bonds	-	-	1,066,548	1,066,548
8940	Payment to Bond Refunding Escrow Agent	-	-	(9,666,990)	(9,666,990)
7080	Total Other Financing Sources (Uses)	-	-	139,558	139,558
1200	Net Change in Fund Balances	2,861,009	2,861,009	48,369	(2,812,640)
0100	Fund Balance - September 1 (Beginning)	59,721	59,721	59,721	-
3000	Fund Balance - August 31 (Ending)	\$ 2,920,730	\$ 2,920,730	\$ 108,090	\$ (2,812,640)

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED AUGUST 31, 2014

	BALANCE SEPTEMBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2014
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 6,728	\$ 873,912	\$ 756,677	\$ 123,963
Due From Other Funds	-	1,103	-	1,103
Total Assets	<u>\$ 6,728</u>	<u>\$ 875,015</u>	<u>\$ 756,677</u>	<u>\$ 125,066</u>
Liabilities:				
Due to Other Funds	\$ 6,728	\$ 12,412	\$ -	\$ 19,140
Due to Student Groups	-	857,668	751,742	105,926
Total Liabilities	<u>\$ 6,728</u>	<u>\$ 870,080</u>	<u>\$ 751,742</u>	<u>\$ 125,066</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 6,728	\$ 873,912	\$ 756,677	\$ 123,963
Due From Other Funds	-	1,103	-	1,103
Total Assets	<u>\$ 6,728</u>	<u>\$ 875,015</u>	<u>\$ 756,677</u>	<u>\$ 125,066</u>
Liabilities:				
Due to Other Funds	\$ 6,728	\$ 12,412	\$ -	\$ 19,140
Due to Student Groups	-	857,668	751,742	105,926
Total Liabilities	<u>\$ 6,728</u>	<u>\$ 870,080</u>	<u>\$ 751,742</u>	<u>\$ 125,066</u>

TEXAS EDUCATION AGENCY
REQUIRED SCHEDULES

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2014

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2005 and prior years	\$ 1.500000	\$ 0.119700	\$ 369,933,476
2006	1.500000	0.094900	391,069,385
2007	1.370000	0.151000	465,237,560
2008	1.041000	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 (School year under audit)	1.170000	0.289090	344,268,560
1000 TOTALS			

(10) Beginning Balance 9/1/2013	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2014
\$ 4,241,774	\$ -	\$ 76,169	\$ 3,238	\$ (14,425)	\$ 4,147,942
525,368	-	13,364	855	(5,650)	505,499
511,168	-	16,055	1,778	(72)	493,263
449,765	-	20,350	3,820	2,009	427,604
652,060	-	32,280	8,201	(776)	610,803
701,728	-	38,880	8,197	(1,121)	653,530
781,807	-	46,270	11,649	(4,736)	719,152
877,506	-	72,474	18,048	(5,560)	781,424
1,117,434	-	214,139	53,036	77,071	927,330
-	5,125,772	3,269,945	811,600	15,393	1,059,620
<u>\$ 9,858,610</u>	<u>\$ 5,125,772</u>	<u>\$ 3,799,926</u>	<u>\$ 920,422</u>	<u>\$ 62,133</u>	<u>\$ 10,326,167</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	93
These schedules contain trend information to assist users in understanding how the District's financial and position has changed over time.	
Revenue Capacity Information	103
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	115
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	119
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	123
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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Primary government				
Net investment in capital assets	\$45,305,664	\$52,635,505	\$62,434,472	\$63,171,570
Restricted for federal and state programs	677,021	340,746	241,860	255,680
Restricted for debt service	-	-	-	84,535
Restricted for capital projects	-	-	-	1,176,461
Unrestricted	<u>27,896,481</u>	<u>27,342,905</u>	<u>24,195,536</u>	<u>23,790,749</u>
Total primary government activities net position	<u>\$73,879,166</u>	<u>\$80,319,156</u>	<u>\$86,871,868</u>	<u>\$88,478,995</u>

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

Table 1

2009	2010	2011	2012	2013	2014
\$ 62,642,952	\$ 57,151,157	\$ 63,710,877	\$ 63,212,361	\$ 54,011,900	\$ 64,041,922
400,445	257,644	256,631	256,631	-	276,075
368,895	155,795	82,376	-	141,143	188,808
5,300,161	-	17,031,516	29,379,516	21,366,067	-
<u>23,788,325</u>	<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>\$ 92,500,778</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>

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

	2005	2006	2007
Expenses			
Governmental Activities:			
Instruction	\$ 28,066,635	\$ 29,585,474	\$ 30,982,158
Instructional Resources & Media Services	828,877	870,697	889,029
Curriculum & Staff Development	34,362	123,239	119,558
Instructional Leadership	799,307	890,994	873,198
School Leadership	2,284,678	2,179,461	2,432,108
Guidance, Counseling & Evaluation Services	1,387,768	1,379,498	1,541,593
Social Work Services	133,927	137,031	120,531
Health Services	553,255	561,126	520,259
Student (Pupil) Transportation	1,801,736	1,989,475	2,027,396
Food Services	3,877,514	3,809,776	3,875,257
Cocurricular/Extracurricular Activities	1,541,003	1,719,217	1,755,694
General Administration	1,392,961	1,445,350	1,635,854
Plant Maintenance & Operations	4,879,137	5,342,548	6,373,478
Security & Monitoring Services	596,573	717,538	909,391
Data Processing Services	520,190	540,714	536,167
Community Services	259,940	200,379	162,346
Debt Service - Interest on Long Term Debt	1,551,151	1,407,514	2,177,168
Debt Service - Bond Issuance Cost & Fees	304	1,255	2,963
Other Intergovernmental Charges	-	-	-
Total Governmental Activities	<u>50,509,318</u>	<u>52,901,286</u>	<u>56,934,148</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Instruction	-	-	-
Health Services	-	-	-
Student (Pupil) Transportation	30,000	-	-
Food Services	354,765	349,922	249,640
Cocurricular/Extracurricular Activities	38,117	35,367	38,567
General Administration	-	-	-
Plant Maintenance & Operations	15,290	16,051	-
Operating Grants and Contributions	<u>15,640,426</u>	<u>18,778,163</u>	<u>19,557,978</u>
Total governmental Activities Program Revenues	<u>16,078,598</u>	<u>19,179,503</u>	<u>19,846,185</u>
Net (Expense)/Revenue			
Total Primary Governmental Net Expense	(34,430,720)	(33,721,783)	(37,087,963)
General Revenues			
Property Taxes, Levied for General Purposes	5,764,506	6,004,590	6,616,663
Property Taxes, Levied for Debt Service	445,956	371,820	707,117
Grants and Contributions not Restricted to Specific Programs	30,554,332	32,584,262	33,808,532
Investment Earnings	779,382	979,872	2,454,673
Miscellaneous	<u>1,304,029</u>	<u>221,229</u>	<u>53,690</u>
Total Primary Government General Revenues	<u>38,848,205</u>	<u>40,161,773</u>	<u>43,640,675</u>
Total Change in Net Position	<u>\$ 4,417,485</u>	<u>\$ 6,439,990</u>	<u>\$ 6,552,712</u>

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

Table 2

	2008	2009	2010	2011	2012	2013	2014
\$	33,682,316	\$ 34,746,103	\$ 36,999,482	\$ 35,415,764	\$ 34,451,430	\$ 35,633,480	\$ 37,949,465
	1,040,119	976,782	957,375	1,009,492	966,627	1,016,705	1,175,300
	221,876	222,943	231,746	237,864	241,976	249,177	227,387
	883,297	864,554	870,530	834,254	777,448	769,486	845,413
	2,792,331	3,173,728	3,244,338	3,379,649	3,289,239	3,264,954	3,653,777
	1,507,892	1,599,645	1,641,823	1,727,290	1,734,911	1,786,814	1,985,107
	306,155	267,436	227,843	267,990	262,575	254,582	276,307
	567,738	643,254	652,931	696,367	690,987	710,391	722,826
	2,380,456	2,262,634	2,432,229	2,694,517	2,572,967	2,685,067	2,700,359
	4,437,554	4,400,540	4,442,284	5,020,402	4,638,936	4,903,433	5,009,811
	1,888,936	2,068,397	2,445,513	2,411,036	2,510,837	2,763,074	2,878,705
	1,683,503	1,424,412	1,645,856	1,678,781	1,660,584	1,699,756	2,250,219
	7,080,416	7,423,128	7,673,181	8,027,905	7,598,812	8,081,405	8,331,488
	982,655	937,800	1,028,750	1,060,726	948,219	977,210	1,382,509
	576,148	570,460	611,164	655,773	677,615	789,986	808,720
	123,008	106,968	137,303	116,835	102,311	86,439	89,908
	2,383,917	3,058,724	1,606,689	3,114,534	3,663,720	2,819,550	3,695,797
	1,774	11,300	1,418,156	11,699	2,350	205,053	148,768
	-	161,420	155,845	136,578	170,786	114,853	149,316
	<u>62,540,091</u>	<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>
	-	-	-	-	51,624	-	-
	-	-	38,886	53,177	39,812	47,301	47,569
	-	-	-	-	-	-	-
	232,850	297,183	287,821	364,151	330,632	320,168	349,317
	31,194	38,710	-	-	-	-	-
	-	94,331	1,499,344	599,861	637,202	972,465	843,646
	-	-	-	-	-	-	-
	<u>19,067,587</u>	<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>19,331,631</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>
	(43,208,460)	(44,394,587)	(49,966,939)	(48,232,316)	(50,350,507)	(52,948,440)	(57,700,594)
	4,825,282	5,420,051	5,064,001	5,071,416	4,065,233	3,828,719	4,100,877
	854,176	1,250,376	1,069,726	582,961	1,002,000	940,886	1,009,546
	37,385,468	40,738,797	46,493,710	47,088,993	48,599,493	51,707,513	51,455,289
	1,676,730	397,861	73,503	301,387	319,256	323,669	326,857
	73,931	609,285	242,790	553,009	397,564	440,666	483,512
	<u>44,815,587</u>	<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>1,607,127</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>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
<i>Nonspendable Fund Balances:</i>				
Inventories	\$ 89,515	\$ 89,514	\$ 131,004	\$ 26,767
Prepaid Items	1,493,774	1,476,082	932,647	687,495
<i>Committed Fund Balances:</i>				
Construction	5,055,698	5,000,000	7,800,000	7,800,000
<i>Unassigned:</i>				
Reported in the General Fund	<u>9,203,004</u>	<u>9,870,115</u>	<u>8,791,790</u>	<u>8,592,934</u>
Total General Fund Balance	<u>15,841,991</u>	<u>16,435,711</u>	<u>17,655,441</u>	<u>17,107,196</u>
 All Other Governmental Funds				
<i>Reserved, Reported In:</i>				
<i>Nonspendable Fund Balances:</i>				
Prepaid Items	12,663			
<i>Restricted Fund Balances:</i>				
Federal or State Funds Grant Restriction	171,992	232,198	198,724	210,632
Retirement of Long Term Debt	(9,036)	6,730	83,892	84,535
Capital Acquisition & Contractual Obligations	7,366,915	5,183,379	28,171,279	1,176,461
<i>Committed Fund Balance:</i>				
Reported in Special Revenue funds	<u>22,406</u>	<u>108,548</u>	<u>43,136</u>	<u>45,048</u>
Total All Other Governmental Fund Balances	<u>7,564,940</u>	<u>5,530,855</u>	<u>28,497,031</u>	<u>1,516,676</u>
Total Governmental funds -- Fund Balance	<u><u>\$ 23,406,931</u></u>	<u><u>\$ 21,966,566</u></u>	<u><u>\$ 46,152,472</u></u>	<u><u>\$ 18,623,872</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 8,406 602,814	\$ 72,147 373,930	\$ 66,965 1,038,249	\$ 86,475 1,450,226	\$ 101,764 501,804	\$ 91,990 1,162,991
10,300,000	12,348,000	12,348,000	12,348,000	12,348,000	7,348,000
<u>10,904,556</u>	<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>21,815,776</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>
-	-	-	-	-	-
220,442 368,895 5,300,161	228,716 44,473 5,679,965	256,631 94,636 17,031,516	248,955 - 15,243,189	252,514 59,721 10,079,255	276,075 108,090 3,049,297
<u>180,003</u>	<u>110,089</u>	<u>126,467</u>	<u>135,540</u>	<u>108,414</u>	<u>-</u>
<u>6,069,501</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>\$ 27,885,277</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>

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

	2005	2006	2007	2008
Revenues				
Local and Intermediate Sources	8,341,920	7,659,705	9,756,640	7,482,305
State Programs	33,701,304	37,984,306	41,392,218	44,173,253
Federal Programs	12,493,454	13,378,119	11,974,292	12,279,802
Total governmental Activities Program Revenues	<u>54,536,678</u>	<u>59,022,130</u>	<u>63,123,150</u>	<u>63,935,360</u>
Expenses				
Current:				
Instruction	\$ 26,895,270	\$ 28,354,756	\$ 29,722,087	\$ 32,119,432
Instructional Resources & Media Services	791,464	833,113	848,061	986,991
Curriculum & Staff Development	32,811	117,920	114,049	210,543
Instructional Leadership	777,080	858,811	832,959	838,180
School Leadership	2,181,555	2,085,383	2,320,030	2,649,703
Guidance, Counseling & Evaluation Services	1,325,129	1,319,951	1,470,552	1,430,871
Social Work Services	127,882	143,289	114,977	290,517
Health Services	528,283	536,904	496,284	538,739
Student (Pupil) Transportation	3,058,892	2,566,171	2,321,584	2,371,654
Food Services	3,723,149	3,695,038	3,921,680	4,338,456
Cocurricular/Extracurricular Activities	1,471,447	1,645,006	1,682,375	1,792,452
General Administration	1,330,295	1,388,605	1,560,470	1,597,512
Plant Maintenance & Operations	4,728,397	5,117,484	6,364,337	6,851,891
Security & Monitoring Services	590,247	686,565	911,440	949,876
Data Processing Services	496,710	517,374	511,459	546,719
Community Services	248,207	191,731	154,865	116,725
Debt Service:				
Principal on Long-term Debt	1,198,080	1,664,154	1,350,000	1,355,000
Interest on Long-term Debt	1,320,730	1,305,129	2,061,452	2,256,627
Bond Issuance Costs and Fees	208,297	1,255	318,016	1,774
Capital Outlay:				
Facilities Acquisition and Constructin	6,917,944	7,433,857	5,203,451	30,220,298
Intergovernmental:				
Other Intergovernmental Charges	-	-	-	-
Total Expenditures	<u>57,951,869</u>	<u>60,462,496</u>	<u>62,280,128</u>	<u>91,463,960</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,415,191)	(1,440,366)	843,022	(27,528,600)
Other Financing Sources (Uses) and Special Items				
Refunding Bonds Issued	14,858,353	-	-	-
Issuance of Capital Related Debt (Regular Bonds)	-	-	23,342,884	-
Premium or Discount on Issuance of Bonds	-	-	-	-
Capital Leases	1,187,234	-	-	-
Transfer In	1,200,000	5,055,698	3,891,332	-
Transfer Out	(1,200,000)	(5,055,698)	(3,891,332)	-
Payment to Refunded Bond Escrow Agent	(14,836,065)	-	-	-
Total Other Financing Sources (Uses)	<u>1,209,522</u>	<u>-</u>	<u>23,342,884</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (2,205,669)</u>	<u>\$ (1,440,366)</u>	<u>\$ 24,185,906</u>	<u>\$ (27,528,600)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.6%	5.9%	7.0%	6.3%

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

Table 4

	2009	2010	2011	2012	2013	2014
	7,748,323	7,780,254	7,198,350	6,491,041	6,559,772	6,836,044
	48,345,487	44,791,267	49,220,352	50,033,711	51,990,902	53,024,138
	12,488,726	18,332,491	17,116,594	14,118,334	14,239,652	13,771,207
	68,582,536	70,904,012	73,535,296	70,643,086	72,790,326	73,631,389
\$	34,041,628	\$ 35,191,969	\$ 33,461,012	\$ 32,022,658	\$ 33,256,009	\$ 35,585,402
	1,066,491	895,734	964,009	898,234	949,123	1,100,988
	211,720	216,825	221,697	224,855	232,614	212,992
	821,032	814,481	777,551	722,441	718,337	791,892
	3,013,960	3,035,450	3,149,939	3,056,513	3,047,928	3,422,464
	1,519,118	1,536,114	1,609,888	1,612,159	1,668,042	1,859,434
	253,973	213,173	249,775	243,997	237,660	258,815
	610,872	610,892	649,036	642,097	663,170	677,065
	2,568,355	2,689,353	2,733,903	2,684,155	2,822,985	2,922,098
	4,419,308	4,228,183	4,703,403	4,313,901	4,577,495	4,719,481
	1,964,272	2,288,058	2,247,161	2,333,186	2,690,024	2,704,890
	1,376,258	1,539,886	1,564,676	1,543,091	1,576,121	2,115,005
	7,697,534	7,295,731	7,517,224	7,354,407	7,589,968	8,024,797
	890,590	968,806	988,630	881,129	928,648	1,343,463
	541,743	571,813	611,201	629,671	737,475	757,522
	101,583	128,463	108,893	95,072	80,693	84,216
	1,780,000	1,625,000	1,482,026	1,582,963	2,305,000	2,510,000
	2,775,669	1,580,249	3,761,900	3,648,003	2,777,733	2,539,659
	272,945	1,418,155	239,270	215,745	205,053	143,983
	8,994,288	1,575,513	1,274,537	3,566,228	7,621,986	12,032,434
	161,420	155,845	136,578	170,786	114,853	149,316
	75,082,759	68,579,693	68,452,309	68,441,291	74,800,917	83,955,916
	(6,500,223)	2,324,319	5,082,987	2,201,795	(2,010,591)	(10,324,527)
	-	-	-	8,565,000	8,370,000	8,740,000
	15,500,000	-	11,035,000	-	-	-
	261,645	-	227,571	1,146,675	1,547,134	1,066,548
	-	-	-	-	-	-
	2,534,102	6,140,781	1,935,230	1,834,840	1,475,000	5,000,000
	(2,534,102)	(6,140,781)	(1,935,230)	(1,834,840)	(1,475,000)	(5,000,000)
	-	-	-	(9,498,280)	(9,712,081)	(9,666,990)
	15,761,645	-	11,262,571	213,395	205,053	139,558
\$	9,261,422	\$ 2,324,319	\$ 16,345,558	\$ 2,415,190	\$ (1,805,538)	\$ (10,184,969)
	7.9%	7.4%	8.9%	9.2%	8.5%	7.8%



REVENUE CAPACITY INFORMATION

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Local Sources:					
Property tax	\$ 5,468,583	\$ 5,734,063	\$ 6,589,911	\$ 5,080,158	\$ 6,310,951
Other	2,873,337	1,925,642	3,166,729	2,402,147	1,437,372
State sources	33,701,304	37,984,306	41,392,218	44,173,253	48,345,487
Federal sources	<u>12,493,454</u>	<u>13,378,119</u>	<u>11,974,292</u>	<u>12,279,802</u>	<u>12,488,726</u>
Total	<u>\$ 54,536,678</u>	<u>\$ 59,022,130</u>	<u>\$ 63,123,150</u>	<u>\$ 63,935,360</u>	<u>\$ 68,582,536</u>

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

Table 5

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 5,637,909	\$ 5,425,049	\$ 4,714,952	\$ 4,455,503	\$ 4,785,143
2,142,345	1,773,301	1,776,089	2,104,269	2,050,901
44,791,267	49,220,352	50,033,711	51,990,902	53,024,138
<u>18,332,491</u>	<u>17,116,594</u>	<u>14,118,334</u>	<u>14,239,652</u>	<u>13,771,207</u>
<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>

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
2005	\$ 150,511,050	\$ 193,516,210	\$ 220,751,890	\$ 564,779,150
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

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

Table 6

Exemptions		Adjusted Assessed Value	*Total Direct Tax Rate
\$	194,260,561	\$ 370,518,589	1.619700
	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



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					
2005	2004	1.500000	0.094100	1.594100	0.164700	0.394940	-	0.614400	2.768140
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

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>
2005	5,957,008	4,956,746	83.21%	546,832
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

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>
5,503,578	43.94%	6,568,834	110.27%
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%

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

		Fiscal Year 2014	
Taxpayer	Type of Business	2013 Assessed Valuation	Percentage of Total Assessed Valuation
EP Energy E&P Company LP	Oil and Gas	\$ 16,731,820	4.74%
AEP Texas Central Co	Utility	10,257,270	2.91%
El Paso Production Oil & Gas	Oil and Gas	8,886,910	2.52%
Bluestone Natural Res II LLC	Oil and Gas	7,732,880	2.19%
Kinder Morgan Tejas Pipeline	Oil and Gas	6,992,680	1.98%
Kinder Morgan Tejas Pipeline	Oil and Gas	5,820,330	1.65%
Newgulf Petroleum LLC	Oil and Gas	4,924,060	1.40%
CICO Oil & Gas Company	Oil and Gas	4,105,020	1.16%
RLU Operating LLC	Oil and Gas	2,464,410	0.70%
Pena Riverview Investments LLC	Financial	<u>2,425,480</u>	<u>0.69%</u>
Totals		<u>\$ 70,340,860</u>	<u>19.95%</u>

Source: Roma Independent School District Tax Office

Table 9

Taxpayer	Type of Business	Fiscal Year 2005	
		Tax Year 2004 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 Morgans 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 Morgans 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					
2005	14,360,011	13,819,989	28,180,000	4.99%	2,204	13%	2,628
2006	13,570,012	13,724,989	27,295,001	4.47%	2,146	13%	2,505
2007	35,320,012	13,629,989	48,950,001	7.11%	2,124	22%	4,439
2008	34,065,012	13,529,989	47,595,001	7.18%	2,141	21%	4,276
2009	47,890,012	13,424,989	61,315,001	7.95%	2,135	26%	5,409
2010	46,370,000	13,319,989	59,689,989	7.74%	2,108	29%	6,093
2011	56,250,000	12,992,963	69,242,963	10%	1,961	34%	7,017
2012	46,390,000	21,270,000	67,660,000	10%	3,206	29%	6,847
2013	36,720,000	28,635,000	65,355,000	10%	4,398	28%	6,582
2014	26,480,000	36,365,000	62,845,000	10%	5,603	27%	6,321

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>
2005	6,269	564,779,150	28,180,000	189,386	27,990,614	4.96%	4,465
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	65,355,000	1,432,996	63,922,004	9.97%	9,818
2014	6,490	648,107,060	62,845,000	1,432,996	61,412,004	9.48%	9,463

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, 2014

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	\$ 65,877,331	8/31/2014	100.00%	\$ 65,877,331
Total direct debt	65,877,331			65,877,331
<u>OVERLAPPING DEBT</u>				
City of Roma	\$ 6,086,000	9/30/2013*	100.00%	6,086,000
South Texas College	96,524,572	08/31/14	1.15%	1,110,033
Sarr County	2,930,000	9/30/2013*	19.46%	570,178
Total overlapping debt	105,540,572			7,766,211
Total Direct and Overlapping Debt	<u><u>\$ 171,417,903</u></u>			<u><u>\$ 73,643,542</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>
2005	10,721	213,026,270	19,870	6,022	9.9%
2006	10,897	217,722,060	19,980	6,151	9.1%
2007	11,027	222,194,050	20,150	6,384	8.5%
2008	11,131	225,959,300	20,300	6,293	10.4%
2009	11,335	233,784,375	20,625	6,182	16.4%
2010	** 9,797	204,071,510	20,830	6,215	16.2%
2011	** 9,868	206,695,128	20,946	6,574	15.0%
2012	9,882	229,796,028	23,254	6,113	13.3%
2013	9,929	234,125,820	23,580	6,017	14.1%
2014	9,942	234,939,402	23,631	5,984	12.7%

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

2014			
Employer	Employees	Rank	Percentage of Total City Employment
Roma Independent School District	1,090	1	*
City of Roma, Texas	124	2	*
Starr County	78	3	*
Riverview Enterprises	*	4	*
Citizens State Bank	*	5	*
Stripes Convenience Stores	*	6	*
McDonalds	*	7	*
Whataburger	*	8	*
Burger King	*	9	*
IBC Bank	*	10	*
Total Principal Employers	1,292		*
Other Employers	*		*
Total Employers	*		*

2005			
Employer	Employees	Rank	Percentage of Total City Employment
Roma Independent School District	963	1	*
City of Roma, Texas	108	2	*
Starr County	63	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	1,134		*
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>
2005	6,022	6,269	96.06%
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%

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	2005	2006	2007	2008
Professional Staff				
Teachers	414.5	415.6	424.5	431.6
Professional Support:				
Counselors	14.6	15.0	15.0	15.0
Educational Diagnosticians	3.0	3.0	3.0	4.0
Librarians	8.0	8.0	8.0	8.0
School Nurses	7.0	8.0	7.0	8.0
School Psychologists	1.0	1.0	-	-
Teacher Facilitator	-	6.0	6.0	5.0
Athletic Trainer	1.0	1.0	1.0	-
Campus Professional Personnel	1.0	1.0	2.0	1.0
Non-campus Professional Personnel	12.0	8.0	8.0	9.0
TOTAL PROFESSIONAL SUPPORT	47.6	51.0	50.0	50.0
Campus Administration:				
Assistant Principal	24.0	24.0	24.0	26.0
Principal	15.0	14.0	14.0	15.0
Registrar	8.0	9.0	9.0	9.0
Athletic Director	-	-	-	1.0
	1.0	1.0	1.0	1.0
TOTAL CAMPUS ADMINISTRATION	24.0	24.0	24.0	26.0
Central Administration:				
Deputy Superintendent	12.0	14.0	13.0	13.0
Instructional Officer	2.0	1.0	1.0	1.0
Superintendent	6.0	9.0	8.0	8.0
Business Manager	1.0	1.0	1.0	1.0
Tax Assessor Collector	1.0	1.0	1.0	1.0
Director of Personnel/HR	1.0	1.0	1.0	1.0
TOTAL CENTRAL ADMINISTRATION	12.0	14.0	13.0	13.0
Educational Aides	157.4	158.4	154.2	145.1
Auxiliary Staff	307.7	321.6	319.3	335.2
Total Staff FTE	963.2	984.6	985.0	1,000.9

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>450.8</u>	<u>437.3</u>	<u>444.1</u>	<u>441.7</u>	<u>446.0</u>	<u>447.0</u>
16.0	17.0	17.0	17.0	17.0	17.0
4.0	4.0	4.0	4.0	4.0	4.0
9.0	9.0	9.0	9.0	9.0	9.0
7.0	5.0	7.0	7.0	7.0	7.0
-	-	-	-	-	1.0
7.0	7.0	6.0	6.0	6.0	6.0
-	-	1.0	1.0	1.0	2.0
1.0	4.0	1.0	1.0	1.0	1.0
<u>9.0</u>	<u>8.0</u>	<u>9.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>
<u>53.0</u>	<u>54.0</u>	<u>54.0</u>	<u>53.0</u>	<u>53.0</u>	<u>55.0</u>
28.0	28.0	29.0	29.0	27.9	27.6
16.0	16.0	17.0	17.0	16.0	16.0
10.0	10.0	10.0	10.0	10.0	9.6
1.0	1.0	1.0	1.0	0.9	1.0
<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<u>28.0</u>	<u>28.0</u>	<u>29.0</u>	<u>29.0</u>	<u>27.9</u>	<u>27.6</u>
11.0	13.0	11.0	12.0	11.0	12.0
1.0	1.0				
6.0	8.0	7.0	8.0	7.0	8.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<u>11.0</u>	<u>13.0</u>	<u>11.0</u>	<u>12.0</u>	<u>11.0</u>	<u>12.0</u>
131.0	114.6	114.1	104.5	109.7	112.8
<u>335.9</u>	<u>328.0</u>	<u>313.4</u>	<u>305.2</u>	<u>258.8</u>	<u>294.2</u>
1,009.7	974.9	965.6	945.4	906.4	948.6

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>
2005	6,022	57,951,869	9,623	3.29%	50,509,318	8,387	3.61%	415	14.51
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

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>
2005	38,065	*	*	41,009
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

Source: Academic Excellence Indicator System (AEIS)

* Information not available

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF SCHOOL BUILDINGS
LAST TEN FISCAL YEARS

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	<u>133,968</u>	<u>1,000</u>	<u>635</u>
TOTAL	<u>256,124</u>	<u>2,000</u>	<u>1,376</u>
SPECIAL CAMPUSES			
Instructional and Guidance	33,551	350	32
ELEMENTARY SCHOOLS			
Emma Vera	55,427	500	428
Florence J. Scott	65,945	800	613
Rafaela T. Barrera	53,857	500	547
Roel and Celia Saenz	57,439	500	583
Veterans Memorial	62,653	800	704
YB Escobar	<u>69,493</u>	<u>650</u>	<u>447</u>
TOTAL	<u>364,814</u>	<u>3,750</u>	<u>3,322</u>

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, 2014, 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 December 16, 2014.

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 December 16, 2014.

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
December 16, 2014

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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, 2014. 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, 2014.

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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
December 16, 2014

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ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2014

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>
10.553, 10.555 and 10.559	Child Nutrition Cluster
84.365A	ESEA, Title III, Part A English Language Acquisition
84.027A and 84.173A	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$396,965
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, 2014

**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, 2014

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, 2014

None that required to be reported.

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
CORRECTIVE ACTION PLAN
YEAR ENDED AUGUST 31, 2014

None reported

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2014

(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	14610101214903	\$ 4,341,717
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	13610104214903	583,688
Total CFDA Number 84.010A			4,925,405
ESEA, Title I, Part C - Migratory Children	84.011A	14615001214903	649,469
ESEA, Title I, Part C - Migratory Children	84.011A	13615001214903	148,387
Total CFDA Number 84.011A			797,856
*IDEA - Part B, Formula	84.027A	146600012149036	1,125,244
*IDEA - Part B, Formula	84.027A	136600012149036	101,067
*IDEA - Part B, Preschool	84.173A	146610012149036	18,394
*IDEA - Part B, Preschool	84.173A	136610012149036	2,241
Career and Technical - Basic Grant	84.048A	14420006214903	153,718
GEAR UP	84.334S	1st Gen Y5-5	116,373
ESEA, Title VI, Part B - Rural & Low Income Prog.	84.358B	14696001214903	118,826
ESEA, Title VI, Part B - Rural & Low Income Prog.	84.358B	13696001214903	1,294
Total CFDA Number 84.358B			120,120
Title III, Part A - English Language Acquisition	84.365A	14671001214903	459,847
Title III, Part A - English Language Acquisition	84.365A	13671001214903	33,346
Total CFDA Number 84.365A			493,193
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	14694501214903	611,971
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	13694501214903	25,721
Total CFDA Number 84.367A			637,692
Summer School LEP	84.369A	S369A120045	17,809
Total Passed Through State Department of Education			\$ 8,509,112
TOTAL DEPARTMENT OF EDUCATION			\$ 8,509,112
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71401201	\$ 1,567,210
*National School Lunch Program - Cash Assistance	10.555	71301101	2,705,804
*National School Lunch Prog. - Non-Cash Assistance	10.555		313,575
Total CFDA Number 10.555			3,019,379
*Summer Feeding Program - Cash Assistance	10.559		136,462
Total Child Nutrition Cluster			4,723,051
Total Passed Through the State Department of Agriculture			\$ 4,723,051
TOTAL DEPARTMENT OF AGRICULTURE			\$ 4,723,051
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 13,232,163

*Clustered Programs

ROMA INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2014

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	\$13,771,207
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>(539,044)</u>
Total expenditures of federal awards, per Schedule of Expenditures of Federal Awards (Exhibit K-1)	<u>\$13,232,163</u>

ROMA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2014

<u>Data Control Codes</u>		<u>Responses</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the District receive a clean audit? Was there an unmodified opinion in the annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instance of material weaknesses in internal controls?	No
SF9	Was there any disclosures in the Annual Financial Report of material noncompliance?	No
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$196,790