



**City of Roma, Texas**

**FINANCIAL STATEMENTS**

**September 30, 2024**



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**City of Roma, Texas**  
**City Officials**  
**As of September 30, 2024**

**ELECTED OFFICIALS**

Mayor	Jaime Escobar, Jr.
Council Member	Gaby Rodriguez
Council Member	Jose G. Cantu, Jr.
Council Member	Citlali N. Gonzalez.
Council Member	Joel Hinojosa, Jr.

City Manager	Alejandro Barrera
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Finance Director	Dora M. Garcia
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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Roma, Texas

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Roma, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Roma, Texas's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Roma, Texas, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Roma, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

##### *Correction of Error*

Net position decreased in governmental activities by \$98,038, decreased in business type activities by \$2,833,781, fund balance decreased in general fund by \$510,585, increased in other governmental funds by \$677,661, and decreased in component unit by \$4,532 due to various adjustments discussed in Note 2 to the financial statements. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Roma, Texas's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Roma, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Roma, Texas's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Roma, Texas's basic financial statements. The accompanying other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of the City of Roma, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Roma, Texas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Roma, Texas's internal control over financial reporting and compliance.

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

McAllen, Texas  
June 26, 2025

## City of Roma, Texas Management's Discussion and Analysis

As management of the City of Roma, Texas (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Roma for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City's Governmental Activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$11,154,209 (net position). Of this amount, \$14,496,272 is net investment in capital assets; \$2,552,102 is restricted with a remaining deficit in unrestricted net position totaling \$(5,894,165) which may be used to meet the government's ongoing obligations to citizens and creditors.
- The assets and deferred outflows of resources of the City's business-type activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$31,391,529 (net position). Of this amount, \$25,360,471 is net investment in capital assets; \$5,728,733 is restricted and \$302,325 (unrestricted net position) may be used to meet the water and sewer systems ongoing obligations to citizens and creditors.
- The assets and deferred outflows of resources of the City's component unit exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,588,743 (net position). Of this amount, \$277,017 is net investment in capital assets and the remaining \$1,311,726 is restricted for economic development.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance deficit of \$(4,780,376) of which \$2,480,598 was restricted leaving a deficit of \$7,260,974 in unassigned fund balance.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$495,297 and restrictions on fund balances amounted to \$430,055.
- The City's total net debt increased by \$9,630,516 during the current fiscal year, which represents the current year bond, note payable, right-to use lease and subscription liabilities and financing arrangement principal payments of \$877,029, reduction of pension \$744,346, and increase in OPEB liabilities of \$32,650, increase in Landfill closure and post closure care liability of \$2,055, decrease in compensated absences of \$5,135, and increases in financing arrangements by \$10,927,279, increases in right-to use-leases by \$143,477, and right-to-use subscriptions by \$151,565.

# City of Roma, Texas Management's Discussion and Analysis

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Roma's basic financial statements. The City of Roma's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

### Government-Wide Financial Statements

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

*The Statement of Net Position* - presents information on all the City of Roma's assets, deferred outflows, liabilities and deferred inflows with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Roma is improving or deteriorating.

*The Statement of Activities* - presents information showing how the government's net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City of Roma that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Roma includes: general government; public safety; public works; health and welfare; culture and recreation; and economic development. The business-type activities of the City of Roma includes one fund: water and wastewater.

The government-wide financial statements include not only the City of Roma itself (known as the primary government), but also a legally separate component unit for which the City of Roma is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

### Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Roma, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City of Roma funds can be divided into two categories: governmental funds and proprietary funds.

# City of Roma, Texas

## Management's Discussion and Analysis

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Roma maintains thirty-two (32) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Industrial Park Project Fund, which are considered major funds. Data of one additional fund is incorporated with the General Fund as a result of Governmental Accounting Standards Board (GASB) Statement No. 54. Data from the other thirty governmental funds are combined into a single, aggregated presentation.

### **Proprietary Funds**

The City of Roma maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Roma uses enterprise funds to account for its water and wastewater system.

### **Notes to the Financial Statements**

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

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Roma's revenues and expenditures budget to actual comparison for its general fund and information concerning the City's progress in funding its obligations to provide pension benefits to its employees.

The combining statements, in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

**City of Roma, Texas**  
**Management's Discussion and Analysis**

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Roma, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$42,545,738 at the close of the most recent fiscal year.

The following table summarizes the City's net position at September 30, 2024.

	Governmental Activities		Business-type Activities		Total		Component Unit	
	2024	2023 Restated	2024	2023 Restated	2024	2023 Restated	2024	2023 Restated
Current and other assets	\$ (1,021,307)	\$ 2,694,866	\$ 15,151,304	\$ 15,098,567	\$ 14,129,997	\$ 17,793,433	\$ 3,299,697	\$ 3,250,319
Capital assets	30,358,238	15,560,890	29,402,741	28,960,817	59,760,979	44,521,707	277,017	265,437
Total assets	29,336,931	18,255,756	44,554,045	44,059,384	73,890,976	62,315,140	3,576,714	3,515,756
Deferred outflows of resources	626,785	1,027,635	337,501	602,168	964,286	1,629,803	22,231	23,940
Long-term liabilities	16,405,288	4,509,802	10,199,528	9,928,452	26,604,816	14,438,254	1,740,000	1,820,000
Other liabilities	1,981,670	2,678,698	3,227,968	4,166,977	5,209,638	6,845,675	270,202	283,625
Total liabilities	18,386,958	7,188,500	13,427,496	14,095,429	31,814,454	21,283,929	2,010,202	2,103,625
Deferred inflows of resources	422,549	827,817	72,521	98,273	495,070	926,090	-	-
Net position								
Net investment in capital assets	14,496,272	11,074,818	25,360,471	19,032,365	39,856,743	30,107,183	277,017	265,437
Restricted	2,552,102	1,653,428	5,728,733	5,967,606	8,280,835	7,621,034	1,311,726	1,170,634
Unrestricted	(5,894,165)	(1,461,172)	302,325	5,467,879	(5,591,840)	4,006,707	-	-
Total net position	\$ 11,154,209	\$ 11,267,074	\$ 31,391,529	\$ 30,467,850	\$ 42,545,738	\$ 41,734,924	\$ 1,588,743	\$ 1,436,071

By far, the largest portion of the City's net position (94%) is investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The City of Roma uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Roma's investment in its 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.

The City's overall net position increased \$810,814 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Governmental Activities**

During the current fiscal year, net position for governmental activities decreased by \$112,865 from the prior fiscal year for an ending balance of \$11,267,074.

**Business-type Activities**

During the current fiscal year, net position for business-type activities increased by \$923,679 from the prior fiscal year ending balance of \$30,467,850.

**City of Roma, Texas**  
**Management's Discussion and Analysis**

**Analysis of Changes in Net Position**

The following table summarizes the changes in the City's net position from its activities for the fiscal year ended September 30, 2024.

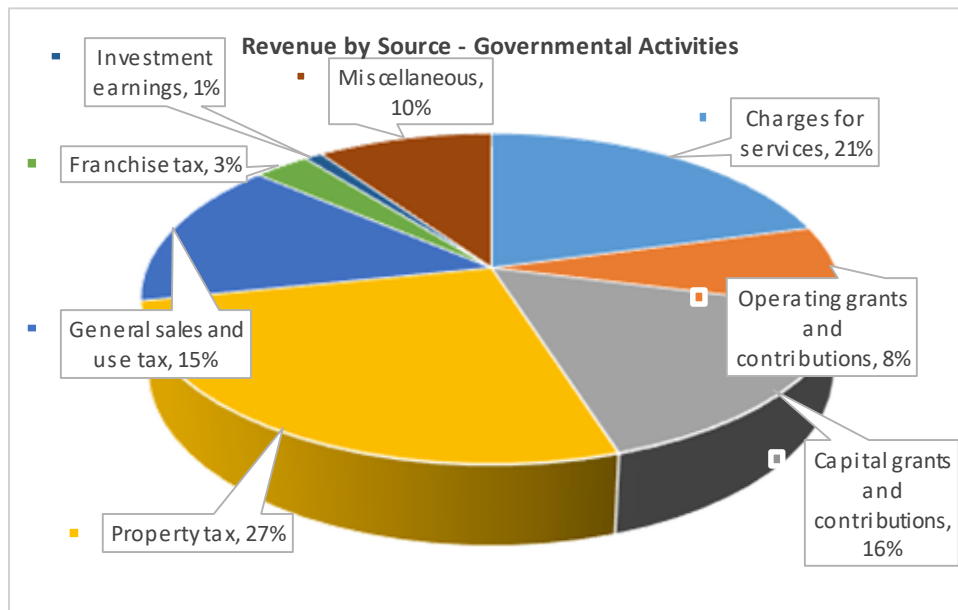
	Governmental Activities		Business-type Activities		Total		Component Unit	
	2024	2023 Restated	2024	2023 Restated	2024	2023 Restated	2024	2023 Restated
<b>Revenues</b>								
<b>Program revenues</b>								
Charges for services	\$ 1,963,928	\$ 1,771,752	\$ 4,822,732	\$ 4,824,142	\$ 6,786,660	\$ 6,595,894	\$ -	\$ -
Operating grants and contributions	763,735	1,376,422	-	-	763,735	1,376,422	-	-
Capital grants and contributions	1,529,990	417,857	-	-	1,529,990	417,857	-	-
<b>General revenues</b>								
Property tax	2,520,666	2,283,692	-	-	2,520,666	2,283,692	-	-
Sales tax	1,371,173	1,219,215	-	-	1,371,173	1,219,215	454,573	434,439
Franchise taxes	288,244	420,298	-	-	288,244	420,298	-	-
Investment earnings	91,950	-	372,800	301,387	464,750	301,387	16,830	-
Other	910,659	248,304	363,422	275,596	1,274,081	523,900	1,005,263	34,256
Transfers in	-	-	1,871,593	1,758,452	1,871,593	1,758,452	-	-
<b>Total revenues</b>	<b>9,440,345</b>	<b>7,737,540</b>	<b>7,430,547</b>	<b>7,159,577</b>	<b>16,870,892</b>	<b>14,897,117</b>	<b>1,476,666</b>	<b>468,695</b>
<b>Expenses</b>								
General government	1,333,902	2,145,313	-	-	1,333,902	2,145,313	-	-
Public safety	3,309,744	3,837,938	-	-	3,309,744	3,837,938	-	-
Public works	2,343,445	1,789,903	-	-	2,343,445	1,789,903	-	-
Health and welfare	242,095	207,086	-	-	242,095	207,086	-	-
Culture and recreation	207,424	6,530	-	-	207,424	6,530	-	-
Interest on debt	245,007	37,298	390,497	334,460	635,504	371,758	-	-
Water and sewer system	-	-	6,116,371	6,160,564	6,116,371	6,160,564	-	-
Economic development	-	-	-	-	-	-	1,323,995	390,369
Transfers out	1,871,593	1,758,398	-	-	1,871,593	1,758,398	-	-
<b>Total expenses</b>	<b>9,553,210</b>	<b>9,782,466</b>	<b>6,506,868</b>	<b>6,495,024</b>	<b>16,060,078</b>	<b>16,277,490</b>	<b>1,323,995</b>	<b>390,369</b>
Changes in net position	(112,865)	(2,044,926)	923,679	664,553	810,814	(1,380,373)	152,671	78,326
Net position, beginning of year	11,267,074	13,312,000	30,467,850	29,803,297	41,734,924	43,115,297	1,436,072	1,357,746
Net position, end of year	\$ 11,154,209	\$ 11,267,074	\$ 31,391,529	\$ 30,467,850	\$ 42,545,738	\$ 41,734,924	\$ 1,588,743	\$ 1,436,072

Total revenues generated from both governmental and business-type activities for this year amounted to \$16,870,892. Expenses were \$16,060,078 thus increasing net position by \$810,814.

**Governmental Activities - Revenues and Expenses**

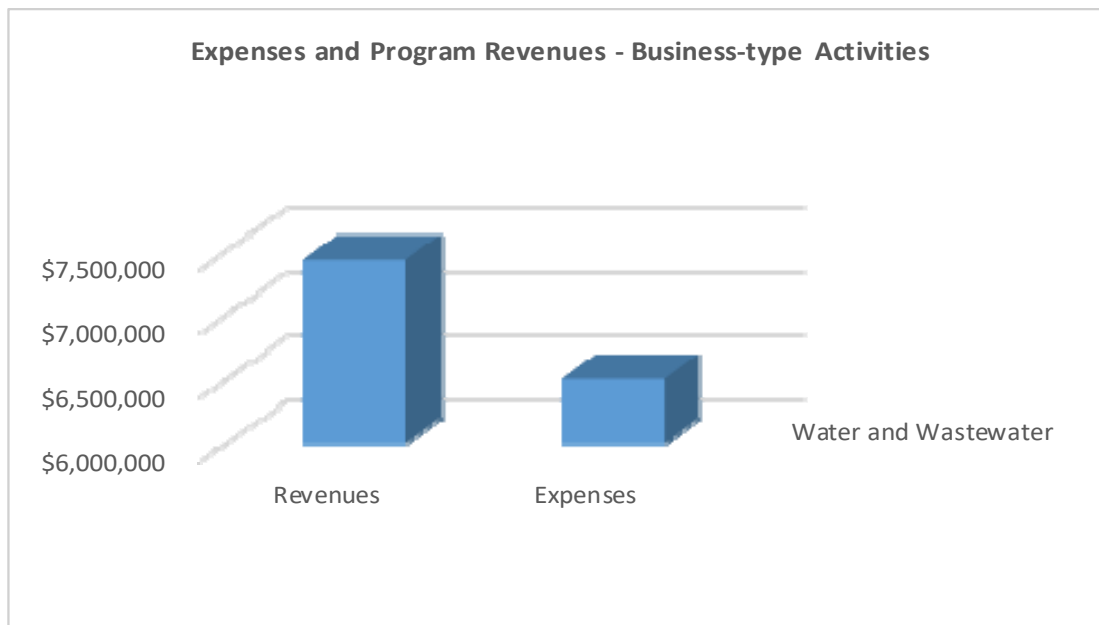
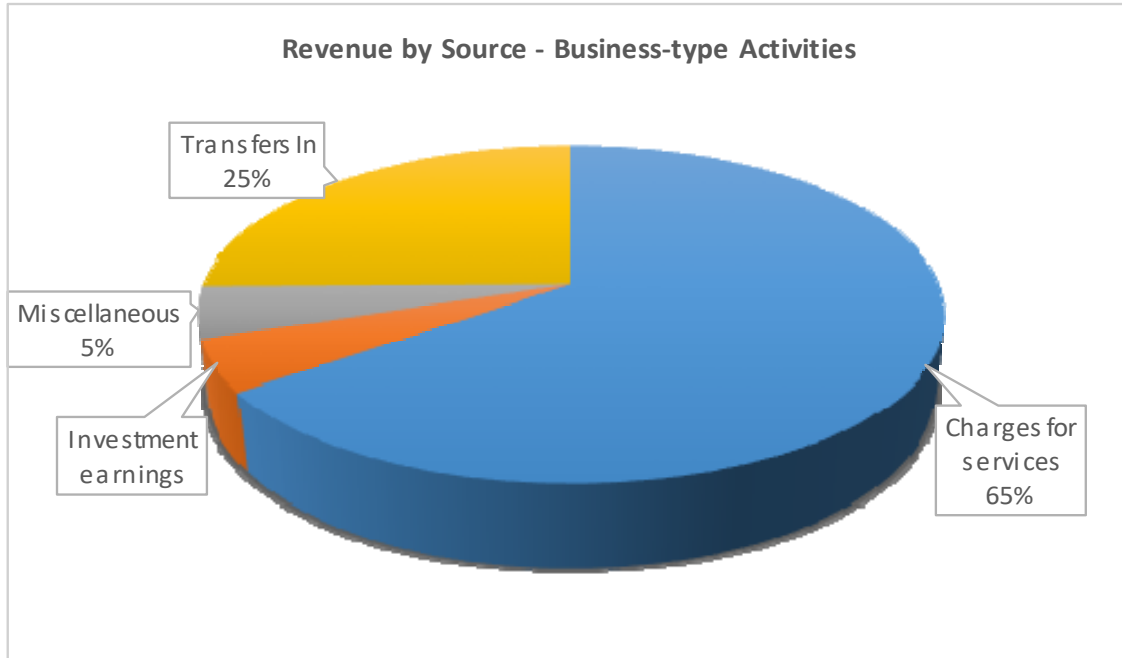
Governmental activities decreased the City's net position by \$112,865. There was an overall increase in property tax revenues due to higher assessed property tax values, investment earnings as the City invested in certificates of deposits in the current year, and miscellaneous revenues due to contributions made by the Roma Economic Development Corporation related to ongoing capital projects. Overall, expenses remained comparative to the prior year which resulted in a lower negative change in net position compared to the prior year.

The following graph displays percentage of revenues by source for governmental activities for fiscal year 2024.



**Business-type Activities**

Business-type activities increased the City's net position by \$923,679. The increase was largely due to an increase in contributions from the Roma Economic Development Corporation for various City projects and investment earnings new to the current year. Expenses remained comparable to the prior year.



Expenses for business-type activities totaled \$6,506,868, an increase of \$21,844 compared to the prior year.

# City of Roma, Texas Management's Discussion and Analysis

## Financial Analysis of Government's Funds

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

**Governmental funds.** The focus of the City of Roma governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Roma's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to a particular purpose by either the City of Roma, an external party, a group or individual that has been delegated authority to assign resources to be used for particular purposes.

As of September 30, 2024, the City of Roma's governmental funds reported a combined fund balance of \$(4,780,376), a decrease of \$4,892,453 compared with the prior year.

The General Fund is the main operating fund of the City of Roma. At the end of the current fiscal year, the total fund balance was \$925,352, an increase of \$246,075 compared to prior year, with the unassigned portion of the fund balance being \$495,297. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures.

The Industrial Park Project, a major fund, had a \$5,741,106 decrease in fund balance during the current fiscal year. The decrease was due to the continued work being performed on industrial park and the increase in amounts due to other funds with the plan to reimburse those funds once the project is completed.

The other governmental funds had a \$602,578 increase in fund balance during the current fiscal year. The fund balance increased in comparison with the prior year due to the City establishing several new special revenue funds. Overall, revenues remained comparable to the prior year while expenses decreased due to spending the last of the ARPA funds in the current year.

## General Fund Budgetary Highlights

During the year, the City Council amends the budget as necessary. Generally, adjustments to the budget relate to requests not considered during the normal budgetary process. Original estimated revenues increased by \$261,818 while budgeted appropriations decreased by \$24,487 during the year. Revenues and budget appropriations include other financing sources.

- The most significant revenue variance, (\$140,838), is reflected in fines and forfeitures as forfeiture special revenue funds were created in the current year resulting in revenue related to forfeitures not being recorded in the general fund.
- Intergovernmental revenues shows a positive variance of \$319,870 due to more projects related expenses and revenues being incurred in the current year than anticipated.
- The most significant expense variance, (\$10,966,789), is reflected in general government. The variance is due to the recording of a contract to purchase the Secondary Examination Station.

**City of Roma, Texas**  
**Management's Discussion and Analysis**

**Capital Asset and Debt Administration**

**Capital assets.** The City of Roma's capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$59,760,979 (net of accumulated depreciation and amortization). Investment in capital assets includes land, water rights, construction in progress, buildings, infrastructure, vehicles, machinery and equipment, and right-to-use lease and subscription assets. The total net increase in the City's investments in capital assets for the current fiscal year was \$15,239,272.

Major capital asset events during the current fiscal year included the following:

- Construction in progress in the governmental activities increased by \$4,976,707. The projects that contributed to the change in current year include the Industrial Park project, Guadalupe Plaza Park Project, and Downtwon Revitalization Project.
- Building in the governmental activities and systems in the business-type activities, net of accumulated depreciation increased by \$10,435,748 as the City agreed to a financed purchase of the Secondary Examination Station.

The following table summarizes the City's total capital assets.

	City of Roma's Capital Assets (Net of depreciation and amortization)						Component	
	Governmental Activities		Business-type Activities		Total		Unit	
	2024	2023	2024	2023	2024	2023	2024	2023 Restated
Land	\$ 2,507,972	\$ 2,507,972	\$ 325,869	\$ 325,869	\$ 2,833,841	\$ 2,833,841	\$ 24,710	\$ 24,710
Water rights	-	-	2,835,060	2,835,060	2,835,060	2,835,060	-	-
Construction in progress	6,473,775	1,497,068	3,985,198	2,035,018	10,458,973	3,532,086	-	-
Buildings	11,309,341	872,281	-	1,310	11,309,341	873,591	252,306	235,368
Machinery and equipment	1,363,329	1,050,596	232,945	312,563	1,596,274	1,363,159	-	-
Infrastructure	8,620,067	9,632,973	21,915,098	23,430,833	30,535,165	33,063,806	-	-
Right-to-use lease assets	68,942	-	47,601	20,164	116,543	20,164	-	-
Right-to-use subscription assets	14,812	-	60,970	-	75,782	-	-	-
<b>Capital assets, net</b>	<b>\$ 30,358,238</b>	<b>\$ 15,560,890</b>	<b>\$ 29,402,741</b>	<b>\$ 28,960,817</b>	<b>\$ 59,760,979</b>	<b>\$ 44,521,707</b>	<b>\$ 277,016</b>	<b>\$ 260,078</b>

Additional information on the City of Roma's capital assets can be found in note 8.

**City of Roma, Texas**  
**Management's Discussion and Analysis**

**Long-Term Debt.** At the end of the current fiscal year, the City of Roma had total outstanding long-term debt of \$26,597,445, an increase of \$9,360,216 compared to the prior year due to the City reaching a financing agreement for the purchase of the Secondary Examination Station. Additional information on the City of Roma's long-term debt can be found in note 9.

The following table summarizes the City's total long-term debt obligations.

	<b>City of Roma's Long-Term Debt</b>							
	Governmental Activities		Business-type Activities		Total		Component Unit	
	2024	2023 Restated	2024	2023	2024	2023 Restated	2024	2023
Bonds payable	\$ 3,096,000	\$ 3,156,300	\$ 9,386,000	\$ 9,858,000	\$ 12,482,000	\$ 13,014,300	\$ 1,740,000	\$ 1,820,000
Loans payable	1,063,000	1,083,000	-	-	1,063,000	1,083,000	-	-
Financing arrangements	10,950,674	249,273	22,801	49,156	10,973,475	298,429	-	-
Right-to-use leases	82,811	-	57,541	21,295	140,352	21,295	-	-
Right-to-use subscriptions	20,169	-	83,020	-	103,189	-	-	-
Closure and post closure	25,783	23,728	-	-	25,783	23,728	-	-
Compensated absences	121,335	157,317	87,197	56,350	208,532	213,667	-	-
Net pension liability	781,716	1,226,603	420,924	720,383	1,202,640	1,946,986	-	-
Total OPEB liability	263,801	230,469	134,673	135,355	398,474	365,824	-	-
	<b>\$ 16,405,289</b>	<b>\$ 6,126,690</b>	<b>\$ 10,192,156</b>	<b>\$ 10,840,539</b>	<b>\$ 26,597,445</b>	<b>\$ 16,967,229</b>	<b>\$ 1,740,000</b>	<b>\$ 1,820,000</b>

# City of Roma, Texas Management's Discussion and Analysis

## Economic Factors and Next Year's Budget and Rates

During the budget process for fiscal year 2024-2025, the Mayor, City Council members, and staff evaluated several key economic indicators. Property appraisal values experienced a moderate increase, prompting the City to adopt a slightly reduced tax rate of \$0.5279 per \$100 of valuation, down from \$0.5282 the previous year. This rate reduction was made possible by the growth in property values, allowing the City to maintain stable revenues without increasing the tax burden on residents.

Utility consumption remained flat, but sales tax collections rose by 2% year-over-year, indicating a slight improvement in local economic conditions. The City also anticipates receiving an additional \$200,000 in bridge income payments from Starr County before the end of the fiscal year. The municipal drainage utility system fee, now a regular part of the City's revenue structure, is expected to generate approximately \$65,000 annually.

The City anticipates receiving a Community Development Block Grant (CDBG) for paving projects totaling approximately \$500,000 during FY 2024–2025. At the same time, the City continues to manage annual debt payments on drainage-related bond projects, which remain a constraint on the Enterprise Fund due to their impact on operational flexibility and capital planning.

This fiscal year, the City's main capital focus is on the continued development of the Las Americas Roma Logistics & Industrial Park. Multiple infrastructure projects are planned to support industrial growth, and the Roma Economic Development Corporation (REDC) anticipates the sale of lots within the park during the fiscal year, further expanding the local tax base.

In addition, the City is optimistic about a potential commercial development that could bring national fast food chains and retail establishments to Roma. These efforts reflect the City's ongoing commitment to sustainable economic growth, infrastructure investment, and long-term fiscal responsibility.

All of these factors were considered in preparing the City's budget for the 2024-2025 fiscal year.

## Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Administrator, 77 East Convent Avenue, Roma, Texas 78584.

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**CITY OF ROMA, TEXAS**  
Basic Financial Statements

**CITY OF ROMA, TEXAS**  
**STATEMENT OF NET POSITION**  
**EXHIBIT A-1**

<i>September 30, 2024</i>	Primary Government			Component Unit
	Governmental Activities	Business - type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 426,981	\$ 343,514	\$ 770,495	\$ 88,257
Investments	-	1,621,688	1,621,688	-
Prepaid items	-	6,968	6,968	-
Receivables, net	1,586,196	679,726	2,265,922	109,678
Due from other governments	1,349,721	-	1,349,721	77,102
Due from primary government	-	-	-	1,281,554
Due from component unit	235,403	-	235,403	-
Internal balances	(6,770,675)	6,770,675	-	-
Long term lease receivable	256,065	-	256,065	-
Restricted cash and cash equivalents	1,552,716	5,728,733	7,281,449	82,199
Restricted investments	342,286	-	342,286	-
Redevelopment properties	-	-	-	1,660,907
Capital assets				
Non-depreciable	8,981,747	7,146,127	16,127,874	24,710
Depreciable, net	21,292,737	22,148,043	43,440,780	252,307
Right-to-use lease assets, net	68,942	47,601	116,543	-
Right-to-use subscription assets, net	14,812	60,970	75,782	-
<b>Total assets</b>	<b>29,336,931</b>	<b>44,554,045</b>	<b>73,890,976</b>	<b>3,576,714</b>
<b>Deferred Outflows of Resources</b>				
Deferred charge for refunding	-	-	-	22,231
Deferred outflows related to pensions	580,081	312,351	892,432	-
Deferred outflows related to OPEB obligations	46,704	25,150	71,854	-
<b>Total deferred outflows of resources</b>	<b>626,785</b>	<b>337,501</b>	<b>964,286</b>	<b>22,231</b>
<b>Liabilities</b>				
Accounts payable	814,658	23,025	837,683	25,738
Accrued liabilities	41,755	26,915	68,670	-
Accrued interest	84,972	37,766	122,738	9,061
Due to component unit	1,040,285	241,269	1,281,554	-
Due to primary government	-	-	-	235,403
Customer deposits	-	199,125	199,125	-
Unearned revenue	-	2,699,868	2,699,868	-
Noncurrent liabilities				
Due within one year				
Bonds payable	62,000	523,000	585,000	-
Compensated absences	46,193	24,873	71,066	-
Financing arrangement	1,218,069	22,801	1,240,870	-
Lease liability	14,595	11,546	26,141	-
SBITA liability	9,869	40,622	50,491	-
Loan payable	20,000	-	20,000	90,000
OPEB liability	13,692	7,373	21,065	-

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS**  
**STATEMENT OF NET POSITION**  
**EXHIBIT A-1 (Continued)**

<i>September 30, 2024</i>	Primary Government			Component Units
	Governmental Activities	Business - type Activities	Total	
Due in more than one year				
Landfill postclosure costs	25,783	-	25,783	-
Bonds payable	3,034,000	8,863,000	11,897,000	-
Compensated absences	75,142	62,324	137,466	-
Financing arrangement	9,732,605	-	9,732,605	-
Lease liability	68,215	45,995	114,210	-
SBITA liability	10,300	42,397	52,697	-
Loan payable	1,043,000	-	1,043,000	1,650,000
Net pension liability	781,716	420,924	1,202,640	-
OPEB liability	250,109	134,673	384,782	-
<b>Total liabilities</b>	<b>18,386,958</b>	<b>13,427,496</b>	<b>31,814,454</b>	<b>2,010,202</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to leases	287,868	-	287,868	-
Deferred inflows related to pensions	54,304	29,243	83,547	-
Deferred inflows related to OPEB	80,377	43,278	123,655	-
<b>Total deferred inflows of resources</b>	<b>422,549</b>	<b>72,521</b>	<b>495,070</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	14,496,272	25,360,471	39,856,743	277,017
Restricted for:				
Federal or state funds grant restrictions	435,067	-	435,067	-
Forfeiture funds	343,801	-	343,801	-
Hotel/Motel occupancy tax	36,270	-	36,270	-
Municipal court	33,779	-	33,779	-
Bus terminal	137,161	-	137,161	-
Debt service	152,688	49,824	202,512	-
Landfill trust	342,494	-	342,494	-
Capital projects	1,070,842	5,581,817	6,652,659	-
Water rights	-	97,092	97,092	-
Economic development	-	-	-	1,311,726
Unrestricted	(5,894,165)	302,325	(5,591,840)	-
<b>Total net position</b>	<b>\$ 11,154,209</b>	<b>\$ 31,391,529</b>	<b>\$ 42,545,738</b>	<b>\$ 1,588,743</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**EXHIBIT B-1**

*For the year ended September 30, 2024*

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities				
General government	\$ 1,333,902	\$ 1,895,201	\$ -	\$ 1,529,080
Public safety	3,309,744	68,727	763,735	910
Public works	2,343,445	-	-	-
Health and welfare	242,095	-	-	-
Culture and recreation	207,424	-	-	-
Interest on debt	245,007	-	-	-
<b>Total governmental activities</b>	<b>7,681,617</b>	<b>1,963,928</b>	<b>763,735</b>	<b>1,529,990</b>
<b>Business - type activities</b>				
Water and wastewater services	6,506,868	4,822,732	-	-
<b>Total business-type activities</b>	<b>6,506,868</b>	<b>4,822,732</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 14,188,485</b>	<b>\$ 6,786,660</b>	<b>\$ 763,735</b>	<b>\$ 1,529,990</b>
<b>Component unit</b>				
Economic development corporation	\$ 1,323,995	\$ -	\$ -	\$ -

General revenues and transfers

Taxes

    Property taxes, levied for general purposes

    General sales and use taxes

    Franchise taxes

Investment earnings

Miscellaneous

Transfers, net

Total general revenues

Change in net position

Net position, beginning of year

Accounting changes and error corrections (see Note 2)

Net position, beginning of year as restated

Net position, end of year

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS  
STATEMENT OF ACTIVITIES  
EXHIBIT B-1 (Continued)**

Net (Expense) Revenue and Changes in Net Position					
Primary Government					
Governmental Activities	Business - type Activities	Total	Component Unit		
\$ 2,090,379	\$ -	\$ 2,090,379	\$ -		
(2,476,372)	-	(2,476,372)	-		
(2,343,445)	-	(2,343,445)	-		
(242,095)	-	(242,095)	-		
(207,424)	-	(207,424)	-		
(245,007)	-	(245,007)	-		
(3,423,964)	-	(3,423,964)	-		
-	(1,684,136)	(1,684,136)	-		
-	(1,684,136)	(1,684,136)	-		
(3,423,964)	(1,684,136)	(5,108,100)	-		
-	-	-	(1,323,995)		
2,520,666	-	2,520,666	-		
1,371,173	-	1,371,173	454,573		
288,244	-	288,244	-		
91,950	372,800	464,750	16,830		
910,659	363,422	1,274,081	1,005,263		
(1,871,593)	1,871,593	-	-		
3,311,099	2,607,815	5,918,914	1,476,666		
(112,865)	923,679	810,814	152,671		
11,365,112	33,301,631	44,666,743	1,440,604		
(98,038)	(2,833,781)	(2,931,819)	(4,532)		
11,267,074	30,467,850	41,734,924	1,436,072		
\$ 11,154,209	\$ 31,391,529	\$ 42,545,738	\$ 1,588,743		

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
EXHIBIT C-1**

<i>September 30, 2024</i>	General Fund	Industrial Park Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 238,674	\$ 188,307	\$ -	\$ 426,981
Receivables (net of allowance for uncollectibles)				
Taxes receivable	1,217,601	-	-	1,217,601
Accounts receivable	322,089	-	46,506	368,595
Due from other governments	958,174	-	391,547	1,349,721
Due from other funds	8,258	-	313,095	321,353
Due from component units	235,403	-	-	235,403
Long term lease receivable	-	-	256,065	256,065
Restricted assets				
Restricted cash and cash equivalents	87,769	-	1,464,947	1,552,716
Restricted investments	342,286	-	-	342,286
<b>Total assets</b>	<b>\$ 3,410,254</b>	<b>\$ 188,307</b>	<b>\$ 2,472,160</b>	<b>\$ 6,070,721</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 106,149	\$ 133,280	\$ 124,762	\$ 364,191
Retainage payable	-	450,467	-	450,467
Accrued liabilities	41,755	-	-	41,755
Due to component unit	-	1,040,285	-	1,040,285
Due to other funds	762,495	6,319,241	10,292	7,092,028
<b>Total liabilities</b>	<b>910,399</b>	<b>7,943,273</b>	<b>135,054</b>	<b>8,988,726</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
EXHIBIT C-1 (Continued)**

<i>September 30, 2024</i>	General Fund	Industrial Park Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Deferred inflows of resources</b>				
Unavailable revenue - leases	-	-	287,868	287,868
Unavailable revenue - property taxes	1,574,503	-	-	1,574,503
<b>Total deferred inflows of resources</b>	<b>1,574,503</b>	<b>-</b>	<b>287,868</b>	<b>1,862,371</b>
<b>Fund balances</b>				
Restricted for				
Federal or state funds grant				
restrictions	-	-	435,067	435,067
Forfeiture funds	-	-	343,801	343,801
Hotel/motel occupancy tax	-	-	36,270	36,270
Landfill trust	342,494	-	-	342,494
Municipal Court	-	-	33,779	33,779
Capital projects	6,377	-	1,064,465	1,070,842
Bus Terminal	-	-	137,161	137,161
Debt service	81,184	-	-	81,184
Unassigned	495,297	(7,754,966)	(1,305)	(7,260,974)
<b>Total fund balances</b>	<b>925,352</b>	<b>(7,754,966)</b>	<b>2,049,238</b>	<b>(4,780,376)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,410,254</b>	<b>\$ 188,307</b>	<b>\$ 2,472,160</b>	<b>\$ 6,070,721</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**EXHIBIT C-2**

<i>September 30, 2024</i>	Governmental Activities
Total fund balances - governmental funds	\$ (4,780,376)
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Governmental capital assets	53,701,933
Less accumulated depreciation and amortization	<u>(23,343,695)</u>
	30,358,238
Deferred outflow of resources related to pensions are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.	580,081
Deferred outflow of resources related to OPEB are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.	46,704
Deferred inflow of resources related to pensions are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.	(54,304)
Deferred inflow of resources related to OPEB are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.	(80,377)

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**EXHIBIT C-2 (Continued)**

Some revenues will not be collected within 60 days after the close of the City's fiscal year-end and are not considered as "available" revenue in the governmental funds and, therefore, are reported as deferred inflows of resources. In the statement of net position, which is on the full accrual basis, the revenue is fully recognized in the statement of activities.		1,574,503
Long-term liabilities, including total OPEB liability, net position liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net pension liability	(781,716)	
Bonds payable	(3,096,000)	
Other post employment benefits liability	(263,801)	
Loan payable	(1,063,000)	
Lease payable	(82,810)	
SBITA payable	(20,169)	
Landfill closure and postclosure liability	(25,783)	
Financing arrangement	(10,950,674)	
Accrued interest payable	(84,972)	
Compensated absences	(121,335)	(16,490,260)
<hr/>		
Net position of governmental activities		\$ 11,154,209

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**EXHIBIT C-3**

<i>For the year ended September 30, 2024</i>	General Fund	Industrial Park Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 1,682,994	\$ -	\$ 134,625	\$ 1,817,619
General sales and use taxes	1,371,173	-	-	1,371,173
Franchise taxes	285,212	-	3,032	288,244
Licenses and permits	115,873	-	-	115,873
Intergovernmental	763,629	395,102	1,134,994	2,293,725
Charges for services	1,716,418	-	72,965	1,789,383
Fines and forfeitures	54,161	-	123,766	177,927
Interest income	29,280	31,949	30,721	91,950
Miscellaneous revenue	711,322	-	80,084	791,406
<b>Total revenues</b>	<b>6,730,062</b>	<b>427,051</b>	<b>1,580,187</b>	<b>8,737,300</b>
<b>Expenditures</b>				
Current				
General government	11,828,814	4,746,263	279,947	16,855,024
Public safety	3,407,360	-	229,969	3,637,329
Public works	1,530,166	-	-	1,530,166
Health and welfare	275,589	-	-	275,589
Culture and recreation	10,330	-	-	10,330
Debt service				
Principal	315,333	-	3,367	318,700
Interest and fiscal agent fees	173,503	-	600	174,103
<b>Total expenditures</b>	<b>17,541,095</b>	<b>4,746,263</b>	<b>513,883</b>	<b>22,801,241</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**EXHIBIT C-3 (Continued)**

<i>For the year ended September 30, 2024</i>	General Fund	Industrial Park Project Fund	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	(10,811,033)	(4,319,212)	1,066,304	(14,063,941)
<b>Other financing sources (uses)</b>				
Proceeds from ROU Leases and financing arrangements	10,927,279	-	86,177	11,013,456
Proceeds from SBITAs	29,624	-	-	29,624
Transfers in	452,500	382,730	403,941	1,239,171
Transfers out	(352,295)	(1,804,624)	(953,844)	(3,110,763)
Net other financing sources (uses)	11,057,108	(1,421,894)	(463,726)	9,171,488
Net change in fund balances	246,075	(5,741,106)	602,578	(4,892,453)
Fund balance, beginning of year as previously reported	1,189,862	(2,013,860)	768,999	(54,999)
Adjustments	(510,585)	-	677,661	167,076
Fund balance beginning of year, as restated	679,277	(2,013,860)	1,446,660	112,077
Fund balance, end of year	\$ 925,352	\$ (7,754,966)	\$ 2,049,238	\$ (4,780,376)

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
EXHIBIT C-4**

<i>For the year ended September 30, 2024</i>	Governmental Activities
Net change in fund balances - total governmental funds	\$ (4,892,453)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	14,797,348
Some revenues will not be collected within 60 days after the close of the City's fiscal year-end and are not considered as "available" revenue in the governmental funds. In the statement of net position, presented on the full accrual basis, these revenues are recognized.	703,047
Issuance of long-term debt is another financing source in the governmental funds, but increases long-term liabilities in the statement of net position.	(11,043,080)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	318,700

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
EXHIBIT C-4 (Continued)**

Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.	35,982
Changes to the OPEB liability and the related deferred outflows of resources and deferred inflows of resources are reported as expenses in the statement of activities, but does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.	(15,933)
Changes to the pension liability and the related deferred outflows of resources and deferred inflows of resources are reported as expenses in the statement of activities, but does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.	57,083
(Increase) Interest on long-term debt payable is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(71,504)
The Landfill Closure and post closure liability in the statement of activities did not require the use of financial resources and therefore are not expenditures in the governmental fund. The Landfill closure and post closure liability increased in the current year.	(2,055)
<b>Change in net position of governmental activities</b>	<b>\$ (112,865)</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**EXHIBIT D-1**

	Business-type Activities
	Water and Wastewater Fund
<i>September 30, 2024</i>	
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 343,514
Investments	1,621,688
Prepaid items	6,968
Accounts receivable, net	679,726
Due from other funds	6,830,317
Total unrestricted current assets	9,482,213
Restricted noncurrent assets	
Cash and cash equivalents	5,728,733
Total restricted assets	5,728,733
Total current assets	15,210,946
Noncurrent assets	
Non-depreciable	7,146,127
Depreciable, net	22,148,043
Right-to-use lease assets, net	47,601
Right-to-use subscription assets, net	60,970
Total noncurrent assets	29,402,741
Total assets	\$ 44,613,687
<b>Deferred outflows of resources</b>	
Deferred outflows related to pensions	\$ 312,351
Deferred outflows related to OPEB	25,150
Total deferred outflows of resources	\$ 337,501
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 23,025
Accrued liabilities	26,915
Accrued interest	37,766
Customer deposits	199,125
Due to other funds	59,642

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**EXHIBIT D-1 (Continued)**

	<b>Business-type Activities</b>
	<b>Water and Wastewater Fund</b>
<b>September 30, 2024</b>	
Due to component unit	241,269
Unearned revenue	2,699,868
Current portion of bonds payable	523,000
Current portion of compensated absences	24,873
Current portion of financing arrangement	22,801
Current portion of lease liability	11,546
Current portion of SBITA liability	40,622
Current portion of OPEB liability	7,373
Total current liabilities	3,917,825
Noncurrent liabilities	
Bonds due after one year	8,863,000
Compensated absences	62,324
Lease liability due after one year	45,995
SBITA liability due after one year	42,397
Net pension liability	420,924
Total OPEB liability	134,673
Total non current liabilities	9,569,313
Total liabilities	\$ 13,487,138
<b>Deferred inflows of resources</b>	
Deferred inflows related to pensions	\$ 29,243
Deferred inflows related to OPEB	43,278
Total deferred outflows of resources	\$ 72,521
<b>Net position</b>	
Net investment in capital assets	25,360,471
Debt service	49,824
Capital projects	5,581,817
Water rights	97,092
Unrestricted	302,325
Total net position	\$ 31,391,529

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ROMA, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**EXHIBIT D-2**

	Business-type Activities
<i>For the year ended September 30, 2024</i>	Water and Wastewater Fund
<b>Operating Revenues</b>	
Water services	\$ 2,843,377
Sewage services	1,654,499
Gas services	324,856
Other revenue	363,422
Total operating revenues	5,186,154
<b>Operating Expenses</b>	
Salaries, wages and employee benefits	2,075,003
Professional and technical services	314,553
Materials and supplies	825,073
Repairs and maintenance	275,635
Utilities expense	382,537
Other contractual services	139,993
Other operating costs	213,510
Depreciation/amortization	1,885,674
Total operating expense	6,111,978
Operating income (loss)	(925,824)
<b>Nonoperating Revenues (Expenses)</b>	
Interest income	372,800
Interest and fiscal charges	(394,890)
Total nonoperating revenues (expenses)	(22,090)
<b>Income (Loss) Before Transfers</b>	
Transfers in	2,039,958
Transfers out	(168,365)
Change in net position	923,679
Net position - beginning of year as previous reported	33,301,631
Accounting changes and error corrections	(2,833,781)
Net position balance beginning of year, as restated	30,467,850
<b>Total net position, end of year</b>	<b>\$ 31,391,529</b>

*The accompanying notes are an integral part of these financial statements.*

**City of Roma, Texas**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**EXHIBIT D-3**

	Business-type Activities
	Water and Wastewater Fund
<i>For the year ended September 30, 2024</i>	
<b>Operating Activities</b>	
Cash received from customers for sales and services	\$ 5,266,753
Cash payments to employees	(2,084,899)
Cash payments to suppliers for goods and services	(2,156,419)
Net cash provided by operating activities	1,025,435
<b>Noncapital Financing Activities</b>	
Cash transfers in from other funds	264,568
Cash transfers out to other funds	(605,954)
Net cash provided by noncapital financing activities	(341,386)
<b>Capital and Related Financing Activities</b>	
Acquisition of capital assets	(354,513)
Principal paid on subscription liabilities	(38,921)
Principal paid on lease liabilities	(21,054)
Principal paid on financing arrangements	(26,355)
Principal paid on bond payable	(472,000)
Interest paid on long-term debt, lease and subscription liabilities	(392,462)
Net cash (used in) capital and related financing activities	(1,305,305)
<b>Investing Activities</b>	
Investment income	295,653
Proceeds from sale/maturity of investments	606,399
Net cash provided by investing activities	902,052
Net increase in cash and cash equivalents	280,796
Cash and cash equivalents, beginning of year	5,791,451
Cash and cash equivalents, end of year	\$ 6,072,247

*The accompanying notes are an integral part of these financial statements.*

**City of Roma, Texas**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**EXHIBIT D-3 (Continued)**

	Business-type Activities
	Water and Wastewater Fund
<i>For the year ended September 30, 2024</i>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>	
Operating income (loss)	\$ (925,824)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	1,794,841
Amortization	90,833
Bad debt expense	(173,143)
Changes in assets, deferred outflows, liabilities and deferred inflows	
(Increase) decrease in assets and deferred outflows	
Prepaid items	(6,968)
Accounts receivable	256,809
Deferred outflows related to pension	260,919
Deferred outflows related to OPEB	3,748
(Increase) decrease in liabilities and deferred inflows	
Accounts payable	1,850
Accrued liabilities	13,110
Compensated absences	30,847
Customer deposits	(3,067)
Net pension liability	(299,459)
Total OPEB liability	6,691
Deferred inflows related to pension	(8,777)
Deferred inflows related to OPEB	(16,975)
Total adjustments	1,951,259
Net cash provided by operating activities	\$ 1,025,435
<b>Noncash Capital and Related Financing Activities</b>	
Acquisition of capital assets through contribution from Industrial Park Project fund	\$ (1,793,844)

*The accompanying notes are an integral part of these financial statements.*

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Roma, Texas (the "City") was incorporated in 1936, under Article XI, Section 5 of the Constitution of the State of Texas. The City operates under a City Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), public works, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include utilities (water, gas, sewer services, and solid waste collection).

The City Council (the " Council ") is elected by the public and it has the authority to make decisions, appoint city manager, city attorney, city secretary, municipal judge, and approve the budget. It also has the primary accountability for fiscal matters. Therefore, the City is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") Codification in its GASB Cod. Sec. 2100.111, "Definition of the Financial Reporting Entity." The City of Roma became a Home Rule City in May 2007.

***Reporting Entity***

The City is governed by an elected Mayor and four-member governing council (the "Council"). The accompanying financial statements present the City and its component unit, entities for which City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the City are described below.

***Discretely Presented Component Unit***

Roma Economic Development Corporation (REDC) was created on October 24, 1995, for the purpose of promoting economic development within the City of Roma and the State of Texas. The REDC board members are appointed by the City. The City is financially accountable for the REDC.

The REDC works to promote and encourage employment and the public welfare of, for and on behalf of the City. One of the purposes of the component unit is to improve existing parks, learning centers, athletic and exhibition facilities. Furthermore, the REDC will make improvements to the City's transportation, infrastructure and public facilities sometime in the future. This, in turn, may create new business and economic growth within the City of Roma, Texas.

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

***Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, and proprietary fund. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

***Measurement Focus, Basis of Accounting and Basis of Presentation***

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility and timing requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is

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

***Measurement Focus, Basis of Accounting and Basis of Presentation (continued)***

incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and 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 City.

The proprietary, reported using the economic resources measurement focus and the accrual basis of accounting.

***Government-Wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates governmental funds, while business-type activities incorporate the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the City has one discretely presented component unit. The Roma Economic Development Corporation is considered to be a major component unit, it is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater and sanitation services functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

***Fund Financial Statements***

The fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The *Industrial Park Project Fund* is a major special revenue fund. The City accounts for resources restricted to, or designated for, specific purposes by the City or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

The City reports the following major enterprise funds:

The *Water and Wastewater Fund* is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are finance through charges to utility customers with rates reviewed regularly and adjusted if necessary, to ensure integrity of the funds.

Additionally, the City reports the following non-major fund types:

*Special revenue funds* are for resources restricted to, or designated for, specific purposes by the City or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

*Capital projects funds* are used to account for the proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

During the course of operations, the City 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

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

***Fund Financial Statements (continued)***

funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

***Budgetary basis of accounting***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. The capital projects funds are appropriated on a project-length basis. Formal budgetary integration is employed as a management control device during the year for the General as well as for the Water and Wastewater funds.

Although accounting principles generally accepted in the United States of America require the budgetary schedules be reported for the General Fund and all major special revenue funds with a legally adopted budget, the City of Roma only prepares legally adopted annual budgets for the General Fund and Water and Sewer Fund. Therefore, the Special Revenue Funds (all non-major) do not present budgetary comparison schedules in this Annual Financial and Compliance Report.

Unused appropriations for the entire above annually budgeted funds lapse at the end of each year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Budgetary data for Capital Project Funds are budgeted over the life of the respective projects and not on an annual basis. Therefore, this data is not presented in the accompanying combined financial statements. Revisions that alter total appropriations must be approved by City Council. Therefore, the legal level of budgetary responsibility is at the total expenditures level.

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

***Budgetary basis of accounting (continued)***

City Management establishes the amount of estimated revenues and other resources available for appropriation for the succeeding budget year. City Management submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating fund includes proposed expenditures and the means of financing them. Public hearings are conducted to City Hall to obtain taxpayer comments. Prior to October 1, the budget is adopted by the City Council.

Expenditures may not legally exceed budgeted appropriations at the fund level.

***Excess of expenditures over appropriations***

For the year ended September 30, 2024, expenditures in the general fund exceeded budgeted appropriations in general government by \$10,966,789, public safety by \$411,251, health and welfare by \$39,755, culture and recreation by \$5,230, debt service – principal by \$171,133, debt service – interest by \$36,303.

***Net Position/Fund Balance deficit***

An unassigned fund balance deficit exists in the amount of \$7,754,966 for the Industrial Park Project Fund for the year ended September 30, 2024.

An unassigned fund balance deficit exists in the amount of \$1,305 for the Other Governmental Funds for the year ended September 30, 2024.

An unrestricted net position deficit exists in the amount of \$5,822,661 for Governmental Activities for the year ended September 30, 2024.

The negative balances are due to more expenditures than generated revenues in FY 2023-2024.

***Cash and Cash Equivalents***

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

***Investments***

Investments for the City consist of certificates of deposit with maturities of more than 3 months. Nonparticipating interest-earning investments contracts, including certificates of deposits are reported using a cost-based measure. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

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

***Receivables and Payables***

Unbilled receivables – An amount for unbilled revenue is recorded in the General Fund and Water and Wastewater fund for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

Allowance for doubtful accounts – The allowance for uncollectibles is management’s best estimate of the amount of credit losses based on account delinquencies and historical write-off expense.

Unearned revenue – unearned revenue recorded represents amounts received before eligibility requirements are met. At September 30, 2024, the City held \$2,699,868 of available principal forgiveness grant funds through the Texas Water Development Board received in advance of meeting eligibility requirements.

***Interfund Activities and Transactions***

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” within the fund financial statements. Long-term borrowings between funds are classified as “advances to other funds” or “advances from other funds” in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business- type funds are netted as part of the reconciliation to the government-wide presentation.

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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

***Restricted Assets***

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

*Customer and developer deposit accounts* – Deposited in non-interest-bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

*Bond debt service accounts* – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds obligations.

*Law enforcement fines and confiscated property account* – Funds generated from fines and confiscated property are applied towards further education and enhancement of the police department pursuant to state statutes.

*Landfill trust* - Funds set aside within a trust, as required by certain regulations, to provide assurance funding will be available when needed for closure, post closure, or corrective action of the municipal solid waste facility.

***Redevelopment Properties***

Governments usually acquire redevelopment property to attract private-sector investment in an economically depressed area. The Roma Economic Development Corporation undertakes and funds various projects which will benefit the City. These capital projects once completed are conveyed to the City and become part of the City's capital assets or they are sold. During the construction phase, these assets are considered redevelopment assets to the Economic Development Corporation.

***Capital Assets***

Capital assets, which include property, plant, equipment, right-to-use lease assets, right-to-use subscription assets and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

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

***Capital Assets (continued)***

Capital asset classes	Lives
Machinery and equipment	3-15 years
Vehicles	3-15 years
Improvements	20 years
Infrastructure	30 years
Buildings	50 years

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows 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 City has three (3) items that qualify for reporting as deferred outflows of resources, the *deferred amount on refunding, the deferred outflows related to pensions, and the deferred outflows related to OPEB*, reported in the government-wide and proprietary funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceeds their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

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, represent an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three (3) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to pensions and OPEB are an aggregate of items related to pensions and other post-employment benefits* as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions and OPEB will be recognized as a reduction to pension or OPEB expense in future reporting years. The deferred inflows related to leases are associated with amounts owed to the City, as lessor, by entities leasing the City's capital assets.

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: leases and property taxes assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

***Compensated Absences***

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation leave may be accumulated at the rate of up to 80 hours for each continuous year of employment for full-time employees with between 1 and 6 years of service. Employees with between 6 and 11 years of service, up to 104 hours accumulate each year. For employees with more than 11 years of service, up to 120 hours accumulate each year. The City allows employees to accumulate sick leave at a rate of 4 hours per month on continuous employment for full-time employees. Limits on the accumulation of vacation leave and sick leave are 240 hours for all full-time employees. In proprietary fund types, accumulated unpaid compensated absences are accrued when incurred. The accruals are reported as liabilities and expenses for the year incurred. The liability in the governmental fund types is recorded only in the Government-wide Financial Statements. The amount expected to be paid from current resources is not considered to be significant. Applicable liabilities in the governmental wide net assets and in the proprietary fund have been established to reflect these liabilities.

***Long-Term Obligations***

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and are recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASBC Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are expensed during the current period. The face amount of debt issued, and repayments are reported as other financing sources. Premiums received on debt issuances and discounts on debt issuances are reported as other financing uses.

***Leases***

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a right-to-use lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible right-to-use lease asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Right-to-use lease assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

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

***Pensions***

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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

The fiduciary net position of the Texas Municipal Retirement System (TMRS) Supplemental Death Benefit has been determined using the flow of economic resources measurement focus and full accrual basis of accounting.

This includes for purposes of measuring the total OPEB liability, deferred outflows and inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from the applicable OPEB's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. Information regarding the City's total OPEB liability related to the TMRS Supplemental Death Benefit is obtained from TMRS through a report prepared by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

***Categories and Classification of Net Position and Fund Balance***

Net position flow assumption – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the

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

***Categories and Classification of Net Position and Fund Balance (continued)***

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.

Fund balance policies – Fund balance of governmental funds is reported in various classifications based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

*Nonspendable fund balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

***Categories and Classification of Net Position and Fund Balance (continued)***

*Unassigned fund balance* – Unassigned fund balance is the residual classification for the General Fund.

***Revenues and Expenditures/Expenses***

*Program revenues* – Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

*Property taxes* - Property taxes are levied by October 1 in conformity with the 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 City's fiscal year. The adjusted assessed value for the roll as of January 1, 2024 upon which the 2023 levy was based was \$293,985,258. For the year ended September 30, 2024, property tax rates were \$.5682 per \$100 of assessed value.

*Proprietary funds operating and nonoperating revenues and expenses* – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Wastewater Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 26, 2025. See Note 19 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

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

In 2024, the City implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 2.

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

GASB Statement No. 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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

***Recently Issued and Implemented Accounting Pronouncements (continued)***

GASB Statement No. 102, *Certain Risk Disclosures*, the objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements*, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, this Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

The City is evaluating the requirements of the above statements and the impact on reporting for future years.

**NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE AND ERROR CORRECTION**

The City's fiscal year 2024 financial statements reflect the correction of an error in previously issued financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections*, requires disclosure of their nature and effect on amounts reported in the financial statements.

- In the General Fund, various adjustments were not recorded by the City as a result of previous audits totaling \$3,785 and a transfer outs incorrectly recorded by the City for \$1,441. Additionally, an adjustment was proposed to correct the accrual of franchise receivable not recorded in the prior year for \$18,164. An adjustment was proposed to record the amount due to TIRZ for the collection of property taxes for (\$314,783) and correct the beginning balance due from Roma ISD for the collection of property taxes for (\$63,514). An adjustment was also proposed to correct property taxes receivable and deferred revenues for (\$573,898) and correct prior year recognition of the 60 day accrual for \$244,541. An adjustment was proposed to correct the receivable balance for refuse collections for (\$7,471) and sales tax payable beginning balance for \$4,150. An adjustment was proposed to correct grant revenue due to receivable not recorded in the correct period for Stone Garden Operation for \$157,359 and correct the amount of grant revenue to agree to vehicle expenditures for \$19,641. The net effect of these proposed adjustments was a decrease overall by (\$510,585)
- In the Non Major funds the following corrections to various funds were proposed. For the Storm Draining Account, an adjustment was proposed to correct the accounts receivable balance by \$3,361. For TIRZ Zone #1 two adjustments were proposed to record TIRZ monies owed by Starr County from prior years for \$325,376 and due from City of Roma from prior years for \$314,783. For the FTA Bus Terminal Fund, an adjustment was proposed to record the beginning balance of Lease Receivable and Deferred Inflow Related to Leases not recorded in prior years as a result of GASB 87, Leases for \$5,677. For TXCDBG Grant Fund an adjustment was proposed to correct prior year revenue reimbursement/expenditures for \$12,987 and to correct the American Rescue Plan Act balance for \$15,468. For TWDB Wastewater Project, an adjustment was proposed for \$9 to correct the beginning fund balance. The combined adjustments proposed for the various funds resulted in an overall increase of \$677,661.
- In the business type activities, water/wastewater fund, various adjustments were not recorded by the City as a result of previous audits totaling (\$108,061). An adjustment was proposed to correct outstanding due to/due from account for (\$54). An adjustment was proposed to correct a series of adjustments recorded in the current year by the City that affected the fund balance by \$175,743. An error was noted in prior years audited financial statements regarding the recording of a Loan Forgiveness, the proposed adjustment resulted in a decrease to net position of (\$2,815,643). Another proposed adjustments were to correct the accounts receivable balance for (\$154,472) and sales tax payable for \$68,706. The combined proposed adjustments resulted in a combined decrease of fund balance of (\$2,833,781).
- In the Component Unit, Roma EDC, The accumulated depreciation was not properly recognized in the prior period. The proposed adjustment resulted in an overall decrease of (\$4,532).

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE AND ERROR CORRECTION (Continued)**

- In the Governmental Activities, CRI noted an error in the prior year calculation of the landfill post closure costs which resulted in a proposed adjustment to decrease net position by (\$265,114). The correction of error for the General Fund of (\$510,585) and Non Major funds of \$677,661 flow through the Governmental Activities, the combined correction of error at the fund level increased the net position in governmental activities by \$167,076. The combined correction of error affecting the total Governmental Activities resulted in a decrease of net position of (\$98,038).

The following table summarizes the restatements and adjustments to the City’s beginning net position and fund balance as a result of the change in accounting principle, change within the financial reporting entity, and error correction:

	<b>Fund Financial Statements</b>		
	<b>Governmental</b>		<b>Enterprise</b>
	<b>General Fund</b>	<b>Nonmajor Funds</b>	<b>Water and Wastewater</b>
<b>09/30/23 fund balance as previously reported</b>	\$ 1,189,862	\$ 768,999	\$ 33,301,631
Error correction	(510,585)	677,661	(2,833,781)
<b>09/30/23 fund balance as restated and adjusted</b>	\$ 679,277	\$ 1,446,660	\$ 30,467,850

	<b>Governmental</b>		
	<b>Activities</b>	<b>Business-Type Activities</b>	<b>REDC</b>
<b>09/30/23 net position previously reported</b>	\$ 11,365,112	\$ 33,301,631	\$ 1,440,604
Error correction	(98,038)	(2,833,781)	(4,532)
<b>09/30/23 net position as restated and adjusted</b>	\$ 11,267,074	\$ 30,467,850	\$ 1,436,072

**NOTE 3: DEPOSITS AND INVESTMENTS**

*A. Primary Government*

*Deposits* – At September 30, 2024, the carrying value of the City’s deposits was \$8,051,944 and the bank balance was \$8,227,024. The entire bank balance was covered by FDIC insurance or was fully collateralized with securities held by the City’s agent in the City’s name. The type of deposits held at year end was demand accounts.

*Investments* – Statutes authorize the City to invest (subject to limitations) in obligations, including letters of credit, of the United States or its agencies and instrumentalities, direct obligations, of this state or its agencies and instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security which is guaranteed by an agency or instrumentality of the United States, certificates of deposit, repurchase agreements, banker’s acceptances, commercial paper, mutual funds, guaranteed investment contracts, and investment pools. The main goal of the City’s investment policy is to ensure its safety and maximize financial returns within current market conditions in accordance with its policy. No individual investment transaction should be undertaken that jeopardizes the total capital position of the overall portfolio.

The City’s investments consist of long term certificates of deposit in the General Fund in the amount of \$342,286 and the Water and Wastewater Fund in the amount of \$1,621,688, which are recorded at cost.

*Custodial credit risk* – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

*Interest rate risk* – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The City’s investment portfolio is required to have sufficient liquidity to meet anticipated cash flow requirements. At September 30, 2024, the City’s investments consisted of certificates of deposits with fixed interest rates, which limits the City’s interest rate risk.

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

*Concentration risk* – Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. At September 30, 2024, all of the City’s investments consisted of certificates of deposits with fixed interest rates.

*B. Component Unit*

*Deposits* – At September 30, 2024, the carrying value of REDC’s deposits was \$170,456 and the bank balance was \$171,027. The entire bank balance was covered by FDIC insurance or was fully collateralized with securities held by the City’s agent in the City’s name. The type of deposits held at year end was demand accounts.

**NOTE 4: RECEIVABLES**

Receivables at September 30, 2024, consist of the following:

	Taxes Receivable	Accounts Receivable	Allowance for Uncollectible	Total
<b>Governmental Activities</b>				
General Fund	\$ 1,816,419	\$ 390,270	\$ (666,999)	\$ 1,539,690
Nonmajor Gov't Funds	-	46,506	-	46,506
<b>Enterprise Funds</b>				
Water and Wastewater Fund	-	964,061	(284,335)	679,726
<b>Total</b>	<b>\$ 1,816,419</b>	<b>\$ 1,400,837</b>	<b>\$ (951,334)</b>	<b>\$ 2,265,922</b>

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 5: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

A. Interfund receivable and payable balances at September 30, 2024 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ (8,258)
Non-Major Governmental Funds	General Fund	(253,453)
Non-Major Governmental Funds	Water and Wastewater Fund	(59,642)
Water and Wastewater Fund	General Fund	(509,042)
Water and Wastewater Fund	Industrial Park Project Fund	(6,319,141)
Water and Wastewater Fund	Non-Major Governmental Funds	(2,134)
<b>Total</b>		<b>\$ (7,151,670)</b>

The remaining balances resulted from a routine lag between the dates that transactions are recorded in the accounting system and payments made between the funds. All amounts are scheduled to be repaid within one year.

B. Due to/from the primary government and component units at September 30, 2024 were as follows:

Receivable Entity	Payable Entity	Amount
Primary Gov't General Fund	Component Unit - REDC	\$ (235,403)
Component Unit - REDC	Primary Gov't Industrial Park Project Fund	(1,040,285)
Component Unit - REDC	Primary Gov't Water and Wastewater Fund	(241,269)
<b>Total</b>		<b>\$ (1,516,957)</b>

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 5: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)**

C. Interfund Transfers

	Transfers In				Total
	General Fund	Industrial Park Project	Non-Major	Water and Wastewater	
<b>Transfers Out</b>					
General Fund	\$ -	\$ -	\$ 352,295	\$ -	\$ 352,295
Industrial Park Project	-	-	10,780	1,793,844	1,804,624
Non-Major	325,000	382,730	-	246,114	953,844
Water and Wastewater	127,500	-	40,865	-	168,365
<b>Total Transfers Out</b>	<b>\$ 452,500</b>	<b>\$ 382,730</b>	<b>\$ 403,940</b>	<b>\$ 2,039,958</b>	<b>\$ 3,279,128</b>

Transfers from the Water and Wastewater Fund to the General Fund were to supplement the General Fund for administrative services provided to the Enterprise Fund. Transfers from Industrial Park Project Fund to the Water and Wastewater Fund was for current year project costs to be recorded as construction in progress.

**NOTE 6: REDEVELOPMENT PROPERTIES**

As of September 30, 2024, Roma Economic Development Corporation had the following redevelopment properties:

Municipal Park	\$ 217,745
Ramirez House	60,000
Industrial Park	952,357
Plaza	430,805
<b>Total redevelopment properties</b>	<b>\$ 1,660,907</b>

**NOTE 7: LONG-TERM LEASE RECEIVABLES**

**Leases – Lessor**

The City entered a 120-month lease as a Lessor for the use of office space and transit station access. The leasee is required to make monthly fixed payments of \$3,710. The lease has an interest rate of 1.84%. The City recognized lease revenue of \$40,640. The long-term lease receivable as of September 30, 2024, is \$256,065. The current portion expected to be paid in 2025 of \$39,419 is included in accounts receivable, net.

The following is a schedule by years of minimum future revenues from non-cancelable agreements as of September 30, 2024:

Year Ended September 30,	Principal	Interest	Total Requirements
2025	\$ 39,419	\$ 5,106	\$ 44,525
2026	40,151	4,374	44,525
2027	40,896	3,629	44,525
2028	41,655	2,870	44,525
2029	42,428	2,097	44,525
2030-2034	90,935	1,824	92,760
Total	\$ 295,484	\$ 19,900	\$ 315,385

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 8: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance October 1, 2023	Additions	Retirements	Ending Balance September 30, 2024
<b>Governmental Activities</b>				
Nondepreciable capital assets				
Land	\$ 2,507,972	\$ -	\$ -	\$ 2,507,972
Construction in progress	1,497,068	4,976,707	-	6,473,775
Total nondepreciable capital assets	4,005,040	4,976,707	-	8,981,747
Capital assets, being depreciated				
Buildings	1,890,216	10,723,178	-	12,613,394
Machinery & Equipment	6,133,059	685,235	-	6,818,294
Infrastructure	25,172,697	-	-	25,172,697
Capital assets, being depreciated	33,195,972	11,408,413	-	44,604,385
Less accumulated depreciation for				
Buildings	(1,017,935)	(286,120)	-	(1,304,055)
Machinery & Equipment	(5,082,463)	(372,499)	-	(5,454,962)
Infrastructure	(15,539,724)	(1,012,907)	-	(16,552,631)
Total accumulated depreciation	(21,640,122)	(1,671,526)	-	(23,311,648)
Total capital assets, being depreciated, net	\$ 11,555,850	\$ 9,736,887	\$ -	\$ 21,292,737

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 8: CAPITAL ASSETS (Continued)**

	Beginning Balance October 1, 2023	Additions	Retirements	Ending Balance September 30, 2024
Capital assets, being amortized, net				
Right-to-use lease assets	\$ -	\$ 86,177	\$ -	\$ 86,177
Less accumulated amortization	-	(17,235)	-	(17,235)
Total right-to-use lease assets, net	-	68,942	-	68,942
Right-to-use subscription assets	-	29,624	-	29,624
Less accumulated amortization	-	(14,812)	-	(14,812)
Total right-to-use subscription assets, net	-	14,812	-	14,812
Total capital assets, being amortized, net	-	83,754	-	83,754
Governmental activities, capital assets, net	\$ 15,560,890	\$ 14,797,348	\$ -	\$ 30,358,238

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 8: CAPITAL ASSETS (Continued)**

Depreciation and amortization was charged to government functions as follows:

	Depreciation	Amortization
Governmental Activities		
General government	\$ 226,865	\$ 14,812
Public safety	250,633	17,235
Public works	996,935	-
Culture and recreation	197,093	-
<b>Total depreciation and amortization - governmental activities</b>	<b>\$ 1,671,526</b>	<b>\$ 32,047</b>

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 8: CAPITAL ASSETS (Continued)**

	Beginning Balance October 1, 2023	Additions	Retirements	Ending Balance September 30, 2024
<b>Business-Type Activities</b>				
Nondepreciable capital assets				
Land	\$ 325,869	\$ -	\$ -	\$ 325,869
Water rights	2,835,060	-	-	2,835,060
Construction in progress	2,035,018	1,950,180	-	3,985,198
Total nondepreciable capital assets	5,195,947	1,950,180	-	7,146,127
Capital assets, being depreciated				
Buildings	165,445	-	-	165,445
Machinery & Equipment	1,595,132	3,500	-	1,598,632
Water system	45,145,852	98,058	-	45,243,910
Wastewater system	1,555,717	96,620	-	1,652,337
Gas system	681,212	-	333,000	348,212
Capital assets, being depreciated	49,143,358	198,178	333,000	49,008,536
Less accumulated depreciation for				
Buildings	(164,135)	(1,310)	-	(165,445)
Machinery & Equipment	(1,282,569)	(83,118)	-	(1,365,687)
Water system	(22,208,147)	(1,546,369)	-	(23,754,516)
Wastewater system	(1,067,029)	(163,600)	-	(1,230,629)
Gas system	(676,772)	(444)	333,000	(344,216)
Total accumulated depreciation	(25,398,652)	(1,794,841)	333,000	(26,860,493)
Total capital assets, being depreciated, net	23,744,706	(1,596,663)	-	22,148,043

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 8: CAPITAL ASSETS (Continued)**

	Beginning Balance October 1, 2023	Additions	Retirements	Ending Balance September 30, 2024
Capital assets, being amortized, net				
Right-to-use lease assets	108,645	57,300	99,839	66,106
Less accumulated amortization	(88,481)	(29,863)	99,839	(18,505)
Total right-to-use lease assets, net	20,164	27,437	-	47,601
Right-to-use subscription assets	-	121,940	-	121,940
Less accumulated amortization	-	(60,970)	-	(60,970)
Total right-to-use subscription assets, net	-	60,970	-	60,970
Total capital assets, being amortized, net	20,164	88,407	-	108,571
Business activities, capital assets, net	\$ 28,960,817	\$ 441,924	\$ -	\$ 29,402,741

Depreciation and amortization of \$1,885,674 was charged to business-type activity for the year ended September 30, 2024.

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 8: CAPITAL ASSETS (Continued)**

The component unit's capital asset activity for the year ended September 30, 2024 is as follows:

	Restated Beginning Balance October 1, 2023	Additions	Retirements	Ending Balance September 30, 2024
<b>Nondepreciable capital assets</b>				
Land	\$ 24,710	\$ -	\$ -	\$ 24,710
Total nondepreciable capital assets	24,710	-	-	24,710
<b>Capital assets, being depreciated</b>				
Buildings	245,260	21,472	-	266,732
Capital assets, being depreciated	245,260	21,472	-	266,732
Less accumulated depreciation for Buildings	(9,892)	(4,533)	-	(14,425)
Total accumulated depreciation	(9,892)	(4,533)	-	(14,425)
Total capital assets, being depreciated, net	235,368	16,939	-	252,307
Capital assets, net	\$ 260,078	\$ 16,939	\$ -	\$ 277,017

Depreciation of \$4,533 was charged to Economic Development Corporation expenses for the year ended September 30, 2024.

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 9: LONG-TERM DEBT (Continued)**

A. *Primary Government*

*Certificates of Obligation*

Governmental activities:

Certificates of Obligation payable at September 30, 2024 is comprised of the following:

\$2,076,000 and \$1,495,000 Combination Tax and Revenue Certificates of Obligation, Series 2000-A Loan Forgiveness, payable in annual installments ranging from \$17,000 to \$80,000 through November 2029, zero interest.	<u>\$ 3,096,000</u>
	<u><u>\$ 3,096,000</u></u>

Certificate of obligation debt service requirements to maturity are as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2025	\$ 62,000	\$ 99,613	\$ 161,613
2026	64,000	97,566	161,566
2027	66,000	95,453	161,453
2028	68,000	93,275	161,275
2029	70,000	91,033	161,033
2030-2034	389,000	418,682	807,682
2035-2039	458,000	349,994	807,994
2040-2044	539,000	269,185	808,185
2045-2049	634,000	174,070	808,070
2050-2054	746,000	62,175	808,175
Total	3,096,000	1,751,046	4,847,046
Current portion	(62,000)	(99,613)	(161,613)
Due in more than one year	\$ 3,034,000	\$ 1,651,433	\$ 4,685,433

**NOTE 9: LONG-TERM DEBT (Continued)**

Business-type activities:

Certificates of Obligation payable at September 30, 2024 is comprised of the following:

\$1,253,000 Combination Tax and Revenue Certificates of Obligation, Series 2000-A Loan Forgiveness, payable in annual installments ranging from \$17,000 to \$80,000 through November 2029, zero interest.	\$ 407,000
\$325,000 Combination Tax and Revenue Bonds, Series 2003-A, payable in annual installments ranging from \$3,000 to \$17,000 through May 2042, interest at .045%.	217,000
\$1,151,000 Combination Tax and Revenue Bonds, Series 2005, payable in annual installments ranging from \$37,000 to \$89,000 through May 2026, interest at 3.24% to 5.74%.	173,000
\$343,000 Combination Tax and Revenue Bonds, Series 2006, payable in annual installments ranging from \$11,000 to \$27,000 through May 2026, interest at 3.24% to 5.74%.	52,000
\$283,000 Combination Tax and Revenue Bonds, Series 2008, payable in annual installments ranging from \$8,000 to \$22,000 through May 2028, interest at 4.21% to 5.26%.	80,000
\$1,175,000 Combination tax and Limited Pledge Revenue Certificates of Obligation, Series 2022, payable in annual installments ranging from \$60,000 to \$105,000 through September 2037, interest at 4.89%.	1,065,000
\$356,000 Combination Tax and Surplus Revenue Certificates of Obligation, Series 2022A, payable in annual installments ranging from \$10,000 to \$16,000 through September 2051, interest at 1.60% to 2.19%.	336,000
\$2,075,000 Combination Tax and Surplus Revenue Certificates of Obligation, Series 2022B, payable in annual installments ranging from \$71,000 to \$72,000 through September 2051, zero interest.	1,931,000
\$5,125,000 Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2023, payable in annual installments ranging from \$165,000 to \$530,000 through September 2037, interest at 4.90%.	5,125,000
	\$ 9,386,000

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 9: LONG-TERM DEBT (Continued)**

Certificate of obligation debt service requirements to maturity are as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2025	\$ 523,000	\$ 336,055	\$ 859,055
2026	685,000	317,333	1,002,333
2027	586,000	290,551	876,551
2028	603,000	269,597	872,597
2029	603,000	247,546	850,546
2030-2034	3,008,000	886,900	3,894,900
2035-2039	2,307,000	221,360	2,528,360
2040-2044	470,000	19,073	489,073
2045-2049	427,000	7,980	434,980
2050-2054	174,000	1,025	175,025
<b>Total</b>	<b>9,386,000</b>	<b>2,597,420</b>	<b>11,983,420</b>
Current portion	(523,000)	(336,055)	(859,055)
<b>Due in more than one year</b>	<b>\$ 8,863,000</b>	<b>\$ 2,261,365</b>	<b>\$ 11,124,365</b>

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 9: LONG-TERM DEBT (Continued)**

*Loans Payable*

Governmental Activities:

Note payable at September 30, 2024 is comprised of the following:

\$1,140,000 loan payable to the United States Department of Agriculture (USDA), payable in annual installments ranging from \$19,000 to \$45,000 through September 2059, interest at 2.625%.	<u>1,063,000</u>
	<u><u>\$ 1,063,000</u></u>

Note payable debt service requirements to maturity are as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2025	\$ 20,000	\$ 23,917	\$ 43,917
2026	21,000	23,467	44,467
2027	21,000	22,995	43,995
2028	22,000	22,584	44,584
2029	22,000	22,027	44,027
2030-2034	119,000	102,478	221,478
2035-2039	132,000	88,543	220,543
2040-2044	148,000	73,003	221,003
2045-2049	166,000	55,513	221,513
2050-2054	185,000	36,019	221,019
2025-2055	207,000	14,299	221,299
<b>Total</b>	<b>1,063,000</b>	<b>484,845</b>	<b>1,547,845</b>
Current portion	(20,000)	(23,917)	(43,917)
<b>Due in more than one year</b>	<b>\$ 1,043,000</b>	<b>\$ 460,928</b>	<b>\$ 1,503,928</b>

**NOTE 9: LONG-TERM DEBT (Continued)**

*Financing Arrangements*

Governmental Activities:

The City has entered into financing arrangements. Financing arrangements at September 30, 2024 are comprised of the following:

City of Roma, Texas entered into an equipment finance agreement for the purchase of a garbage truck, payable in annual fixed payments of \$29,180 through March 2025, interest at 3.90%.	\$ 28,086
City of Roma, Texas entered into an equipment finance agreement for the purchase of a brush and grapple truck, payable in annual fixed payments of \$28,237 through March 2026, interest at 3.49%.	53,651
City of Roma, Texas entered into an equipment finance agreement for the purchase of a water truck and trailer, payable in annual fixed payments of \$13,180 through March 2025, interest at 3.43%.	12,744
City of Roma, Texas entered into an equipment finance agreement for the purchase of a Chevy Silverado, payable in annual fixed payments of \$13,697 through March 2028, interest at 5.76%.	47,722
City of Roma, Texas entered into an equipment finance agreement for the purchase of a Hydraulic Hammer, payable in annual fixed payments of \$7,568 through May 2026, interest at 7.31%.	13,625
City of Roma, Texas entered into an equipment finance agreement for the purchase of an excavator, payable in annual fixed payments of \$39,260 through February 2029, interest at 6.18%.	165,000
City of Roma, Texas entered into an equipment finance agreement for the purchase of a concession trailer, payable in monthly fixed payments of \$771 through May 2029, interest at 6.85%.	36,888
City of Roma, Texas entered into a finance agreement for the purchase of the Las Americas Secondary Examination Station, payable in estimated monthly payments of \$95,000 through June 2029, interest at 4.90%. The City intends to exercise the purchase option of \$5,700,000 at the end of the term.	10,592,958
	\$ 10,950,674

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 9: LONG-TERM DEBT (Continued)**

Future principal and interest financing arrangement payments as of September 30, 2024 are as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2025	\$ 1,218,069	\$ 274,542	\$ 1,492,610
2026	1,058,890	179,232	1,238,122
2027	1,076,499	125,816	1,202,315
2028	1,131,088	71,228	1,202,315
2029	6,466,128	39,403	6,505,532
<b>Total</b>	<b>10,950,674</b>	<b>690,221</b>	<b>11,640,895</b>
Current portion	(1,218,069)	(274,542)	(1,492,611)
<b>Due in more than one year</b>	<b>\$ 9,732,605</b>	<b>\$ 415,678</b>	<b>\$ 10,148,284</b>

Business-type Activities:

The City has entered into financing arrangements. Financing arrangements at September 30, 2024 are comprised of the following:

City of Roma, Texas entered into an equipment finance agreement for the purchase of three vehicles, payable in annual fixed payments of \$23,596 through March 2025, interest at 3.49%.

	\$ 22,801
	\$ 22,801

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 9: LONG-TERM DEBT (Continued)**

Future principal and interest financing arrangement payments as of September 30, 2024 are as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2025	\$ 22,801	\$ 796	\$ 23,597
Total	22,801	796	23,597
Current portion	(22,801)	(796)	(23,597)
Due in more than one year	\$ -	\$ -	\$ -

*Loan Payable*

*A. Component Unit*

Loan payable at September 30, 2024 is comprised of the following:

\$840,000 loan payable to TIB, payable in annual installments ranging from \$35,000 to \$85,000 through September 2037, interest at 6.50%.	\$ 770,000
\$1,060,000 loan payable to TIB, payable in annual installments ranging from \$45,000 to \$105,000 through September 2037, interest at 6.50%.	<u>970,000</u>
	<u>\$ 1,740,000</u>

Note payable debt service requirements to maturity are as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2025	\$ 90,000	\$ 113,100	\$ 203,100
2026	95,000	107,250	202,250
2027	100,000	101,075	201,075
2028	110,000	94,575	204,575
2029	115,000	87,425	202,425
2030-2034	690,000	314,925	1,004,925
2035-2039	540,000	71,500	611,500
Total	1,740,000	889,850	2,629,850
Current portion	(90,000)	(113,100)	(203,100)
Due in more than one year	\$ 1,650,000	\$ 776,750	\$ 2,426,750

**NOTE 9: LONG-TERM DEBT (Continued)**

*Subscription Liabilities*

Governmental activities:

The City has entered subscription arrangements. Subscriptions at September 30, 2024 are comprised of the following:

City of Roma, Texas entered into a subscription arrangement for the use of Fundview software for three years. The City is required to make annual fixed payments of \$10,750 with an interest rate of 4.37%.

\$ 20,169

\$ 20,169

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 9: LONG-TERM DEBT (Continued)**

The future principal and interest subscription payments as of September 30, 2024 are as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2025	\$ 9,869	\$ 881	\$ 10,750
2026	10,300	450	10,750
Total	20,169	1,331	21,500
Current portion	(9,869)	(881)	(10,750)
Due in more than one year	\$ 10,300	\$ 450	\$ 10,750

Business-type Activities:

The City has entered subscription arrangements. Subscriptions at September 30, 2024 are comprised of the following:

City of Roma, Texas entered into a subscription arrangement for the use of Fundview software for three years. The City is required to make annual fixed payments of \$44,250 with an interest rate of 4.37%.	<u>\$ 83,019</u>
	<u><u>\$ 83,019</u></u>

The future principal and interest subscription payments as of September 30, 2024 are as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2025	\$ 40,622	\$ 3,628	\$ 44,250
2026	42,397	1,853	44,251
Total	83,019	5,481	88,501
Current portion	(40,622)	(3,628)	(44,250)
Due in more than one year	\$ 42,397	\$ 1,853	\$ 44,251

**NOTE 9: LONG-TERM DEBT (Continued)**

*Leases*

*Leases – Lessee*

Governmental activities:

The City has entered into lease agreements. Leases at September 30, 2024 are comprised of the following:

City of Roma, TX entered into a lease as Lessee for the use of D&M Dodge Durango 25212 60 month lease. City of Roma, TX is required to make monthly fixed payment \$1,597. The lease has an interest rate 4.25%.	<u>\$ 82,810</u>
	<u><u>\$ 82,810</u></u>

The future principal and interest lease payments as of September 30, 2024 are as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2025	\$ 14,595	\$ 2,970	\$ 17,565
2026	16,583	2,579	19,162
2027	17,302	1,860	19,162
2028	18,052	1,110	19,162
2029	16,278	514	16,792
<b>Total</b>	<b>82,810</b>	<b>9,032</b>	<b>91,842</b>
Current portion	14,595	2,970	17,565
Due in more than one year	\$ 68,215	\$ 6,062	\$ 74,277

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 9: LONG-TERM DEBT (Continued)**

Business-type Activities:

The City has entered into lease agreements. Leases at September 30, 2024 are comprised of the following:

City of Roma, Texas entered into a lease for the use of photocopier machines for five years. The City is required to make monthly average payments of \$2,004 with an interest rate ranging from 3.38% to 3.94%. \$ 1,811

City of Roma, Texas entered into a lease for the use of a vehicle for five years. The City is required to make monthly fixed payments of \$1,054 with an interest rate of 3.95%. 55,730

\$ 57,541

The future principal and interest lease payments as of September 30, 2024 are as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2025	\$ 11,546	\$ 1,873	\$ 13,419
2026	11,029	1,619	12,648
2027	11,473	1,175	12,648
2028	11,934	713	12,648
2029	11,558	387	11,945
Total	57,541	5,766	63,307
Current portion	(11,546)	(1,873)	(13,419)
Due in more than one year	\$ 45,995	\$ 3,893	\$ 49,888

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 9: LONG-TERM DEBT (Continued)**

***Changes in Long-Term Liabilities***

*A. Primary Government*

Long-term liability activity for the year ended September 30, 2024, was as follows for governmental activities:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
Certificates of obligation	\$ 3,156,000	\$ -	\$ 60,000	\$ 3,096,000	\$ 62,000
Total Bonds payable	3,156,000	-	60,000	3,096,000	62,000
Loan payable	1,083,000	-	20,000	1,063,000	20,000
Financing arrangements	249,273	10,927,279	225,878	10,950,674	1,218,069
Right-to-use leases	-	86,177	3,366	82,811	14,595
Subscriptions	-	29,624	9,455	20,169	9,869
Compensated absences	157,317	41,182	77,164	121,335	46,193
Landfill closure and post closure	23,728	2,055	-	25,783	-
Net pension liability	1,226,603	-	444,887	781,716	-
Net OPEB liability	230,469	33,332	-	263,801	13,692
Governmental activity long-term liabilities	\$ 6,126,390	\$ 11,119,649	\$ 840,750	\$ 16,405,289	\$ 1,384,418

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 9: LONG-TERM DEBT (Continued)**

Long-term liability activity for the year ended September 30, 2024, was as follows for business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
Bonds payable					
Tax and revenue					
bonds	\$ 9,858,000	\$ -	\$ 472,000	\$ 9,386,000	\$ 523,000
<b>Total Bonds payable</b>	<b>9,858,000</b>	<b>-</b>	<b>472,000</b>	<b>9,386,000</b>	<b>523,000</b>
<b>Financing</b>					
arrangements	49,156	-	26,355	22,801	22,801
Right-to-use leases	21,295	57,300	21,054	57,541	11,546
Subscriptions	-	121,941	38,921	83,020	40,622
<b>Compensated</b>					
absences	56,350	50,919	20,072	87,197	24,873
Net pension liability	720,383	-	299,459	420,924	-
Net OPEB liability	135,355	-	682	134,673	7,373
<b>Business-type activity</b>					
long-term liabilities	\$ 10,840,539	\$ 210,088	\$ 858,471	\$ 10,192,156	\$ 630,215

*B. Component Unit*

Long-term liability activity for the year ended September 30, 2024, was as follows for REDC activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>REDC</b>					
Loan payable	\$ 1,820,000	\$ -	\$ 80,000	\$ 1,740,000	\$ 90,000
<b>REDC</b>					
long-term liabilities	\$ 1,820,000	\$ -	\$ 80,000	\$ 1,740,000	\$ 90,000

**NOTE 10: DEFINED BENEFIT PENSION PLAN**

***Plan Description***

The City of Roma participates as one of 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at [www.tmr.com](http://www.tmr.com). All eligible employees of the City are required to participate in TMRS.

***Benefits Provided***

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the Member’s benefit is calculated based on the sum of the Member’s contributions, with interest, and the city-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

***Employees Covered by Benefit Terms***

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	79
Inactive employees entitled to but not yet receiving benefits	159
Active employees	137
<b>Total</b>	<b>375</b>

**NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)**

***Contributions***

Member contribution rates in TMRS are either 5%, 6%, or 7% of the Member's total compensation, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City of Roma, Texas were required to contribute 5.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 8.79% and 9.58% in calendar 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024 were \$428,185 and were equal to the required contributions.

***Net Pension Liability***

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)**

**Actuarial assumptions:**

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Schedule of Actuarial Assumptions	TMRS
Valuation Date	12/31/2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 Years (longest amortization ladder)
Asset Valuation Method	10 Year smooth market, 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality Assumption	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

**NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)**

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation.

The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return (Arithmetic)</b>
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Real Return	12.0%	8.10%
Real Estate	12.0%	5.80%
Absolute Return	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	100.0%	

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)**

**Schedule of Changes in Net Pension Liability**

The change in the City's net pension liability for TMRS pension for the fiscal year ended September 30, 2024 is as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/30/2022	\$ 16,677,710	\$ 14,730,724	\$ 1,946,986
Changes for the year			
Service cost	540,682	-	540,682
Interest	1,117,043	-	1,117,043
Change in benefit terms	-	-	-
Difference between expected and actual experience	12,621	-	12,621
Change of assumption	(101,751)	-	(101,751)
Contributions - Employer	-	395,389	(395,389)
Contributions - Employee	-	224,909	(224,909)
Net investment income	-	1,703,565	(1,703,565)
Benefit payments, including refunds of employee contributions	(798,532)	(798,532)	-
Administrative Expense	-	(10,846)	10,846
Other Charges	-	(76)	76
Net changes	770,063	1,514,409	(744,346)
Balance at 12/31/2023	<u>\$ 17,447,773</u>	<u>\$ 16,245,133</u>	<u>\$ 1,202,640</u>

The City does not have a current portion for TMRS in the current year because the amount of benefit payments exceeds the pension liability in the current year.

Net pension liability amounts are allocated between the governmental activities and business-type activities in the statement of net position by \$781,716 and \$420,924, respectively.

**NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)**

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would have been if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease in Discount Rate 5.75%	Current Discount Rate 6.75%	1% Increase in Discount Rate 7.75%
City's Net Pension Liability - TMRS	\$ 3,642,373	\$ 1,202,640	\$ (789,220)

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended September 30, 2024, the City recognized pension expense in the amount of \$321,586. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TMRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 141,684	\$ 12,080
Changes in actuarial assumptions	-	71,467
Net differences between projected and actual investments earnings	417,769	-
Contributions subsequent to measurement date	332,979	-
Total	\$ 892,432	\$ 83,547

Deferred outflows of resources related to pension of \$332,979 resulting from contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability/asset in the subsequent fiscal period.

**NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)**

The remaining deferred outflows and (inflows) of resources related to pensions will be amortized and recognized in pension expense as follows:

Fiscal Year Ending September 30,	
2024	\$ 152,947
2025	158,750
2026	306,056
2027	(141,847)
2028	-
Thereafter	-
Total	<u>\$ 475,906</u>

**NOTE 11: OTHER POST EMPLOYMENT BENEFITS**

***Plan Description***

The City also participates in a single-employer, defined benefit group-term life insurance known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). This is a voluntary program in which the City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered another postemployment benefit (“OPEB”) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

**NOTE 11: OTHER POST EMPLOYMENT BENEFITS (Continued)**

***Employees Covered by Benefit Terms***

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	70
Inactive employees entitled to but not yet receiving benefits	13
Active employees	137
<b>Total</b>	<b>220</b>

***Contributions***

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. As such, contributions fund the covered active member and retiree deaths on a pay-as-you-go basis.

Employees for the City of Roma were required to contribute 0.52% of their annual gross earnings during the fiscal year. The contribution rates for the City of Roma were 0.53% and 0.52% in calendar year 2023 and 2024, respectively. The City's contributions to the SDBF for the year ended September 30, 2024 were \$23,815 and were equal to the required contributions.

**NOTE 11: OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Actuarial assumptions:**

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Schedule of Actuarial Assumptions

Measurement Date	December 31, 2023
Actuarial Valuation Date	December 31, 2023
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount Rate	3.77%
Retirees' share of Benefit-related cost	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates - disable retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

\* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period of December 31, 2022.

**NOTE 11: OTHER POST EMPLOYMENT BENEFITS (Continued)**

***Total OPEB Liability***

The City's Total OPEB Liability was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date. The following presents a summary of the changes in Total OPEB liability:

	Increase (Decrease)
	Total OPEB Liability
Balance at 12/31/2022	\$ 365,824
Service Cost	16,643
Interest	14,916
Difference between expected and actual experience	692
Changes in assumption/inputs	19,467
Change in benefit terms	-
Benefit payments	(11,695)
Administrative Expense	-
Net Change	40,023
Balance at 12/31/2022	\$ 405,847

Total OPEB liability amounts are allocated between the governmental activities and business-type activities in the statement of net position by \$263,801 and \$142,046, respectively.

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, as well as what the City's total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current rate.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's total OPEB liability	\$ 477,214	\$ 405,847	\$ 349,226

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 11: OTHER POST EMPLOYMENT BENEFITS (Continued)**

***OPEB Expense and Deferred Outflows of Resources Related to OPEB***

For the year ended September 30, 2024, the City recognized combined OPEB expense in the amount of \$21,065.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 564	\$ 12,579
Changes in actuarial assumptions	53,215	111,076
Contributions subsequent to the measurement date	18,075	-
<b>Total</b>	<b>\$ 71,854</b>	<b>\$ 123,655</b>

Deferred outflows of resources related to the total OPEB liability related to the supplemental death benefit are allocated between the governmental activities and business-type activities in the statement of net position.

The \$18,075 which are reported as deferred outflows of resources related to OPEBs resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	
2025	\$ (10,074)
2026	(18,119)
2027	(26,739)
2028	(16,473)
2029	1,529
<b>Total</b>	<b>\$ (69,876)</b>

**City of Roma, Texas**  
**Notes to Financial Statements**

**NOTE 12: Fund Balances**

At September 30, 2024, the City of Roma has classified its fund balances with the following hierarchy:

Restricted— Resources have been restricted for the purpose of repayment of debt, capital improvements and for a specific purpose as enabled by legislation, external parties or constitutional provisions.

Unassigned – Unassigned fund balance has no constraints on its use.

Some fund balances restrictions and commitments have been grouped together under the heading of other restricted. These amounts are detailed below.

	Governmental Activities	Business-type Activities	Component Unit REDC
<b>Net investment in capital assets:</b>			
Capital assets, net of accumulated depreciation	\$ 30,274,484	\$ 29,294,170	\$ 277,017
Leases and subscriptions, net of accumulated amortization	83,754	108,571	-
Less related liabilities	(15,861,966)	(9,549,361)	-
Plus unexpended debt proceeds (capital projects)	-	5,507,091	-
<b>Net investment in capital assets</b>	<b>\$ 14,496,272</b>	<b>\$ 25,360,471</b>	<b>\$ 277,017</b>

**NOTE 13: MISCELLANEOUS REVENUES**

*A. Primary Government*

Governmental activities:

Miscellaneous revenues in governmental activities at September 30, 2024 consisted of the following:

Police forfeitures and auctions	\$	158,694
Foundation revenues		100,000
Secondary examination station		179,910
Rental income		47,040
Interlocal police assistance		267,419
Donations and sponsorships		63,449
Recycling		3,350
Police reports		2,337
Miscellaneous		88,460
<b>Total</b>	<b>\$</b>	<b>910,659</b>

*B. Component Unit*

Miscellaneous revenues in the component unit at September 30, 2024 consisted of the following:

Rental income	\$	11,837
Industrial park land sales		993,067
Miscellaneous		359
<b>Total</b>	<b>\$</b>	<b>1,005,263</b>

**NOTE 14: COMMITMENTS AND CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts not recorded, if any, to be immaterial.

The City has active construction projects as of September 30, 2024. At year-end, the City's commitments with contractors are as follows:

	Expended to		
	Original	Date	Remaining
Washington Ave & Morelos Ave Streets	\$ 282,132	\$ 280,832	\$ 1,300
ADA Sidewalk Historical District	103,000	43,450	59,550
Centennial Drive Concrete Street	167,858	43,377	124,481
Robert Lee Ave and Deer Run Street/Stormwater	97,900	16,450	81,450
Wastewater Project	2,928,828	269,520	2,659,308
<b>Total outstanding commitments</b>			<b>\$ 2,926,089</b>

**NOTE 15: RISK MANAGEMENT**

The City of Roma is exposed to various uncertainties for losses related to intentional and unintentional torts; theft of, damage to and destruction of real and personal property; errors-and-omissions; catastrophes, and medical claims by employees; job-related illnesses and injuries and pollution claims for which the City carries commercial insurance coverage. There has been no significant reductions in insurance coverage from the previous year. No negotiated settlements or jury awards have exceeded policy limits in any of the past three years. The City is a member of an intergovernmental risk pool.

The risk pool is an interlocal non-assessable agency with present unreserved resources in excess of \$290,000,000 (as of September 30, 2024, the most recently audited financial statements completed for the risk pool). Reinsurance is provided by several A and A++ rated companies in amounts ranging from \$50 to \$2,000,000,000 depending on type of insurance coverage. City management is not aware of any pending or alleged claims that could exceed the policy limits of the present insurance coverage

Insurance policies in place are compliant with bond covenant requirements for insurance coverage, and all premiums for required policies are paid in full as required.

The City is compliant with the applicable requirements of Section 16.356 of the Texas Water Code related to transfers of funds associated with EDAP funded projects. All revenues derived from EDAP funded projects are used solely for utility purposes.

**NOTE 16: RELATED PARTY TRANSACTIONS**

The City collects and remits taxes to the Roma Economic Development Corporation. At the end of the year, the City had no outstanding payables due to the REDC.

**NOTE 17: SANITARY LANDFILL**

State and federal laws regulations require that the City of Roma place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure costs that will be incurred near or after the date of the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care costs for permit 954A as of September 30, 2024, is \$25,783. An additional \$2,055 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is expected to reach capacity under permit 954A. The landfill under permit 954A has reached 5.59% capacity as of September 30, 2024.

**NOTE 18: AMOUNT DUE FROM (TO) CITY OF ROMA AND PARTICIPATION CITY OF ROMA**

Under an agreement with the Starr County dating back to 1960 when the County acquired the old Roma Miguel Aleman (San Pedro) Bridge, the County pays to the City of Roma 35% of the contractual net income from the bridge operations. The contractual income has been estimated by management and is as follows:

	2023	2024
Net Operating Income	\$ 1,128,098	\$ 1,529,116
Interest Income	17,230	25,963
Expense already included-City of Roma	(41,600)	-
Depreciation of Bond-Acquired Assets	189,264	180,989
Contractual Income	1,292,993	1,736,068
City of Roma Percentage	35%	35%
City of Roma Participation	452,547	607,624
Balance Due (From)/To City of Roma		
Beginning of Year	419,688	248,936
Amount Paid to Roma During the Year	(623,300)	(310,248)
Balance End of Year	\$ 248,936	\$ 546,312

**NOTE 19: SUBSEQUENT EVENTS**

For purposes of reporting subsequent events, The City has considered events occurring up to June 26, 2025, the date the report was available to be issued.

Management evaluated all events or transactions that occurred after September 30, 2024 through June 26, 2025, the date the current year's financial statements were available to be issued. The following events occurred.

Subsequent to September 30, 2024, the City purchased two police vehicles totaling \$154,175, the vehicles were purchased on April 2025 with grant funds from Homeland Security Grant Program – OPSG.

The City also had the following ongoing projects:

Downtown Revitalization project the project started on January 2025 and its estimated to be completed on August 2025. The estimated project cost is \$575,000. The project will be funded with Community Development Block Grant Programs (CDBG) for \$500,000 and a City match of \$75,000.

Concrete Streets project started on January 2025 and its estimated to be completed on September 2025. The estimated project cost is \$1,400,000. The project will be funded with a grant from the Economic Development Administration (EDA). The total grant is for \$2,200,000. The remaining funds will be used for other projects. For these projects, the City will match \$500,000 of the costs (\$1.7M grant / \$500k match).

HUD Community Project for water booster station project started on March 2025 and its estimated to be completed on August 2025. The estimated project cost is \$1,100,000, the project will be funded with HUD Community Project Funding Grant for \$1,000,000, the remaining amount will be covered by the City.

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**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**CITY OF ROMA, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**Exhibit G-1**

<i>For the year ended September 30, 2024</i>	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 1,629,000	\$ 1,629,000	\$ 1,682,994	\$ 53,994
General sales and use taxes	1,545,000	1,413,334	1,371,173	(42,161)
Franchise taxes	381,000	381,000	285,212	(95,788)
Licenses and permits	69,800	69,800	115,873	46,073
Intergovernmental	276,335	443,759	763,629	319,870
Charges for services	1,601,100	1,601,100	1,716,418	115,318
Fines and forfeitures	194,999	194,999	54,161	(140,838)
Interest income	27,000	27,000	29,280	2,280
Miscellaneous revenue	351,638	368,698	711,322	342,624
<b>Total revenues</b>	<b>6,075,872</b>	<b>6,128,690</b>	<b>6,730,062</b>	<b>601,372</b>
<b>Expenditures</b>				
Current				
General government	831,350	862,025	11,828,814	(10,966,789)
Public safety	2,972,600	2,996,109	3,407,360	(411,251)
Public works	1,468,500	1,602,825	1,530,166	72,659
Health and welfare	225,700	235,834	275,589	(39,755)
Culture and recreation	5,100	5,100	10,330	(5,230)
Debt service				
Principal	265,530	144,200	315,333	(171,133)
Interest and fiscal agent fees	139,000	137,200	173,503	(36,303)
<b>Total expenditures</b>	<b>5,907,780</b>	<b>5,983,293</b>	<b>17,541,095</b>	<b>(11,557,802)</b>
Excess (deficiency) of revenues over (under) expenditures	168,092	145,397	(10,811,033)	12,159,174
<b>Other financing sources (uses)</b>				
Proceeds from ROU Leases	-	-	10,927,279	10,927,279
Proceeds from SBITAs	-	-	29,624	29,624
Transfers in	-	209,000	452,500	243,500
Transfers out	(100,000)	-	(352,295)	(352,295)
<b>Total other financing sources and uses</b>	<b>(100,000)</b>	<b>209,000</b>	<b>11,057,108</b>	<b>10,848,108</b>
Net change in fund balances	68,092	354,397	246,075	(108,322)
Fund balance, beginning of year	1,189,862	1,189,862	1,189,862	-
Prior period adjustment			(510,585)	(510,585)
Fund balance beginning, as restated	1,189,862	1,189,862	679,277	(510,585)
<b>Fund balance, end of year</b>	<b>\$ 1,257,954</b>	<b>\$ 1,544,259</b>	<b>\$ 925,352</b>	<b>\$ (618,907)</b>

**CITY OF ROMA, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**EXHIBIT G-2**

<i>For the year ended December 31,</i>	2024	2023	2022
<b>Total Pension Liability</b>			
Service cost	\$ 540,682	\$ 515,892	\$ 510,249
Interest	1,117,043	1,051,265	1,011,753
Differences between expected and actual experience	12,621	294,796	(73,494)
Changes of assumptions	(101,751)	-	-
Benefit payments, including refunds of employee contributions	(798,532)	(1,001,192)	(730,741)
Net change in total pension liability	770,063	860,761	717,767
Total pension liability - beginning	16,677,710	15,816,949	15,099,182
Total pension liability - ending (a)	17,447,773	16,677,710	15,816,949
<b>Plan Fiduciary Net Position</b>			
Contribution - employer	395,389	415,674	439,808
Contributions - employee	224,909	217,860	214,751
Net investment income	1,703,565	(1,188,076)	1,888,292
Benefit payments, including refunds of employee contributions	(798,532)	(1,001,192)	(730,741)
Administrative expense	(10,846)	(10,286)	(8,735)
Other	(76)	12,275	60
Net change in plan fiduciary net position	1,514,409	(1,553,745)	1,803,435
Plan fiduciary net position - beginning	14,730,724	16,284,469	14,481,034
Plan fiduciary net position - ending (b)	16,245,133	14,730,724	16,284,469
Net pension liability - ending (a) - (b)	\$ 1,202,640	\$ 1,946,986	\$ (467,520)
<b>Plan fiduciary net position as a percentage of total pension liability</b>	93.11%	88.33%	102.96%
<b>Covered payroll</b>	\$ 4,498,185	\$ 4,357,197	\$ 4,295,023
<b>Net pension liability as a percentage of covered payroll</b>	26.74%	44.68%	-10.88%

**CITY OF ROMA, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**EXHIBIT G-2 (Continued)**

2021	2020	2019	2018	2017	2016	2015
\$ 456,601	\$ 463,045	\$ 460,344	\$ 463,918	\$ 443,473	\$ 409,074	\$ 357,971
981,619	931,436	888,528	828,191	773,366	736,138	689,021
(317,969)	(58,617)	(334,108)	(40,865)	(56,730)	35,712	(137,119)
-	(27,778)	-	-	-	20,685	-
(670,532)	(452,303)	(308,593)	(402,558)	(313,640)	(241,939)	(282,732)
449,719	855,783	706,171	848,686	846,469	959,670	627,141
14,649,463	13,793,680	13,087,509	12,238,823	11,392,354	10,432,684	9,805,543
15,099,182	14,649,463	13,793,680	13,087,509	12,238,823	11,392,354	10,432,684
393,300	420,089	421,457	431,799	400,419	403,181	371,153
192,984	197,041	196,393	198,255	190,495	184,102	165,856
1,028,584	1,793,603	(349,016)	1,391,096	618,279	12,977	462,424
(670,532)	(452,303)	(308,593)	(402,558)	(313,640)	(241,939)	(282,732)
(6,652)	(10,129)	(6,740)	(7,205)	(6,979)	(7,903)	(4,827)
(260)	(304)	(352)	(365)	(376)	(391)	(397)
937,424	1,947,997	(46,851)	1,611,022	888,198	350,027	711,477
13,543,610	11,595,613	11,642,465	10,031,443	9,143,245	8,793,218	8,081,741
14,481,034	13,543,610	11,595,614	11,642,465	10,031,443	9,143,245	8,793,218
\$ 618,148	\$ 1,105,853	\$ 2,198,066	\$ 1,445,044	\$ 2,207,380	\$ 2,249,109	\$ 1,639,466
95.91%	92.45%	84.06%	88.96%	81.96%	80.26%	84.29%
\$ 3,859,686	\$ 3,940,810	\$ 3,927,851	\$ 3,965,110	\$ 3,809,903	\$ 3,682,033	\$ 3,317,118
16.02%	27.38%	55.96%	36.44%	57.94%	61.08%	49.42%

**CITY OF ROMA, TEXAS  
SCHEDULE OF CONTRIBUTIONS  
FOR AGENT MULTIPLE EMPLOYER PENSION PLAN  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
EXHIBIT G-3**

<i>For the year ended December 31,</i>	2024	2023	2022
Actuarially determined contribution	\$ 428,185	\$ 404,615	\$ 425,793
Contributions in relation to the actuarially determined contributions	(428,185)	(404,615)	(425,793)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered payroll</b>	<b>\$ 4,558,885</b>	<b>\$ 4,509,730</b>	<b>\$ 4,381,155</b>
Contributions as a percentage of covered payroll	8.97%	8.97%	9.72%

**CITY OF ROMA, TEXAS  
SCHEDULE OF CONTRIBUTIONS  
FOR AGENT MULTIPLE EMPLOYER PENSION PLAN  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
EXHIBIT G-3 (Continued)**

2021	2020	2019	2018	2017	2016	2015
\$ 435,940	\$ 398,912	\$ 419,479	\$ 434,309	\$ 436,351	\$ 408,801	\$ 406,255
(435,940)	(398,912)	(419,479)	(434,309)	(436,351)	(408,801)	(406,255)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,262,526	\$ 3,864,420	\$ 3,927,996	\$ 3,970,076	\$ 3,965,902	\$ 3,809,885	\$ 3,742,929
10.23%	10.32%	10.68%	10.94%	11.00%	10.73%	10.85%

**CITY OF ROMA, TEXAS**  
**NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**

Valuation date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	22 Years (longest amortization ladder)
Asset valuation method	10 Year smooth market, 12% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

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**CITY OF ROMA, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**EXHIBIT G-4**

<i>For the year ended December 31,</i>	2024	2023	2022
<b>Total OPEB Liability</b>			
Service cost	\$ 16,643	\$ 28,322	\$ 28,777
Interest	14,916	9,537	9,854
Changes of benefit terms	-	-	-
Differences between expected and actual experience	692	(1,890)	(17,643)
Changes of assumptions	19,467	(169,049)	14,871
Benefit payments	(11,695)	(10,457)	(9,449)
Net change in total OPEB liability	40,023	(143,537)	26,410
Total OPEB liability - beginning	365,824	509,361	483,041
Total OPEB liability - ending	\$ 405,847	\$ 365,824	\$ 509,451
<b>Covered payroll</b>	<b>\$ 4,498,185</b>	<b>\$ 4,357,197</b>	<b>\$ 4,295,023</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>9.02%</b>	<b>8.40%</b>	<b>11.86%</b>

\* GASB Codification P52 requires an employer to disclose a 10-year history. However until a full 10-year trend is complied, information will be presented for years which information is available.

\* No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

\* The Supplemental Death Benefit Fund is considered to be an unfunded OPEB plan under GASB 75. Because of this, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

**CITY OF ROMA, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**EXHIBIT G-4 (Continued)**

2021	2020	2019	2018
\$ 20,070	\$ 15,369	\$ 16,890	\$ 14,671
11,293	11,918	10,792	10,503
-	-	-	-
(7,418)	(618)	(8,036)	-
59,835	62,932	(21,529)	24,074
(2,702)	(2,364)	(1,964)	(2,379)
81,078	87,237	(3,847)	46,869
401,963	314,726	318,573	271,704
\$ 483,041	\$ 401,963	\$ 314,726	\$ 318,573
\$ 3,859,686	\$ 3,940,810	\$ 3,927,581	\$ 3,965,110
12.05%	10.20%	8.01%	8.03%

**CITY OF ROMA, TEXAS  
NOTES TO OPEB SCHEDULE  
TEXAS MUNICIPAL RETIREMENT SYSTEM**

Measurement Date                      December 31, 2023

**Methods and assumptions used to determine contribution rates:**

Actuarial Valuation Date              December 31, 2023

Amortization method                  N/A

Remaining amortization period      N/A

Asset valuation method                N/A

Inflation                                  2.50%

Salary increases                        3.60% to 11.85% including inflation

Discount Rate                          3.77%

Retirees' share of Benefit-related \$0

Administrative expenses              All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.

Mortality rates - service retirees    2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Mortality rates - disable retirees    2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

**CITY OF ROMA, TEXAS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

*Budgetary Information*

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for the capital projects funds which adopt project - length budgets. Formal budgetary integration is employed as a management control device during the year for the General and for the Water and Wastewater funds.

Although accounting principles generally accepted in the United States of America require that budgetary schedules be reported for the General Fund and all funds with a legally adopted budget, the City of Roma only prepares legally adopted annual budgets for the General Fund and Water and Wastewater Fund. Therefore, special revenue funds (all non-major) do not present budgetary comparison schedules in this Annual Financial Report.

Unused appropriations for all of the above annually budgeted funds lapse at the end of each year. The budget amounts shown in the financial statements are the final authorized amounts during the year.

Budgetary data for Capital Project Funds are budgeted over the life of the respective project and not on an annual basis. Therefore, this data is not presented in the accompanying combined financial statements.

Revisions that alter total appropriations must be approved by the City Council. Therefore, the legal level of budgetary responsibility is at the total expenditures level.

City Management establishes the amount of estimated revenues and other resources available for appropriation for the succeeding budget year. City Management submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating fund includes proposed expenditures and the means of financing them. Public hearings are conducted to City Hall to obtain taxpayer comments. Prior to October 1, the budget is adopted by the City Council.

Expenditures may not legally exceed budgeted appropriations at the fund level.

*Expenditures Over Appropriations*

For the fiscal year ended September 30, 2024, expenditures in the General Fund exceeded budgeted appropriations in General Government by \$10,966,789, Public Safety by \$411,251, Health and Welfare by \$39,755, Culture and Recreation by \$5,230, Debt Service – Principal by \$171,133, and Debt Service – Interest by \$36,303. Total expenditures exceeded budgeted expenditures in the current year by \$11,910,097.

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**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF ROMA, TEXAS**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-1**

<b>September 30, 2024</b>	<b>Hotel/Motel Occupancy Tax</b>	<b>HOME 1003088 &amp; 1003089 Fund</b>	<b>HOME HRA &amp; PWD</b>	<b>Municipal Court Technology</b>
<b>Assets</b>				
Accounts receivable	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-
Due from other funds	603	-	-	-
Long term lease receivable	-	-	-	-
Restricted assets				
Restricted cash and cash equivalents	36,077	-	96	15,985
<b>Total assets</b>	<b>\$ 36,680</b>	<b>\$ -</b>	<b>\$ 96</b>	<b>\$ 15,985</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	410	-	-	-
<b>Total liabilities</b>	<b>410</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - leases	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
<b>Restricted for</b>				
Federal or state funds grant restrictions	-	-	96	-
Forfeiture funds	-	-	-	-
Hotel/Motel occupancy tax	36,270	-	-	-
Municipal court	-	-	-	15,985
Bus Terminal	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>36,270</b>	<b>-</b>	<b>96</b>	<b>15,985</b>
<b>Total liabilities and fund balances</b>	<b>\$ 36,680</b>	<b>\$ -</b>	<b>\$ 96</b>	<b>\$ 15,985</b>

**CITY OF ROMA, TEXAS**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-1 (Continued)**

Municipal Court Bldg Security	Municipal Court Jury	Municipal Court Truancy Prevention	OPIOD Abatement Trust	Storm Draining Account	TIRZ Zone #1	PD Abandoned Vehicle
\$ -	\$ -	\$ -	\$ -	\$ 7,087	\$ -	\$ -
-	-	-	-	-	391,547	-
-	-	-	-	23,881	247,594	-
-	-	-	-	-	-	-
13,564	81	4,149	6,510	243,919	137,173	68,986
<u>\$ 13,564</u>	<u>\$ 81</u>	<u>\$ 4,149</u>	<u>\$ 6,510</u>	<u>\$ 274,887</u>	<u>\$ 776,314</u>	<u>\$ 68,986</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	102	-	100	-
-	-	-	102	-	100	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	6,408	-	-	-
-	-	-	-	-	-	68,986
-	-	-	-	-	-	-
13,564	81	4,149	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	274,887	776,214	-
-	-	-	-	-	-	-
13,564	81	4,149	6,408	274,887	776,214	68,986
<u>\$ 13,564</u>	<u>\$ 81</u>	<u>\$ 4,149</u>	<u>\$ 6,510</u>	<u>\$ 274,887</u>	<u>\$ 776,314</u>	<u>\$ 68,986</u>

**CITY OF ROMA, TEXAS**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-1 (Continued)**

<b>September 30, 2024</b>	<b>PD Seizures</b>	<b>PD Forfeiture</b>	<b>Federal Forfeiture</b>	<b>PD Special Equipment</b>
<b>Assets</b>				
Accounts receivable	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-
Due from other funds	-	456	-	-
Long term lease receivable	-	-	-	-
Restricted assets				
Restricted cash and cash equivalents	31,169	270,795	307	6,732
<b>Total assets</b>	<b>\$ 31,169</b>	<b>\$ 271,251</b>	<b>\$ 307</b>	<b>\$ 6,732</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 19,859	\$ -	\$ -
Due to other funds	-	7,746	-	-
<b>Total liabilities</b>	<b>-</b>	<b>27,605</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - leases	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
<b>Restricted for</b>				
Federal or state funds grant restrictions	-	-	307	6,732
Forfeiture funds	31,169	243,646	-	-
Hotel/Motel occupancy tax	-	-	-	-
Municipal court	-	-	-	-
Bus Terminal	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>31,169</b>	<b>243,646</b>	<b>307</b>	<b>6,732</b>
<b>Total liabilities and fund balances</b>	<b>\$ 31,169</b>	<b>\$ 271,251</b>	<b>\$ 307</b>	<b>\$ 6,732</b>

**CITY OF ROMA, TEXAS**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-1 (Continued)**

	PD Officer Standards & Education	FTA Bus Terminal	TXCDBG Grant 711409	TXCDBG Grant 7219381	TXCDBG Grant CD21-0363	American Rescue Plan Act	TWDB Wastewater Project
\$	-	\$ 39,419	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-	-
	-	-	-	-	-	-	40,561
	-	256,065	-	-	-	-	-
	6,529	129,545	-	-	232	-	249
\$	6,529	\$ 425,029	\$ -	\$ -	\$ 232	\$ -	\$ 40,810
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,561
	-	-	-	-	1,534	-	-
	-	-	-	-	1,534	-	40,561
	-	287,868	-	-	-	-	-
	-	287,868	-	-	-	-	-
	6,529	-	-	-	-	-	249
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	137,161	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	(1,302)	-	-
	6,529	137,161	-	-	(1,302)	-	249
\$	6,529	\$ 425,029	\$ -	\$ -	\$ 232	\$ -	\$ 40,810

**CITY OF ROMA, TEXAS**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-1 (Continued)**

<b>September 30, 2024</b>	<b>TXCDBG Grant CDM22-0108</b>	<b>Suspension Bridge Restore</b>	<b>USDA Industrial Park Project</b>	<b>EDA Industrial Park Project</b>
<b>Assets</b>				
Accounts receivable	\$ -	\$ -	\$ -	\$ -
Due from other governments				
Due from other funds	-	-	-	-
Long term lease receivable	-	-	-	-
Restricted assets				
Restricted cash and cash equivalents	73,260	97	1,086	404,840
<b>Total assets</b>	<b>\$ 73,260</b>	<b>\$ 97</b>	<b>\$ 1,086</b>	<b>\$ 404,840</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 24,950	\$ -	\$ -	\$ 39,392
Due to other funds	100	100	100	100
<b>Total liabilities</b>	<b>25,050</b>	<b>100</b>	<b>100</b>	<b>39,492</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - leases	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
Restricted for				
Federal or state funds grant restrictions	48,210	-	986	365,348
Forfeiture funds	-	-	-	-
Hotel/Motel occupancy tax	-	-	-	-
Municipal court	-	-	-	-
Bus Terminal	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	(3)	-	-
<b>Total fund balances</b>	<b>48,210</b>	<b>(3)</b>	<b>986</b>	<b>365,348</b>
<b>Total liabilities and fund balances</b>	<b>\$ 73,260</b>	<b>\$ 97</b>	<b>\$ 1,086</b>	<b>\$ 404,840</b>

**CITY OF ROMA, TEXAS**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-1 (Continued)**

TXCDBG Grant CDV23-0218	Las Americas Grant B-24-CP-TX-2086	Total Nonmajor Special Revenue Funds	Capital Projects	Efren Ramirez Paving & Drainage	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 46,506	\$ -	\$ -	\$ -	\$ 46,506
		391,547			-	391,547
		313,095			-	313,095
		256,065			-	256,065
101	101	1,451,583	13,364	-	13,364	1,464,947
\$ 101	\$ 101	\$ 2,458,796	\$ 13,364	\$ -	\$ 13,364	\$ 2,472,160
<hr/>						
\$ -	\$ -	\$ 124,762	\$ -	\$ -	\$ -	\$ 124,762
		10,292			-	10,292
		135,054			-	135,054
		287,868			-	287,868
		287,868			-	287,868
101	101	435,067	-	-	-	435,067
		343,801			-	343,801
		36,270			-	36,270
		33,779			-	33,779
		137,161			-	137,161
		1,051,101	13,364		13,364	1,064,465
		(1,305)			-	(1,305)
101	101	2,035,874	13,364	-	13,364	2,049,238
\$ 101	\$ 101	\$ 2,458,796	\$ 13,364	\$ -	\$ 13,364	\$ 2,472,160

**CITY OF ROMA, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-2**

<i>For the year ended September 30, 2024</i>	Hotel/Motel Occupancy Tax	HOME 1003088 & 1003089	HOME HRA & PWD	Municipal Court Technology
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise tax	3,032	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and Forfeitures	-	-	-	1,328
Interest income	752	-	2	-
Miscellaneous revenue	-	-	-	-
<b>Total revenues</b>	<b>3,784</b>	<b>-</b>	<b>2</b>	<b>1,328</b>
<b>Expenditures</b>				
Current				
General government	6,641	-	6	-
Public safety	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
<b>Total expenditures</b>	<b>6,641</b>	<b>-</b>	<b>6</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	(2,857)	-	(4)	1,328
<b>Other Financing Sources (uses)</b>				
Proceeds from ROU Leases	-	-	-	-
Transfers in	-	-	100	-
Transfers out	-	(111)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(111)</b>	<b>100</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,857)</b>	<b>(111)</b>	<b>96</b>	<b>1,328</b>
Fund balances, beginning of year	39,127	111	-	14,657
Prior period adjustment	-	-	-	-
<b>Fund balance beginning of year, as restated</b>	<b>39,127</b>	<b>111</b>	<b>-</b>	<b>14,657</b>
<b>Fund balance, end of year</b>	<b>\$ 36,270</b>	<b>\$ -</b>	<b>\$ 96</b>	<b>\$ 15,985</b>

**CITY OF ROMA, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-2 (Continued)**

Municipal Court Bldg Security	Municipal Court Jury	Municipal Court Truancy Prevention	OPIOD Abatement Trust	Storm Draining Account	TIRZ Zone #1	PD Abandoned Vehicle
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,625	\$ -
-	-	-	-	-	-	-
-	-	-	1,016	-	-	-
-	-	-	-	71,900	-	1,065
1,598	31	1,584	-	-	-	25,869
-	-	-	118	4,310	1,430	987
1	-	-	-	-	-	31,320
1,599	31	1,584	1,134	76,210	136,055	59,241
-	-	-	-	-	-	-
-	-	-	-	-	-	23,025
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	23,025
1,599	31	1,584	1,134	76,210	136,055	36,216
-	-	-	-	-	-	-
-	-	-	-	-	-	32,770
-	-	-	-	-	-	-
-	-	-	-	-	-	32,770
1,599	31	1,584	1,134	76,210	136,055	68,986
11,965	50	2,565	5,274	195,316	-	-
-	-	-	-	3,361	640,159	-
11,965	50	2,565	5,274	198,677	640,159	-
\$ 13,564	\$ 81	\$ 4,149	\$ 6,408	\$ 274,887	\$ 776,214	\$ 68,986

**CITY OF ROMA, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-2 (Continued)**

	PD Seizures	PD Forfeiture	Federal Forfeiture	PD Special Equipment
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise tax	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and Forfeitures	-	93,356	-	-
Interest income	617	5,477	6	18
Miscellaneous revenue	-	8,120	-	-
<b>Total revenues</b>	<b>617</b>	<b>106,953</b>	<b>6</b>	<b>18</b>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Public safety	-	206,944	-	-
Debt service				
Principal	-	3,367	-	-
Interest and fiscal agent fees	-	600	-	-
<b>Total expenditures</b>	<b>-</b>	<b>210,911</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	617	(103,958)	6	18
<b>Other Financing Sources (uses)</b>				
Proceeds from ROU Leases	-	86,177	-	-
Transfers in	30,552	261,427	301	6,714
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>30,552</b>	<b>347,604</b>	<b>301</b>	<b>6,714</b>
<b>Net change in fund balances</b>	<b>31,169</b>	<b>243,646</b>	<b>307</b>	<b>6,732</b>
Fund balances, beginning of year	-	-	-	-
Prior period adjustment	-	-	-	-
<b>Fund balance beginning of year, as restated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 31,169</b>	<b>\$ 243,646</b>	<b>\$ 307</b>	<b>\$ 6,732</b>

**CITY OF ROMA, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-2 (Continued)**

PD Officer Standards & Education	FTA Bus Terminal	TXCDBG Grant 711409	TXCDBG Grant 7219381	TXCDBG Grant CD21-0363	American Rescue Plan Act	TWDB Wastewater Project
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	115,775
-	-	-	-	-	-	-
23	7,972	-	-	74	2,134	109
-	40,639	-	-	1	-	-
23	48,611	-	-	75	2,134	115,884
-	-	-	-	5,499	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	5,499	-	-
23	48,611	-	-	(5,424)	2,134	115,884
-	-	-	-	-	-	-
6,506	-	104	-	13,926	-	40,561
-	-	-	(54)	-	(414,222)	(156,336)
6,506	-	104	(54)	13,926	(414,222)	(115,775)
6,529	48,611	104	(54)	8,502	(412,088)	109
-	82,873	(104)	54	(22,791)	396,620	131
-	5,677	-	-	12,987	15,468	9
-	88,550	(104)	54	(9,804)	412,088	140
\$ 6,529	\$ 137,161	\$ -	\$ -	\$ (1,302)	\$ -	\$ 249

**CITY OF ROMA, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-2 (Continued)**

<i>For the year ended September 30, 2024</i>	TXCDBG Grant CDM22-0108	Suspension Bridge Restore	USDA Industrial Park Project	EDA Industrial Park Project
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise tax	-	-	-	-
Intergovernmental	75,000	-	383,507	400,000
Charges for services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest income	1,204	2	213	4,749
Miscellaneous revenue	1	-	2	-
<b>Total revenues</b>	<b>76,205</b>	<b>2</b>	<b>383,722</b>	<b>404,749</b>
<b>Expenditures</b>				
Current				
General government	28,000	-	6	50,181
Public safety	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
<b>Total expenditures</b>	<b>28,000</b>	<b>-</b>	<b>6</b>	<b>50,181</b>
Excess (deficiency) of revenues over (under) expenditures	48,205	2	383,716	354,568
<b>Other Financing Sources (uses)</b>				
Proceeds from ROU Leases	-	-	-	-
Transfers in	-	-	-	10,780
Transfers out	-	-	(382,730)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(382,730)</b>	<b>10,780</b>
<b>Net change in fund balances</b>	<b>48,205</b>	<b>2</b>	<b>986</b>	<b>365,348</b>
Fund balances, beginning of year	5	(5)	-	-
Prior period adjustment	-	-	-	-
Fund balance beginning of year, as restated	5	(5)	-	-
<b>Fund balance, end of year</b>	<b>\$ 48,210</b>	<b>\$ (3)</b>	<b>\$ 986</b>	<b>\$ 365,348</b>

**CITY OF ROMA, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**EXHIBIT H-2 (Continued)**

TXCDBG Grant CDV23-0218	Las Americas Grant B-24-CP-TX-2086	Total Nonmajor Special Revenue Funds	Capital Projects	Efren Ramirez Paving & Drainage	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 134,625	\$ -	\$ -	\$ -	\$ 134,625
-	-	3,032	-	-	-	3,032
16,450	-	991,748	143,246	-	143,246	1,134,994
-	-	72,965	-	-	-	72,965
-	-	123,766	-	-	-	123,766
16	1	30,214	507	-	507	30,721
-	-	80,084	-	-	-	80,084
16,466	1	1,436,434	143,753	-	143,753	1,580,187
16,465	-	106,798	173,149	-	173,149	279,947
-	-	229,969	-	-	-	229,969
-	-	3,367	-	-	-	3,367
-	-	600	-	-	-	600
16,465	-	340,734	173,149	-	173,149	513,883
1	1	1,095,700	(29,396)	-	(29,396)	1,066,304
-	-	86,177	-	-	-	86,177
100	100	403,941	-	-	-	403,941
-	-	(953,453)	-	(391)	(391)	(953,844)
100	100	(463,335)	-	(391)	(391)	(463,726)
101	101	632,365	(29,396)	(391)	(29,787)	602,578
-	-	725,848	42,760	391	43,151	768,999
-	-	677,661	-	-	-	677,661
-	-	1,403,509	42,760	391	43,151	1,446,660
\$ 101	\$ 101	\$ 2,035,874	\$ 13,364	\$ -	\$ 13,364	\$ 2,049,238

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

Honorable Mayor  
And Members of the City Council  
City of Roma, Texas

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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Roma, Texas (City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 26, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, 2024-003, 2024-004, 2024-005 and 2024-006 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-007 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Roma, Texas's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.

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

McAllen, Texas  
June 26, 2025



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## **INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor  
And Members of the City Council  
City of Roma, Texas

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited the City of Roma, Texas’s (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended September 30, 2024. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Roma, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

#### ***Basis for Opinion on the Major Federal Program***

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s federal program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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

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

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

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

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

McAllen, Texas  
June 26, 2025

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**CITY OF ROMA, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended September 30, 2024**

**Section I – Summary of Auditor’s Results**

***Financial Statements***

- |  |            |
|--|------------|
| 1. Type of auditor’s report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | Yes        |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes        |
| c. Noncompliance material to the financial statements noted?                     | No         |

***Federal Awards***

- |  |            |
|--|------------|
| 1. Type of auditor’s report issued on compliance for major programs  | Unmodified |
| 2. Internal control over major programs:   |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                             | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | No         |
| 4. Identification of major programs  |            |

**Assistance Listing Number**

**Federal Program**

10.351

Rural Business Development Grant

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk under 2CFR 200.520                         | No        |

**CITY OF ROMA, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**For The Year Ended September 30, 2024**

**Section II – Financial Statements Findings**

**2024-001**                      **Material Weakness – Financial Close and Reporting**  
(2023-001; 22-001)            *(Repeat finding; modified)*

Criteria:                      The Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal control framework is recognized as the leading guidance for designing, implementing, and conducting internal control and assessing its effectiveness. An “effective” internal control system includes five components: the control environment, risk assessment, control activities, information, and communication and monitoring. These components should be addressed in entity-level controls related to financial reporting and transaction level processes.

Condition:                    The City does not currently have an effective internal control structure over financial close and reporting. In addition, various deficiencies were noted in the City’s control activities, information and communication, and monitoring activities, affecting the accuracy and timeliness of financial reporting. The trial balance was provided however it required numerous audit adjustments and reclassification to both the current and prior period balances. Prior period audit entries were not recorded in the general ledger, misclassification of receipts and collections, and reconciliation of several significant accounting areas were not performed at year end. Finding is a repeat from prior fiscal year.

Cause:                         Financial close and reporting was not prioritized shortly after September 30, 2024. Furthermore, internal control activities over the financial close and reporting activities were not effective. The financial close and reporting process did not incorporate control activities and relevant information to assist in accurate financial close and reporting. The financial close and reporting process was not separately evaluated to ascertain whether the internal controls were properly functioning.

Effect:                         Untimely and/or inaccurate financial reporting could affect federal and state funding. Misstatements due to errors or fraud may go undetected and could affect the City’s ability to accurately estimate budgetary needs. The lack of adequate internal controls may reduce the City’s ability to safeguard assets and prevent or detect intentional or unintentional misstatements of accounting information.

Recommendation:         The City should evaluate the internal control structure within the COSO internal control framework and implement policies and procedures to ensure that financial reporting objectives are met. Specifically, process ownership, reporting lines, and clear channels of information and communication should be established for management and employees. Management should independently evaluate if the components of internal control are present and functioning.

Management Response:     Management agrees with finding. See corrective action plan on page 128.

CITY OF ROMA, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
For The Year Ended September 30, 2024

**Section II – Financial Statements Findings (Continued)**

**2024-002**                      **Material Weakness – Capital Assets**  
(2023-002; 22-003)            (Repeat finding; modified)

Criteria:                      *Codification of Governmental Accounting and Financial Reporting Standards* section 1400.102 states that capital assets should be reported at historical cost. The cost of a capital asset should include ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition—such as freight and transportation charges, site preparation costs, and professional fees. Interest cost incurred before the end of a construction period should not be capitalized as part of the asset's historical cost. Donated capital assets should be reported at their acquisition value plus ancillary charges, if any. *Codification of Governmental Accounting and Financial Reporting Standards* section 1400.103 state that capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. *Codification of Governmental Accounting and Financial Reporting Standards* section 1400.104 states that Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible, are intangible assets with indefinite useful lives, or are infrastructure assets reported using the modified approach. Inexhaustible capital assets such as land and land improvements should not be depreciated. Capital assets should be evaluated for impairment when events or changes in circumstances suggest that the service utility of a capital asset may have significantly and unexpectedly declined.

Condition:                      During the audit, it was noted that the procedures to accurately account for current year additions and deletions were not completed. Extended analysis of the detail general ledger, reports, and documentation uncovered fixed asset additions which management inadvertently omitted and/or expensed and thus, were not being depreciated. Additionally, the completed portion of construction in progress was not reclassified as a completed depreciable capital asset. The City did not review its capital assets for any impairments and thus failed to remove a fully depreciated gas system no longer serviceable. This finding is a repeat from prior fiscal year.

Cause:                              Internal controls over completeness of capital assets were not effective in identifying the asset additions and deletions. Construction in progress (CIP) was not reconciled at year end and thus completed CIP was not reclassified to a depreciable capital asset at year end.

Effect:                              Capital assets were not identified correctly, and thus, depreciation would not have been computed correctly.

**Section II – Financial Statements Findings (Continued)**

<b>2024-002</b> (2023-002; 22-003)	<b>Material Weakness – Capital Assets (Continued)</b> <i>(Repeat finding; modified)</i>
Recommendation:	The City should enhance its procedures to accurately track current year fixed asset additions and deletions. Review expenditures for any assets purchases that have a life longer than one reporting period and adjust construction in progress accordingly for completed work.
Management Response:	Management agrees with finding. See corrective action plan on page 128.
<b>2024-003</b>	<b>Material Weakness – Accounting for Grants</b>
Criteria:	Codification of Governmental Accounting and Financial Reporting Standards section 1600 states that the financial statements for governmental funds should be presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues should be recognized in the accounting period in which they become available and measurable. Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term liabilities, which should be recognized when due. Additionally, Codification of Governmental Accounting and Financial Reporting Standards section N50 states that federal funding should only be recognized as receivables and revenue after all applicable eligibility requirements are met.
Condition:	The City does not currently have effective internal controls for accounting for its grants. Various deficiencies were noted in the City’s control activities and monitoring activities, affecting the accuracy and timeliness of recording and reporting of grants. Several audit adjustments and reclassification to both the current and prior period balances were required to adjust a grant, its related loan forgiveness, and a reclassification of federal grants was made to properly reclassify other revenues and accurately report intergovernmental revenues.
Cause:	The City did not correctly account for unearned revenue on the forgiveness of a federally funded loan. Additionally, it misclassified other revenues as intergovernmental revenues.
Effect:	Unearned revenue was understated by \$2,699,868. State grants were understated by \$115,775, federal grants were overstated by \$100,000 and escrow accounts and interest revenues were misstated by \$275,802. Inaccurate grant accounting could affect federal and state funding awards.
Recommendation:	The City should review and reconcile its grant related revenues, receivables, and unearned revenues to ensure they are properly classified and recorded in the correct accounting period.
Management Response:	Management agrees with finding. See corrective action plan on page 128.

**Section II – Financial Statements Findings (Continued)**

**2024-004                      Material Weakness – Accounting for Tax Increment Reinvestment Zone (TIRZ)**

Criteria:                      Tax Increment Reinvestment Zones (TIRZs) involve a specific accounting process to track and manage the tax increments generated within the zone and used for reinvestment projects. The key steps include establishing the zone, collecting taxes, allocating tax increments to a Tax Increment Fund (TIF), and reporting on the zone's financial activity.

Condition:                    The City does not currently have effective internal controls for accounting for the Tax Increment Reinvestment Zone (TIRZ) fund. Various deficiencies were noted in the City's control activities and monitoring activities, affecting the accuracy and timeliness of recording and reporting of taxes due to/from TIRZ. Several audit adjustments and reclassification to both the current and prior period balances were required to adjust the TIRZ account and related accounts.

Cause:                         The City did not correctly account for earned revenues and due to/from accounts as they related the TIRZ.

Effect:                        TIRZ revenues were understated by \$54,867 and due to TIRZ was understated by \$313,765. Other accounts affected were fund balance, due from/to the general fund, M&O taxes, transfers out, and due from other governments causing inaccurate financial reporting.

Recommendation:         The City should review and reconcile its TIRZ revenues, receivables, and related due to/from accounts to ensure the accuracy, timeliness, and completeness of recording funds.

Management Response:     Management agrees with finding. See corrective action plan on page 128.

**Section II – Financial Statements Findings (Continued)**

**2024-005                      Material Weakness – Accounting for Redevelopment Assets**

Criteria:                      According to Generally Accepted Accounting Principles (GAAP), the accounting procedures for redevelopment assets held by the EDC (specifically real estate redevelopment) largely depend on the stage of the project and the nature of the costs incurred. The primary focus is on how to classify and track costs associated with acquiring, developing, and improving real estate properties that are undergoing redevelopment. If the redeveloped asset is being considered for sale, the accounting for land or property held for sale involves specific procedures under GAAP and under the Governmental Accounting Standards Board (GASB). To be classified as held for sale, a long-lived asset (or disposal group) generally must meet two criteria under GASB and GAAP accounting, including management’s commitment to a sales plan and a probable sale within one-year. Other criteria under GAAP, includes the availability for immediate sale, an active program to find a buyer, active marketing at a reasonable price, and actions indicating the plan is unlikely to change or be withdrawn. Any reclassification, disposal/sale, or transfer of a redevelopment asset to primary government must be properly adjusted on the books of the EDC.

Condition:                      The Economic Development Corporation (EDC) does not currently have effective internal controls for accounting for redevelopment assets. Various deficiencies were noted in the EDC’s control activities and monitoring activities, affecting the accuracy and timeliness of recording and reporting these assets. Several audit adjustments to both the current and prior period balances were required to adjust this account and other related accounts.

Cause:                              The EDC did not correctly account for the sale of land held for sell and the reclassification of the portion of real property held for sell that was retained by as capital asset.

Effect:                              Redevelopment assets were overstated by \$365,259.

Recommendation:              To ensure accurate record-keeping and financial reporting, the EDC should implement procedures for tracking and reconciling its redevelopment assets.

Management Response:              Management agrees with finding. See corrective action plan on page 128.

**CITY OF ROMA, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**For The Year Ended September 30, 2024**

**Section II – Financial Statements Findings (Continued)**

**2024-006                      Material Weakness –Interfund Activity**

**Criteria:** GAAP procedures for interfund accounting involves the procedures for recording transactions between different funds within the same entity, ensuring each fund maintains its own self-balancing set of accounts. Interfund transactions create reciprocal balances that are tracked as "Due To" and "Due From" accounts. Interfund Transfers (nonreciprocal transactions) are reported as transfers in and out of the respective funds, not as revenues or expenses. Proper supporting documentation is essential for all interfund transactions.

**Condition:** The City does not currently have effective internal controls for accounting interfund activities. Various deficiencies were noted in the City’s control activities, risk assessment, and monitoring activities, affecting the accuracy and timeliness of recording and reporting of these accounts. Several audit adjustments were required to adjust these accounts and corresponding accounts.

**Cause:** The City did not correctly reconcile and adjust its interfund accounts creating several accounts to be misstated. The majority of the differences were caused by cash pool and payroll fund activity that was not allocated to the respective funds throughout the year.

**Effect:** There were several misstatements in the interfund accounts. The due from other funds were misstated as follows: General Fund was overstated by \$10,603,905 and Other Governmental Funds were understated by \$258,806. Due from component units to General Fund was understated by \$148,296. Due to other funds were misstated as follows: General Fund was overstated by \$11,250,733; Industrial Park Project Fund was understated by \$209,907; and Other Governmental Funds were overstated by \$23,881. The Industrial Park Project Fund due to component units was understated by \$1,040,285. Additionally, several corresponding accounts related to the interfund activities were also misstated. Proprietary fund due from other funds was overstated by \$11,259,190. Proprietary fund due to other funds was overstated by \$10,591,940 and due to component units was understated by \$74,533.

**Recommendation:** The City should enhance its procedures to accurately reconcile the interfund accounts.

**Management Response:** Management agrees with finding. See corrective action plan on page 128.

**Section II – Financial Statements Findings (Continued)**

<b>2024-007</b> (2023-003; 22-004)	<b>Significant Deficiency – Journal Entries</b> (Repeat finding; modified)
Criteria:	Generally Accepted Accounting Principles (GAAP) requires adjustments to the accounting records to be in alignment with the matching and revenue recognition principles or when making corrections of an error. To ensure journal entries are recorded correctly someone other than the prepare should review and approve the adjustment.
Condition:	During the audit, we noted numerous posting errors. A significant number of audit journal entries were needed to correct posting errors, misclassifications, and other journal entries. This finding is a repeat from prior fiscal year.
Cause:	Internal controls over journal entries are not effective.
Effect:	The City misstated multiple account balances and recorded a one-sided journal entry. Journal entries were not reviewed and approved for accuracy, classification, and completeness.
Recommendation:	The City should enhance its policies and procedures to ensure journal entries being posted to the general ledger are correct, complete, and are being review by someone other than the preparer.
Management Response:	Management agrees with finding. See corrective action plan on page 128.

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

No findings noted.

**Section IV – Prior Findings and Questioned Costs for Federal Awards**

**Financial Statement Findings:**

<b>Reference Number: (2023-001)</b>	<b>Monthly Account Analysis and Year-end Closing – Repeated and modified as finding 2024-001</b>
<b>Reference Number: (2023-002)</b>	<b>Capital Assets – Repeated and modified as finding 2024-002</b>
<b>Reference Number: (2023-003)</b>	<b>Journal Entry Review – Repeated and modified as finding 2024-007</b>

**Federal Award Findings:**

No prior findings noted.

**City of Roma, Texas**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2024**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<u>Passed Through The Office of the Governor - Criminal Justice Division</u>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3590505	\$ -	\$ 35,416
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3590506	-	22,284
Total Passed Through The Office of the Governor - Criminal Justice Division			-	<u>57,700</u>
<b>TOTAL US DEPARTMENT OF JUSTICE</b>			-	<u>57,700</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<u>Passed Through The Office of the Governor -Homeland Security Grants Division</u>				
Homeland Security Grant Program	97.067	3193308	-	310,424
Homeland Security Grant Program	97.067	3193309	-	180,556
Total Passed Through The Office of the Governor -Homeland Security Grants Division			-	<u>490,980</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			-	<u>490,980</u>
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>				
<u>Passed Through The Office of National Drug Control Policy</u>				
High Intensity Drug Trafficking Areas Program	95.001	G23SS00004A	-	1,016
Total Passed Through The Office of National Drug Control Policy			-	<u>1,016</u>
<b>TOTAL EXECUTIVE OFFICE OF THE PRESIDENT</b>			-	<u>1,016</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
Equitable Sharing	21.016		-	778
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>			-	<u>778</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<u>Passed Through the Texas Department of Agriculture</u>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDV23-0218	-	16,450
Total Passed Through the Texas Department of Agriculture			-	<u>16,450</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			-	<u>16,450</u>
<b>U.S. DEPARTMENT OF AGRICULTURE (USDA) FOREST SERVICE (USFS)</b>				
<u>Passed Through Texas A&amp;M Forest Service's Urban and Community Forestry (U&amp;CF) Program</u>				
Community Forest and Open Space Conservation Program (CFP)	10.689	FI-638-5261	-	3,420
Community Forest and Open Space Conservation Program (CFP)	10.689	TT-638-15281	-	700
Community Forest and Open Space Conservation Program (CFP)	10.689	TT-638-15280	-	300
Total Passed Through Texas A&M Forest Service's Urban and Community Forestry (U&CF) Program			-	<u>4,420</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE (USDA) FOREST SERVICE (USFS)</b>			-	<u>4,420</u>
<b>U.S. DEPARTMENT OF AGRICULTURE (USDA) RURAL BUSINESS DEVELOPMENT</b>				
<u>Direct Program - Congressionally Direct Funding</u>				
Rural Business Development Grant	10.351		-	383,507
Total Direct Program - Congressionally Direct Funding			-	<u>383,507</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE (USDA) RURAL BUSINESS DEVELOPMENT</b>			-	<u>383,507</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ -	<u>\$ 954,851</u>

**City of Roma, Texas**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2024**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying schedule of expenditures of federal awards includes the federal spending of City of Roma, Texas (the "City") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *Uniform Guidance*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not represent the financial position of the City.

**Note 2: SUB-RECIPIENTS**

During the year ended September 30, 2024, the City had no sub-recipients.

**Note 3: LOANS / LOANS GUARANTEE OUTSTANDING BALANCES**

During the year ended September 30, 2024, the City had no outstanding federal loans or loan guarantees.

**Note 4: NONCASH ASSISTANCE AND OTHER**

During the year ended September 30, 2024, the City did not receive any noncash assistance or federally funded insurance.

**Note 5: INDIRECT COST RATE**

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended September 30, 2024, the City did not elect to use this rate.

**Note 6: CONTINGENCIES**

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the City does not believe that such disallowance, if any, would have a material effect on the financial position of the City.

CITY COUNCIL  
JAIME ESCOBAR, JR., *Mayor*  
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JOSE G. CANTU, JR., *Councilmember*  
CITLALI N. GONZALEZ, *Councilmember*  
JOEL HINOJOSA, JR., *Councilmember*



### **Corrective Action Plan for the Year Ended September 30, 2024**

In response to the Schedule of Findings and Questioned Costs identified in the City of Roma's annual audit for the fiscal year ended September 30, 2024, the following represents the City's official **Corrective Action Plan**. The City acknowledges each of the findings and has outlined specific steps, responsible parties, and anticipated completion dates to address and remediate each issue effectively.

#### **Finding 2024-001 – Financial Close and Reporting**

##### **Corrective Action:**

The City has implemented a monthly account analysis process and a formal year-end closing checklist. New financial software has been introduced to support accurate and timely reconciliation and reporting. Responsibilities have been aligned under the COSO internal control framework.

**Completion Date:** September 30, 2025

**Responsible Person:** Finance Director (Dora Garcia) / City Manager (Alejandro Barrera)

#### **Finding 2024-002 – Capital Assets**

##### **Corrective Action:**

An Assets Coordinator has been appointed to conduct monthly monitoring of asset activity. This includes tracking acquisitions and disposals, ensuring proper classification, and reviewing construction-in-progress accounts. A physical inventory process will be performed annually.

**Completion Date:** August 31, 2025

**Responsible Person:** Assets Coordinator (Carlos Saenz) / Finance Director (Dora Garcia)

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### **Finding 2024-003 – Accounting for Grants**

#### **Corrective Action:**

A centralized grant management log will be maintained and reviewed quarterly. Entries will be verified for proper classification, with support from the City's CPA firm. Revenue recognition will align with grant terms and GAAP.

**Completion Date:** July 31, 2025

**Responsible Person:** City Manager (Alejandro Barrera)

### **Finding 2024-004 – Accounting for TIRZ**

#### **Corrective Action:**

Under the oversight of the Assistant City Manager, the City will establish a reconciliation schedule for TIRZ-related activity. A dedicated worksheet and quarterly review process will ensure accurate and timely reporting.

**Completion Date:** July 31, 2025

**Responsible Person:** Assistant City Manager (Alfonso Ramirez)

### **Finding 2024-005 – Redevelopment Assets (EDC)**

#### **Corrective Action:**

The Roma EDC will implement asset tracking procedures, with quarterly reviews of land held for sale and transfers to the City. A ledger will document reclassifications and proper accounting treatment of redevelopment assets.

**Completion Date:** August 31, 2025

**Responsible Person:** REDC Executive Director (Alejandro Barrera) / Finance Director (Dora Garcia)

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### **Finding 2024-006 – Interfund Activity**

#### **Corrective Action:**

The City will maintain a monthly interfund reconciliation log. In addition, a one-page summary of each interfund transaction (e.g., Transfer In/Out, Due To/From) will be prepared and signed by both the City Manager and Finance Director to ensure accuracy and proper classification.

**Completion Date:** September 30, 2025

**Responsible Person:** Finance Director (Dora Garcia) / City Manager (Alejandro Barrera)

### **Finding 2024-007 – Journal Entries**

#### **Corrective Action:**

A new policy requires journal entries to be accompanied by supporting documentation and reviewed by someone other than the preparer. A standardized template is now in use, and internal staff will be trained accordingly.

**Completion Date:** September 30, 2025

**Responsible Person:** Finance Director (Dora Garcia)

Should you require any further details or documentation regarding the implementation of these corrective actions, please do not hesitate to contact my office.

Sincerely,

**Alejandro Barrera**

City Manager

City of Roma, Texas

Email: [abarrera@cityofroma.net](mailto:abarrera@cityofroma.net)

Phone: (956) 849-1411