City of Roma, Texas

FINANCIAL STATEMENTS

September 30, 2025

City of Roma, Texas
City Officials
As of September 30, 2025

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
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 units, each major fund, and the aggregate remaining fund information of the City of Roma, Texas, as of and for the year ended September 30, 2025, 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 units, each major fund, and the aggregate remaining fund information of the City of Roma, Texas, as of September 30, 2025, 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 $786,789, decreased in business type activities by $37,524, fund balance increased in general fund by $158,850, increased in EDA Industrial Park Project fund by $38,783, decreased in other governmental funds by $136,722, and increased in the aggregate discretely presented component unit by $847,700 due to various adjustments discussed in Note 2 to the financial statements. Our opinions are not modified with respect to these matters.

GASB 101

As described in note 2 of the financial statements, the District's had a change in accounting principle for the adoption of the new accounting guidance, GASB Statement No. 101, *Compensated Absences.* The total effect was a decrease of $16,924 to beginning net position. 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, Pension and OPEB liabilities related schedules and the related notes to the required supplementary information and budgetary comparison 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 combining nonmajor fund financial statements 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 combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 16, 2026, 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 16, 2025

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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, 2025. 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 $12,718,479 (net position). Of this amount, $15,799,912 is net investment in capital assets; $2,402,415 is restricted with a remaining deficit in unrestricted net position totaling $(5,483,848).

- 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 $31,036,012 (net position). Of this amount, $ 25,233,303 is net investment in capital assets; $5,844,878 is restricted and $(42,169) (unrestricted net position).

- 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 $3,376,382 (net position). Of this amount, $266,617 is net investment in capital assets and the remaining $3,109,765 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 $(3,691,775) of which $15,600 was nonspendable and $2,455,115 was restricted leaving a deficit of $(6,162,490) in unassigned fund balance.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $1,064,694 and restrictions on fund balances amounted to $484,643.

- The City's total net debt decreased by $1,553,155 during the current fiscal year, which represents the current year bonds, notes payable, right-to use lease and subscription liabilities and financing arrangement principal payments of $1,284,801 , reduction of net pension liability $549,247, and increase in OPEB liabilities of $11,009, increase in Landfill closure and post closure care liability of $2,100, increase in compensated absences of $33,882, and increases in right-to use-leases by $233,902.

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.

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 twenty-nine (29) 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, Industrial Park Project Fund, and EDA 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 twenty-five 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.

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 $43,754,491 at the close of the most recent fiscal year.

The following table summarizes the City's net position at September 30, 2025.

	Governmental Activities		Business-type Activities		Total		Component Unit	
	2025	2024 Restated	**2025**	2024 Restated	**2025**	2024 Restated	**2025**	2024 Restated
Current and other assets	**$ 118,308**	$ (960,396)	**$ 14,983,217**	$ 15,100,200	**$ 15,101,525**	$ 14,139,804	**$ 4,949,014**	$ 4,147,397
Capital assets	**31,270,892**	30,358,238	**28,598,450**	29,402,741	**59,869,342**	59,760,979	**266,617**	277,017
Total assets	**31,389,200**	29,397,842	**43,581,667**	44,502,941	**74,970,867**	73,900,783	**5,215,631**	4,424,414
Deferred outflows of resources	**341,374**	626,785	**153,372**	337,501	**494,746**	964,286	**20,521**	22,231
Long-term liabilities	**16,512,996**	17,273,662	**9,403,290**	10,195,778	**25,916,286**	27,469,440	**1,650,000**	1,740,000
Other liabilities	**2,038,994**	1,981,670	**3,200,096**	3,214,388	**5,239,090**	5,196,058	**209,770**	270,202
Total liabilities	**18,551,990**	19,255,332	**12,603,386**	13,410,166	**31,155,376**	32,665,498	**1,859,770**	2,010,202
Deferred inflows of resources	**460,105**	422,549	**95,641**	72,521	**555,746**	495,070	**-**	-
Net position								
Net investment in capital assets	**15,799,912**	14,496,272	**25,233,303**	25,360,471	**41,033,215**	39,856,743	**266,617**	277,017
Restricted	**2,402,415**	2,552,102	**5,844,878**	5,728,733	**8,247,293**	8,280,835	**3,109,765**	2,159,426
Unrestricted	**(5,483,848)**	(6,701,628)	**(42,169)**	268,551	**(5,526,017)**	(6,433,077)	**-**	-
Total net position	**$ 12,718,479**	$ 10,346,746	**$ 31,036,012**	$ 31,357,755	**$ 43,754,491**	$ 41,704,501	**$ 3,376,382**	$ 2,436,443

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 $2,049,990 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 increased by $2,371,733 from the prior fiscal year for an ending balance of $12,718,479.

Business-type Activities

During the current fiscal year, net position for business-type activities decreased by $321,744 from the prior fiscal year ending balance of $31,357,756.

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, 2025.

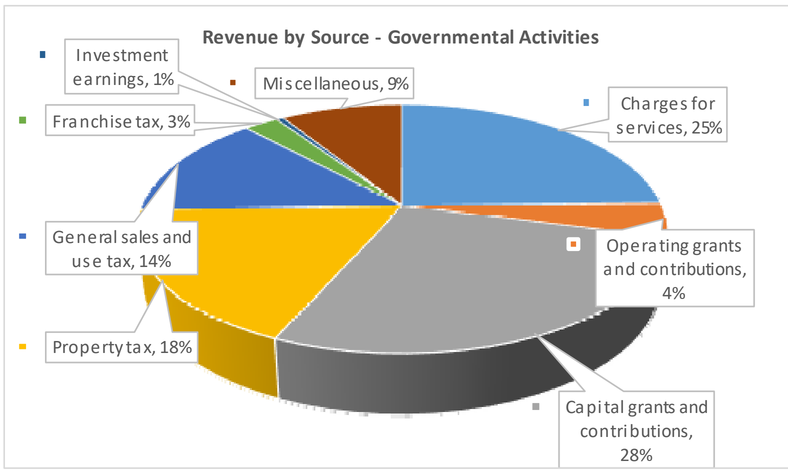
	Governmental Activities		Business-type Activities		Total		Component Unit	
	2025	2024 Restated	**2025**	2024 Restated	**2025**	2024 Restated	**2025**	2024 Restated
Revenues								
Program revenues								
Charges for services	**$ 2,680,577**	$ 1,963,472	**$ 4,738,234**	$ 4,771,628	**$ 7,418,811**	$ 6,735,100	**$ -**	$ -
Operating grants and contributions	**465,557**	763,735	**-**	-	**465,557**	763,735	**-**	-
Capital grants and contributions	**3,011,069**	1,593,523	**-**	-	**3,011,069**	1,593,523	**-**	-
General revenues								
Property tax	**1,934,805**	2,497,700	**-**	-	**1,934,805**	2,497,700	**-**	-
Sales tax	**1,487,042**	1,371,173	**-**	-	**1,487,042**	1,371,173	**492,985**	454,573
Franchise taxes	**273,704**	288,244	**-**	-	**273,704**	288,244	**-**	-
Investment earnings	**55,408**	91,950	**312,004**	372,800	**367,412**	464,750	**5,561**	16,830
Other	**964,801**	931,459	**719,239**	363,422	**1,684,040**	1,294,881	**1,815,930**	1,852,963
Transfers in	**-**	-	**340,324**	1,871,593	**340,324**	1,871,593	**-**	-
Total revenues	**10,872,963**	9,501,256	**6,109,801**	7,379,443	**16,982,764**	16,880,699	**2,314,476**	2,324,366
Expenses								
General government	**1,421,214**	2,202,276	**-**	-	**1,421,214**	2,202,276	**-**	-
Public safety	**3,409,436**	3,309,744	**-**	-	**3,409,436**	3,309,744	**-**	-
Public works	**2,618,877**	2,343,445	**-**	-	**2,618,877**	2,343,445	**-**	-
Health and welfare	**288,345**	242,095	**-**	-	**288,345**	242,095	**-**	-
Culture and recreation	**215,000**	207,424	**-**	-	**215,000**	207,424	**-**	-
Interest on debt	**208,034**	245,007	**-**	-	**208,034**	245,007	**-**	-
Water and sewer system	**-**	-	**6,431,545**	6,489,537	**6,431,545**	6,489,537	**-**	-
Economic development	**-**	-	**-**	-	**-**	-	**1,374,537**	1,323,995
Transfers out	**340,324**	1,871,593	**-**	-	**340,324**	1,871,593	**-**	-
Total expenses	**8,501,230**	10,421,584	**6,431,545**	6,489,537	**14,932,775**	16,911,121	**1,374,537**	1,323,995
Changes in net position	**2,371,733**	(920,328)	**(321,744)**	889,906	**2,049,989**	(30,422)	**939,939**	1,000,371
Net position, beginning of year	**10,346,746**	11,267,074	**31,357,756**	30,467,850	**41,704,502**	41,734,924	**2,436,443**	1,436,072
Net position, end of year	**$ 12,718,479**	$ 10,346,746	**$ 31,036,012**	$ 31,357,756	**$ 43,754,491**	$ 41,704,502	**$ 3,376,382**	**$ 2,436,443**

Total revenues generated from both governmental and business-type activities for this year amounted to $16,982,764. Expenses were $14,932,775 thus increasing net position by $2,049,989.

Governmental Activities - Revenues and Expenses

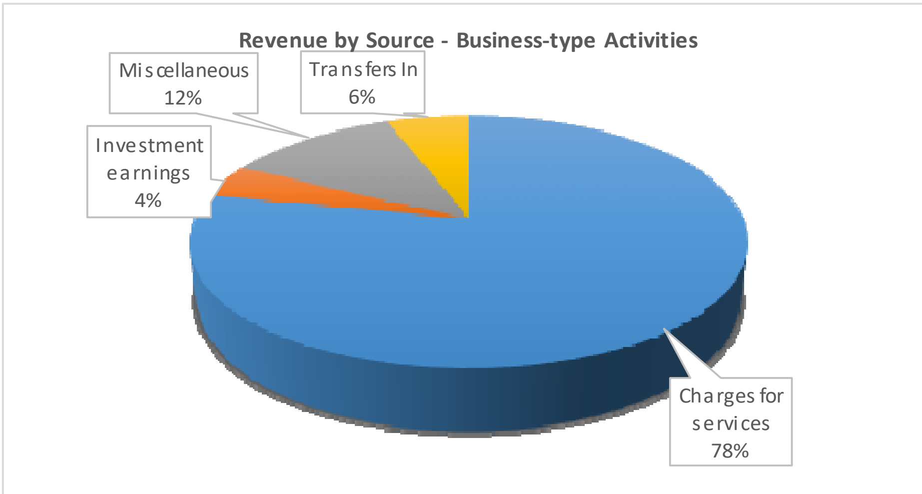
Governmental activities increased the City's net position by $2,371,733. There was an overall increase charges for services as the Secondary Examination Station experienced a full year of operations. Additionally, there was an increase in capital grants and contributions as several new grants began in the current year. Overall, expenses remained comparable to the prior year except for net transfers (out) decreasing as there was less construction in progress related transfers to business type-activities for water and wastewater related projects compared to the prior year.

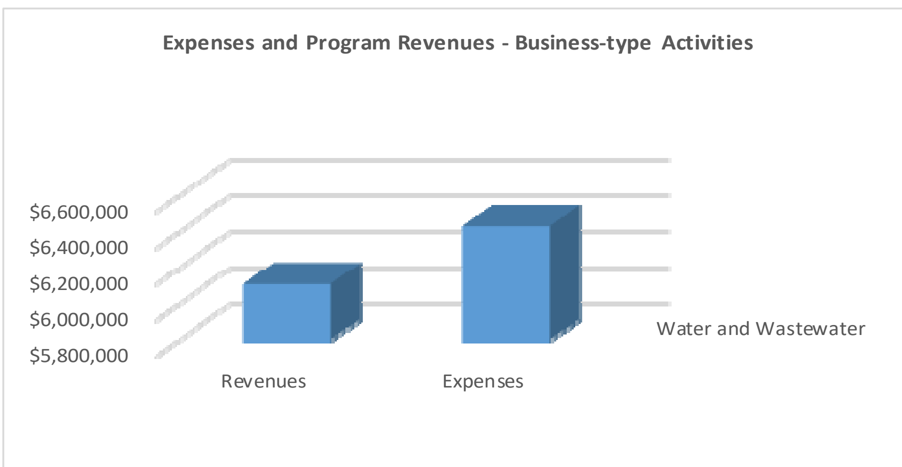
The following graph displays percentage of revenues by source for governmental activities for fiscal year 2025.



Business-type Activities

Business-type activities decreased the City's net position by $321,744. The decrease was largely due to a decrease in transfers in of construction in progress assets from Texas Water Development Board and Industrial Park funds compared to the prior year. Expenses remained comparable to the prior year.





Expenses for business-type activities totaled $6,431,545, a decrease of $57,992 compared to the prior year.

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, 2025, the City of Roma’s governmental funds reported a combined deficit fund balance of $(3,691,775), an increase of $1,027,690 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 $1,549,337, an increase of $465,135 compared to prior year, with the unassigned portion of the fund balance being $1,064,694. 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 $527,782 increase in fund balance during the current fiscal year. The increase was due to contributions from the REDC as well as transfers in from other funds.

The EDA Industrial Park Project, a new major fund in the 2025 year, had a $264,759 decrease in fund balance during the current fiscal year. The decrease was due to current year operations related to project expenses.

The other governmental funds had a $299,532 increase in fund balance during the current fiscal year. The fund balance increased in comparison with the prior year due to transfers in from the operating fund for matching portions of new grants in the current year. Overall, revenues and expenses both increased in the current year due to increased grant activity such as in the TXCDBG grant funds.

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 $307,500 while budgeted appropriations increased by $36,805 during the year. Revenues and budget appropriations include other financing sources.

- The most significant revenue variance, $436,986, is reflected in miscellaneous revenue as there was more revenue than anticipated for the Starr County MOU, Roma ISD MOU, as well as a gain on recovery of doubtful accounts.
- Charges for services shows a positive variance of $237,857 due to more bridge income than what was anticipated.
- The most significant expense variance, ($494,033), is reflected in principal expense. The variance is due to the payments being made for the secondary examination station being misclassified as other contracted services within general government. This also caused general government to have a positive variance of $460,670.

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, 2025, amounts to $59,869,342 (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 $108,363.

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

- Construction in progress in the governmental activities increased by $2,109,822. The projects that contributed to the change in current year include the Industrial Park project and the Downtown Revitalization Project.

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

City of Roma's Capital Assets
(Net of depreciation and amortization)

	Governmental Activities		Business-type Activities		Total		Component Unit	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
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 progresss	**8,583,597**	6,473,775	4,710,422	3,985,198	**13,294,019**	10,458,973	**-**	-
Buildings	**11,023,221**	11,309,341	-	-	**11,023,221**	11,309,341	**241,907**	252,307
Machinery and equipment	**1,315,806**	1,363,329	**187,657**	232,945	**1,503,463**	1,596,274	**-**	-
Infrastructure	**7,607,160**	8,620,067	**20,483,312**	21,915,098	**28,090,472**	30,535,165	**-**	-
Right-to-use lease assets	**233,136**	68,942	**56,130**	47,601	**289,266**	116,543	**-**	-
Right-to-use subscription assets	-	14,812	**-**	60,970	-	75,782	**-**	-
Capital assets, net	**$ 31,270,892**	$ 30,358,238	**$ 28,598,450**	$ 29,402,741	**$ 59,869,342**	$ 59,760,979	**$ 266,617**	$ 277,017

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

Long-Term Debt. At the end of the current fiscal year, the City of Roma had total outstanding long-term debt of $25,916,286, a decrease of $1,553,155 compared to the prior year due to the City continuing to make payments on debt. 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.

City of Roma's Long-Term Debt

	Governmental Activities		Business-type Activities		Total		Component Unit	
	2025	2024 Restated	**2025**	2024 Restated	**2025**	2024 Restated	**2025**	2024
Bonds payable	**$ 3,034,000**	$ 3,096,000	**$ 8,863,000**	$ 9,386,000	**$ 11,897,000**	$ 12,482,000	$ 1,650,000	$ 1,740,000
Loans payable	**1,043,000**	1,063,000	**-**	-	**1,043,000**	1,063,000	**-**	-
Financing arrangements	**11,255,810**	11,798,374	**-**	22,801	**11,255,810**	11,821,175	**-**	-
Right-to-use leases	**244,088**	82,810	**66,220**	57,541	**310,308**	140,351	**-**	-
Right-to-use subscriptions	**10,300**	20,169	**42,398**	83,020	**52,698**	103,189	**-**	-
Closure and post closure	**27,883**	25,783	**-**	-	**27,883**	25,783	**-**	-
Compensated absences	**159,443**	142,009	**99,895**	83,447	**259,338**	225,456	**-**	-
Net pension liability	**450,841**	781,716	**202,552**	420,924	**653,393**	1,202,640	**-**	-
Total OPEB liability	**287,631**	263,801	**129,225**	142,046	**416,856**	405,847	**-**	-
	$ 16,512,996	$ 17,273,662	**$ 9,403,290**	$ 10,195,779	**$ 25,916,286**	$ 27,469,441	**$ 1,650,000**	$ 1,740,000

Economic Factors and Next Year's Budget and Rates

During the budget process for fiscal year 2025–2026, the Mayor, City Council, and City staff evaluated several key economic indicators and operational priorities impacting the City of Roma. Property appraisal values experienced continued growth, and the City adopted a total tax rate of $0.548166 per $100 valuation for fiscal year 2025–2026, consisting of a Maintenance and Operations (M&O) rate of $0.483659 and an Interest and Sinking (I&S) rate of $0.064507. The adopted rate continues to support essential municipal services, debt obligations, and ongoing infrastructure investments while remaining mindful of the impact on taxpayers. The rate adjustment was made possible by increased taxable values while maintaining stable revenue levels necessary to support municipal operations and services.

Sales tax collections showed strong growth during the fiscal year, increasing from approximately $1.81 million in FY 2023–2024 to approximately $1.96 million in FY 2024–2025, representing an increase of approximately 8.46%. This increase reflects continued commercial activity, regional trade activity, and gradual improvement in local economic conditions within the City of Roma. Utility consumption remained relatively stable, and the City continued to monitor inflationary pressures affecting operational costs, including fuel, utilities, equipment, and construction materials. The City also anticipates receiving additional bridge income payments from Starr County, which continue to provide supplemental support for municipal operations and infrastructure planning.

The municipal drainage utility fee remains an important recurring revenue source for the City and is expected to continue supporting drainage system operations and maintenance. In addition, the City continues to manage annual debt service obligations associated with prior infrastructure and drainage-related bond projects. These obligations remain a consideration during the budget development process as the City balances operational needs with long-term capital planning.

The City continues to prioritize economic development and infrastructure expansion associated with the Las Americas Roma Logistics & Industrial Park. Infrastructure improvements, including water, sewer, drainage, and roadway projects, remain ongoing to support industrial growth and future private investment. The Secondary Examination Station (SES), located within the industrial park and operated by U.S. Customs and Border Protection, continues to support increased commercial activity and regional trade opportunities.

In addition, the City remains optimistic regarding future commercial and industrial development opportunities that may expand the local tax base, create employment opportunities, and strengthen long-term economic growth within the region. The Roma Economic Development Corporation (REDC) also continues efforts to market and promote available industrial park properties for future development.

The City was also awarded a $1,000,000 grant through the U.S. Department of Housing and Urban Development (HUD) Fiscal Year 2024 Economic Development Initiative – Community Project Funding (CPF) program for the construction of a water booster station to support industrial growth and future development within the industrial park. This project is expected to enhance water capacity and reliability for existing and future industrial users.

All of these factors were considered in preparing the City's budget for the 2025-2026 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

September 30, 2025	Primary Government Governmental Activities	Primary Government Business - type Activities	Primary Government Total	Component Unit
Assets				
Cash and cash equivalents	$ 695,684	$ 107,354	$ 803,038	$ 78,930
Investments	-	1,552,693	1,552,693	-
Prepaid items	15,600	6,968	22,568	-
Receivables, net	1,603,814	654,034	2,257,848	1,092,773
Due from other governments	2,474,985	-	2,474,985	79,824
Due from primary government	-	-	-	1,132,488
Due from component unit	177,337	-	177,337	-
Internal balances	(6,817,290)	6,817,290	-	-
Long term lease receivable	215,914	-	215,914	-
Long term note receivable	-	-	-	847,700
Restricted cash and cash equivalents	1,360,828	5,844,878	7,205,706	113,426
Restricted investments	391,436	-	391,436	-
Redevelopment properties	-	-	-	1,603,873
Capital assets				
Non-depreciable	11,091,569	7,871,351	18,962,920	24,710
Depreciable, net	19,946,187	20,670,969	40,617,156	241,907
Right-to-use lease assets, net	233,136	56,130	289,266	-
Total assets	31,389,200	43,581,667	74,970,867	5,215,631
Deferred Outflows of Resources				
Deferred charge for refunding	-	-	-	20,521
Deferred outflows related to pensions	307,154	137,996	445,150	-
Deferred outflows related to OPEB obligations	34,220	15,376	49,596	-
Total deferred outflows of resources	341,374	153,372	494,746	20,521
Liabilities				
Accounts payable	897,232	248,415	1,145,647	23,372
Accrued liabilities	53,605	29,078	82,683	-
Accrued interest	32,272	38,994	71,266	9,061
Due to component unit	1,040,285	92,203	1,132,488	-
Due to primary government	-	-	-	177,337
Customer deposits	-	191,647	191,647	-
Unearned revenue	15,600	2,599,759	2,615,359	-
Noncurrent liabilities				
Due within one year				
Bonds payable	64,000	685,000	749,000	-
Compensated absences	56,009	39,817	95,826	-
Financing arrangement	1,734,394	-	1,734,394	-
Lease liability	53,054	14,833	67,887	-
SBITA liability	10,300	42,398	52,698	-
Loan payable	21,000	-	21,000	95,000
OPEB liability	17,839	8,014	25,853	-

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

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

	Primary Government			
September 30, 2025	Governmental Activities	Business - type Activities	Total	Component Units
Due in more than one year				
Landfill postclosure costs	27,883	-	27,883	-
Bonds payable	2,970,000	8,178,000	11,148,000	-
Compensated absences	103,434	60,078	163,512	-
Financing arrangement	9,521,416	-	9,521,416	-
Lease liability	191,034	51,387	242,421	-
Note payable	1,022,000	-	1,022,000	1,555,000
Net pension liability	450,841	202,552	653,393	-
OPEB liability	269,792	121,211	391,003	-
Total liabilities	18,551,990	12,603,386	31,155,376	1,859,770
Deferred Inflows of Resources				
Deferred inflows related to leases	247,228	-	247,228	-
Deferred inflows related to pensions	141,831	63,723	205,554	-
Deferred inflows related to OPEB	71,046	31,918	102,964	-
Total deferred inflows of resources	460,105	95,641	555,746	-
Net Position				
Net investment in capital assets	15,799,912	25,233,303	41,033,215	266,617
Restricted for:				
Federal or state funds grant restrictions	211,143	-	211,143	-
Forfeiture funds	318,766	-	318,766	-
Hotel/Motel occupancy tax	28,334	-	28,334	-
Muncipal court	42,377	-	42,377	-
Debt service	29,213	63,121	92,334	-
Landfill trust	391,648	-	391,648	-
Capital projects	1,380,934	5,682,705	7,063,639	-
Water rights	-	99,052	99,052	-
Economic development	-	-	-	3,109,765
Unrestricted	(5,483,848)	(42,169)	(5,526,017)	-
Total net position	$ 12,718,479	$ 31,036,012	$ 43,754,491	$ 3,376,382

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, 2025		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	$ 1,421,214	$ 2,511,144	$ -	2,896,748
Public safety	3,409,436	169,433	465,557	114,321
Public works	2,618,877	-	-	-
Health and welfare	288,345	-	-	-
Culture and recreation	215,000	-	-	-
Interest on debt	208,034	-	-	-
Total governmental activities	8,160,906	2,680,577	465,557	3,011,069
Business - type activities				
Water and wastewater services	6,431,545	4,738,234	-	-
Total business-type activites	6,431,545	4,738,234	-	-
Total primary government	$ 14,592,451	$ 7,418,811	$ 465,557	$ 3,011,069
Component unit				
Economic development corporation	$ 1,374,537	$ -	$ -	$ -

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business - type Activities	Total	Component Unit
$ 3,986,678	$ -	$ 3,986,678	$ -
(2,660,125)	-	(2,660,125)	-
(2,618,877)	-	(2,618,877)	-
(288,345)	-	(288,345)	-
(215,000)	-	(215,000)	-
(208,034)	-	(208,034)	-
(2,003,703)	-	(2,003,703)	-
-	(1,693,311)	(1,693,311)	-
-	(1,693,311)	(1,693,311)	-
(2,003,703)	(1,693,311)	(3,697,014)	-
-	-	-	(1,374,537)
1,934,805	-	1,934,805	-
1,487,042	-	1,487,042	492,985
273,704	-	273,704	-
55,408	312,004	367,412	5,561
964,801	719,239	1,684,040	1,815,930
(340,324)	340,324	-	-
4,375,436	1,371,567	5,747,003	2,314,476
2,371,733	(321,744)	2,049,989	939,939
11,154,209	31,391,530	42,545,739	1,588,743
(807,463)	(33,774)	(841,237)	847,700
10,346,746	31,357,756	41,704,502	2,436,443
$ 12,718,479	$ 31,036,012	$ 43,754,491	$ 3,376,382

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

September 30, 2025	General Fund	Industrial Park Project Fund	EDA Industrial Park Project	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 693,342	$ 2,342	$ -	$ -	$ 695,684
Receivables (net of allowance for uncollectibles)					
Taxes receivable	1,316,893	-	-	-	1,316,893
Accounts receivable	254,966	-	-	31,955	286,921
Prepaid items	-	-	-	15,600	15,600
Due from other governments	1,059,321	-	402,127	1,013,537	2,474,985
Due from other funds	100,510	130,000	-	601,382	831,892
Due from component units	177,337	-	-	-	177,337
Long term lease receivable	215,914	-	-	-	215,914
Restricted assets					
Restricted cash and cash equivalents	93,207	-	257,480	1,010,141	1,360,828
Restricted investments	391,436	-	-	-	391,436
Total assets	$ 4,302,926	$ 132,342	$ 659,607	$ 2,672,615	$ 7,767,490
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ 165,750	$ -	$ 86,466	$ 537,396	$ 789,612
Retainage payable	-	-	59,769	47,851	107,620
Unearned revenues	-	-	-	15,600	15,600
Accrued liabilities	53,605	-	-	-	53,605
Due to component unit	-	1,040,285	-	-	1,040,285
Due to other funds	730,873	6,319,241	374,000	225,068	7,649,182
Total liabilities	950,228	7,359,526	520,235	825,915	9,655,904

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

September 30, 2025	General Fund	Industrial Park Project Fund	EDA Industrial Park Project	Other Governmental Funds	Total Governmental Funds
Deferred inflows of resources					
Unavailable revenue - leases	247,228	-	-	-	247,228
Unavailable revenue - property taxes	1,556,133	-	-	-	1,556,133
Total deferred inflows of resources	1,803,361	-	-	-	1,803,361
Fund balances					
Nonspendable					
Prepaids	-	-	-	15,600	15,600
Restricted for					
Federal or state funds grant restrictions	9,864	-	139,372	61,907	211,143
Forfeiture funds	-	-	-	318,766	318,766
Hotel/motel occupancy tax	-	-	-	28,334	28,334
Landfill trust	391,648	-	-	-	391,648
Muncipal Court	-	-	-	42,377	42,377
Capital projects	1,218	-	-	1,379,716	1,380,934
Debt service	81,913	-	-	-	81,913
Unassigned	1,064,694	(7,227,184)	-	-	(6,162,490)
Total fund balances	1,549,337	(7,227,184)	139,372	1,846,700	(3,691,775)
Total liabilities, deferred inflows of resources and fund balances	$ 4,302,926	$ 132,342	$ 659,607	$ 2,672,615	$ 7,767,490

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

September 30, 2025		Governmental Activities
Total fund balances - governmental funds		$ (3,691,775)
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	56,265,444	
Less accumulated depreciation and amortization	(24,994,552)	31,270,892
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.		307,154
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.		34,220
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.		(141,831)
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.		(71,046)

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.		1,556,133
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	(450,841)	
Bonds payable	(3,034,000)	
Other post employment benefits liability	(287,631)	
Loan payable	(1,043,000)	
Lease payable	(244,088)	
SBITA payable	(10,300)	
Landfill closure and postclosure liability	(27,883)	
Financing arrangement	(11,255,810)	
Accrued interest payable	(32,272)	
Compensated absences	(159,443)	(16,545,268)
Net position of governmental activities		$ 12,718,479

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

For the year ended September 30, 2025	General Fund	Industrial Park Project Fund	EDA Industrial Park Project	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$1,796,546	$ -	$ -	$ 156,629	$ 1,953,175
General sales and use taxes	1,487,042	-	-	-	1,487,042
Franchise taxes	272,509	-	-	1,195	273,704
Licenses and permits	167,955	-	-	-	167,955
Intergovernmental	575,590	388,400	976,034	1,536,601	3,476,625
Charges for services	2,275,157	-	-	73,655	2,348,812
Fines and forfeitures	155,212	-	-	151,143	306,355
Interest income	30,643	1,052	5,548	18,163	55,406
Miscellaneous revenue	761,186	-	-	61,072	822,258
Total revenues	7,521,840	389,452	981,582	1,998,458	10,891,332
Expenditures					
Current					
General government	1,087,300	174,083	1,246,441	758,133	3,265,957
Public safety	3,127,776	-	-	431,264	3,559,040
Public works	1,649,291	-	-	-	1,649,291
Health and welfare	297,235	-	-	-	297,235
Culture and recreation	17,906	-	-	-	17,906
Debt service					
Principal	634,433	-	-	48,064	682,497
Interest and fiscal agent fees	250,863	-	-	9,871	260,734
Total expenditures	7,064,804	174,083	1,246,441	1,247,332	9,732,660

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

For the year ended September 30, 2025	General Fund	Industrial Park Project Fund	EDA Industrial Park Project	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	457,036	215,369	(264,859)	751,126	1,158,672
Other financing sources (uses)					
Proceeds from ROU Leases	-	-	-	209,342	209,342
Transfers in	144,608	316,580	100	194,009	655,297
Transfers out	(136,509)	(4,167)	-	(854,945)	(995,621)
Net other financing sources (uses)	8,099	312,413	100	(451,594)	(130,982)
Net change in fund balances	465,135	527,782	(264,759)	299,532	1,027,690
Fund balance, beginning of year as previously reported	925,352	(7,754,966)	-	2,049,238	(4,780,376)
Change from Nonmajor to Major Fund	-	-	365,348	(365,348)	-
Adjustments	158,850	-	38,783	(136,722)	60,911
Fund balance beginning of year, as restated after adjustments	1,084,202	(7,754,966)	404,131	1,547,168	(4,719,465)
Fund balance, end of year	$1,549,337	$(7,227,184)	$ 139,372	$ 1,846,700	$ (3,691,775)

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

For the year ended September 30, 2025	Governmental Activities
Net change in fund balances - total governmental funds	$ 1,027,690
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.	912,654
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.	(18,370)
Issuance of long-term debt is another financing source in the governmental funds, but increases long-term liabilities in the statement of net position.	(209,342)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	682,497

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.		(17,434)
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.		(26,983)
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.		(29,579)
Decrease of interest on long-term debt payable is not accrued in governmental funds, but rather is recognized as an expenditure when due.		52,700
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.		(2,100)
Change in net position of governmental activities	$	2,371,733

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
September 30, 2025	Water and Wastewater Fund
Assets	
Current assets	
Cash and cash equivalents	$ 107,354
Investments	1,552,693
Prepaid items	6,968
Accounts receivable, net	654,034
Due from other funds	6,823,173
Total unrestricted current assets	9,144,222
Restricted noncurrent assets	
Cash and cash equivalents	5,844,878
Total restricted assets	5,844,878
Total current assets	14,989,100
Noncurrent assets	
Non-depreciable	7,871,351
Depreciable, net	20,670,969
Right-to-use lease assets, net	56,130
Total noncurrent assets	28,598,450
Total assets	$ 43,587,550
Deferred outflows of resources	
Deferred outflows related to pensions	$ 137,996
Deferred outflows related to OPEB	15,376
Total deferred outflows of resources	$ 153,372
Liabilities	
Current liabilities	
Accounts payable	$ 248,415
Accrued liabilities	29,078
Accrued interest	38,994
Customer deposits	191,647
Due to other funds	5,883

September 30, 2025		Business-type Activities Water and Wastewater Fund
Due to component unit		92,203
Unearned revenue		2,599,759
Current portion of bonds payable		685,000
Current portion of compensated absences		39,817
Current portion of lease liability		14,833
Current portion of SBITA liability		42,398
Current portion of OPEB liability		8,014
Total current liabilities		3,996,041
Noncurrent liabilities		
Bonds due after one year		8,178,000
Compensated absences		60,078
Lease liability due after one year		51,387
Net pension liability		202,552
Total OPEB liability		121,211
Total non current liabilities		8,613,228
Total liabilities	$	12,609,269
Deferred inflows of resources		
Deferred inflows related to pensions	$	63,723
Deferred inflows related to OPEB		31,918
Total deferred outflows of resources	$	95,641
Net position		
Net investment in capital assets		25,233,303
Restricted for		
Debt service		63,121
Capital projects		5,682,705
Water rights		99,052
Unrestricted		(42,169)
Total net position	$	31,036,012

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

For the year ended September 30, 2025	Business-type Activities Water and Wastewater Fund
Operating Revenues	
Water services	$ 2,759,396
Sewage services	1,668,778
Gas services	310,060
Other revenue	719,239
Total operating revenues	5,457,473
Operating Expenses	
Salaries, wages and employee benefits	2,007,085
Professional and technical services	468,266
Materials and supplies	681,227
Repairs and maintenance	270,649
Utilities expense	375,607
Other contractual services	164,909
Other operating costs	309,865
Depreciation/amortization	1,806,880
Total operating expense	6,084,488
Operating income (loss)	(627,015)
Nonoperating Revenues (Expenses)	
Interest income	312,004
Interest and fiscal charges	(347,057)
Total nonoperating revenues (expenses)	(35,053)
Income (Loss) Before Transfers	
Transfers in	725,224
Transfers out	(384,900)
Change in net position	(321,744)
Net position - beginning of year as previous reported	31,391,530
Accounting changes and error corrections	(33,774)
Net position balance beginning of year, as restated	31,357,756
Total net position, end of year	$ 31,036,012

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

For the year ended September 30, 2025	Business-type Activities Water and Wastewater Fund
Operating Activities	
Cash received from customers for sales and services	$ 5,302,702
Cash payments to employees	(2,010,777)
Cash payments to suppliers for goods and services	(1,974,887)
Net cash provided by operating activities	1,317,038
Noncapital Financing Activities	
Cash transfers in from other funds	7,600
Cash transfers out to other funds	(587,725)
Net cash provided by noncapital financing activities	(580,125)
Capital and Related Financing Activities	
Acquisition of capital assets	(252,805)
Principal paid on subscription liabilities	(40,621)
Principal paid on lease liabilities	(15,881)
Principal paid on financing arrangements	(22,801)
Principal paid on bond payable	(523,000)
Interest paid on long-term debt, lease and subscription liabilities	(345,829)
Net cash (used in) capital and related financing activities	(1,200,937)
Investing Activities	
Investment income	252,829
Proceeds from sale/maturity of investments	128,170
Net cash provided by investing activities	380,999
Net increase in cash and cash equivalents	(83,025)
Cash and cash equivalents, beginning of year	6,035,257
Cash and cash equivalents, end of year	$ 5,952,232

For the year ended September 30, 2025	Business-type Activities Water and Wastewater Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating income (loss)	$ (627,015)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	1,729,879
Amortization	77,001
Bad debt expense (recoveries)	58,306
Changes in assets, deferred outflows, liabilities and deferred inflows	
(Increase) decrease in assets and deferred outflows	
Accounts receivable	(47,184)
Deferred outflows related to pension	174,355
Deferred outflows related to OPEB	9,774
Increase (decrease) in liabilities and deferred inflows	
Accounts payable	237,330
Accrued liabilities	3,804
Compensated absences	16,448
Customer deposits	(7,478)
Unearned revenue	(100,109)
Net pension liability	(218,372)
Total OPEB liability	(12,821)
Deferred inflows related to pension	34,480
Deferred inflows related to OPEB	(11,360)
Total adjustments	1,944,053
Net cash provided by operating activities	$ 1,317,038
Noncash Capital and Related Financing Activities	
Acquisition of capital assets through contribution from Industrial Park Project fund	$ (725,224)
Issuance of lease liability	24,560
Purchase of right-to-use lease assets	(24,560)

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* and the *EDA Industrial Park Project Fund* are major special revenue funds. 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 major and 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 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 at 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, 2025, expenditures in the general fund exceeded budgeted appropriations in public safety by $95,848, public works by $94,626, health and welfare by $6,925, culture and recreation by $606, principal by $494,033 and interest and fiscal agent fees by $108,463.

Net Position/Fund Balance deficit

An unassigned fund balance deficit exists in the amount of $7,227,184 for the Industrial Park Project Fund for the year ended September 30, 2025.

An unrestricted net position deficit exists in the amount of $42,169 for Business-type Activities for the year ended September 30, 2025.

An unrestricted net position deficit exists in the amount of $5,438,848 for Governmental Activities for the year ended September 30, 2025

The negative balances are due to more expenditures than generated revenues in FY 2024-2025.

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 deposit 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, 2025, the City held $2,599,759 of available principal forgiveness grant funds through the Texas Water Development Board received in advance of meeting eligibility requirements. The City also held an additional $15,600 in unearned revenue for the Las Americas Grant B-24-CP-TX-2086 for funds received in advance of meeting 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

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. Both unused vacation benefits and unused sick leave are eligible to be used while still employed by the City. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements to the extent that the leave is attributable to employees' services already rendered and is more likely than not to be used and paid for while employed or paid for at the end of employment. For the purpose of measuring the liability, the City assumes that leave is used on a first-in-first-out (FIFO) basis, with leave earned during the prior years used before leave accumulated in the current year. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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 GASB Codification 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 GASB Codification 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, 2025 upon which the 2024 levy was based was $329,704,239. For the year ended September 30, 2025, property tax rates were $.5679 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 16, 2026. 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

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. See Note 2 for the impact of the Statement on the City's financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. There were no significant impacts of implementing this Statement.

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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

GASB Statement No. 105, Subsequent Events. The objective of this Statement is to enhance the consistency with which the standards for reporting subsequent events are applied, thereby better meeting the information needs of financial statement users. The Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued (that is, when the financial statements are complete in a form and format that complies with generally accepted accounting principles and approvals necessary for issuance have been obtained), rather than the date the financial statements are issued. The date through which subsequent events have been evaluated should be disclosed. A recognized subsequent event provides evidence of conditions that existed at the financial statement date that inform accounting estimates reported as of the financial statement date and should be reflected in those estimates. A nonrecognized subsequent event results in a significant effect (favorable or unfavorable) that is recognized or disclosed in the basic financial statements in the reporting period in which the event occurs and is one of the following: a debt-related transaction; government combination or a disposal of government operations; a change to the legally separate entities that compose the financial reporting entity; or a transaction or other event that is of such a nature that disclosure is essential to a user’s analysis for making decisions or assessing accountability. Governments will be required to disclose a description of the nonrecognized event and its effect and an estimate of the amount of the effect (or the reason why an estimate cannot be made)

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

Error Correction

The City's fiscal year 2025 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, the following corrections were proposed. An adjustment for $143,569 was proposed to correct the classification of balances incorrectly recognized as special revenue funds in the prior period. An adjustment was proposed to correct the amount due to the TIRZ Zone #1 fund for property taxes collected for $2,227. Another adjustment was proposed to correct revenue and receivables not recorded in the correct period for Starr County MOU for $20,800. An adjustment was proposed to correct transactions that were recorded as due to/from in the prior period for ($7,746). The net effect of these proposed adjustments was an overall increase in fund balance of $158,850.
- In the EDA Industrial Park Project fund, an adjustment of $38,783 was proposed to record revenues and receivables for the grant which were not properly recognized in the prior period.
- In the Other Governmental Funds, the following corrections to various funds were proposed. For the OPIOD Abatement Trust fund and Bus Terminal fund, an adjustment was proposed to correct the prior period classification of the funds from special revenue to General Fund for ($143,569). For the TIRZ Zone #1 fund, an adjustment was proposed to correct the amounts owed from the General Fund and Starr County for prior period property tax collections for ($25,193). For the PD Forfeiture fund, an adjustment of $7,290 was proposed to correct transactions that were incorrectly recorded as due to/from in the prior period. In the TXCDBG Grant CD21-0363 and TXCDBG Grant CDM22-0108 funds, an adjustment of $24,750 was proposed to correct the recording of prior year revenues. The net effect of these proposed adjustments was an overall decrease in fund balance of ($136,722).
- In the Business type activities, there were various corrections proposed to the Water/Wastewater fund. An adjustment for ($36,990) was made to correct the operating account balance. Another adjustment for ($989) was proposed to correct outstanding receivables and payables related to the housing authority and other insurance. A $456 adjustment was proposed to correct the outstanding due to/from account. The combined proposed adjustments resulted in a combined decrease of net position of ($37,524).
- In the Component Unit, Roma EDC, the revenue and receivable for the sale of Lot 18 was not properly recognized in the prior period. The proposed adjustment resulted in an overall increase of net position for $847,700.
- In the Governmental Activities, an adjustment was proposed to correct long term liabilities and expense for the debt incurred for Lot 18 from the EDC for ($847,700). The correction of errors for the General Fund for $158,850, the EDA Industrial Park Project fund for $38,783 and Other Governmental Funds for ($136,722) flow through the Governmental Activities. The combined correction of error at the fund level increased the net position in governmental activities by $60,911. The combined correction of error affecting the total Governmental Activities resulted in a decrease of net position of ($786,789).

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

Change in Accounting Principle

During fiscal year 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. Under GASB 101, which established new guidance updating the recognition and measurement for compensated absences, the City restated net position beginning balances to show the cumulative effect of compensated absences for prior years within business type activities of $3,750 and Governmental activities of ($20,674). The following table summarizes the restatements to the City's net position as a result of the change in accounting principle.

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:

	Fund Financial Statements Governmental		
	General Fund	EDA Industrial Park Project	Nonmajor Funds
09/30/24 fund balance as previously reported	$ 925,352	$ -	$ 2,049,238
Change from major to nonmajor presentation	-	365,348	(365,348)
Error correction	158,850	38,783	(136,722)
09/30/24 fund balance as restated and adjusted	$ 1,084,202	$ 404,131	$ 1,547,168

	Governmental Activities	Business-Type Activities	REDC
09/30/24 net position previously reported	$ 11,154,209	$ 31,391,530	$ 1,588,743
Change from major to nonmajor presentation	-	-	-
Error correction	(786,789)	(37,524)	847,700
Implementation of Statement 101	(20,674)	3,750	-
09/30/24 net position as restated and adjusted	$ 10,346,746	$ 31,357,756	$ 2,436,443

NOTE 3: DEPOSITS AND INVESTMENTS

A. *Primary Government*

Deposits – At September 30, 2025, the carrying value of the City's deposits was $8,008,744 and the bank balance was $8,218,065. 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 $391,436 and the Water and Wastewater Fund in the amount of $1,552,693, 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, 2025, 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 I50: *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, 2025, all of the City's investments consisted of certificates of deposits with fixed interest rates.

B. Component Unit

Deposits – At September 30, 2025, the carrying value of REDC's deposits was $192,356 and the bank balance was $202,907. 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, 2025, consist of the following:

	Taxes Receivable	Accounts Receivable	Allowance for Uncollectible	Total
Governmental Activities				
General Fund	$ 1,816,419	$ 350,484	$ (595,044)	$ 1,571,859
Nonmajor Gov't Funds	-	31,955	-	31,955
Enterprise Funds				
Water and Wastewater Fund	-	996,675	(342,641)	654,034
Total	$ 1,816,419	$ 1,379,114	$ (937,685)	$ 2,257,848

NOTE 5: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund receivable and payable balances at September 30, 2025, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	$ (100,410)
General Fund	Industrial Park Project Fund	(100)
Industrial Park Project Fund	EDA Industrial Park Project Fund	(130,000)
Non-Major Governmental Funds	General Fund	(251,499)
Non-Major Governmental Funds	Non-Major Governmental Funds	(100,000)
Non-Major Governmental Funds	Water and Wastewater Fund	(5,883)
Non-Major Governmental Funds	EDA Industrial Park Project Fund	(244,000)
Water and Wastewater Fund	General Fund	(479,374)
Water and Wastewater Fund	Industrial Park Project Fund	(6,319,141)
Water and Wastewater Fund	Non-Major Governmental Funds	(24,658)
Total		$ (7,655,065)

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, 2025, were as follows:

Receivable Entity	Payable Entity	Amount
Primary Gov't General Fund	Component Unit - REDC	$ (177,337)
Component Unit - REDC	Primary Gov't Industrial Park Project Fund	(1,040,285)
Component Unit - REDC	Primary Gov't Water and Wastewater Fund	(92,203)
Total		$ (1,309,825)

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

C. Interfund Transfers

	Transfers In					
	General Fund	Industrial Park Project	EDA Industrial Park Project	Non-Major	Water and Wastewater	Total
Transfers Out						
General Fund	$ -	$ -	$ -	$ 136,509	$ -	$ 136,509
Industrial Park Project	-	-	-	-	4,167	4,167
Non-Major	17,308	116,580	-	-	721,057	854,945
Water and Wastewater	127,300	200,000	100	57,500	-	384,900
Total Transfers Out	$ 144,608	$ 316,580	$ 100	$ 194,009	$ 725,224	$ 1,380,521

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 Non-Major fund to the Water and Wastewater Fund were for current year project costs to be recorded as construction in progress.

NOTE 6: REDEVELOPMENT PROPERTIES

As of September 30, 2025, Roma Economic Development Corporation had the following redevelopment properties:

Municipal Park	$ 217,745
Ramirez House	60,000
Industrial Park	895,323
Plaza	430,805
Total redevelopment properties	$ 1,603,873

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 lessee 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, 2025, is $256,065. The current portion expected to be paid in 2026 of $40,151 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, 2025:

Year Ended September 30,	Principal	Interest	Total Requirements
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	43,215	1,310	44,525
2031-2035	47,720	514	48,235
Total	$ 256,065	$ 14,794	$ 270,860

NOTE 8: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

	Beginning Balance October 1, 2024	Additions	Retirements	Ending Balance September 30, 2025
Governmental Activities				
Nondepreciable capital assets				
Land	$ 2,507,972	$ -	$ -	$ 2,507,972
Construction in progress	6,473,775	2,109,822	-	8,583,597
Total nondepreciable capital assets	8,981,747	2,109,822	-	11,091,569
Capital assets, being depreciated				
Buildings	12,613,398	-	-	12,613,398
Machinery & Equipment	6,818,293	296,444	(52,097)	7,062,640
Infrastructure	25,172,696	-	-	25,172,696
Capital assets, being depreciated	44,604,387	296,444	(52,097)	44,848,734
Less accumulated depreciation for				
Buildings	(1,304,057)	(286,120)	-	(1,590,177)
Machinery & Equipment	(5,454,964)	(343,967)	52,097	(5,746,834)
Infrastructure	(16,552,629)	(1,012,907)	-	(17,565,536)
Total accumulated depreciation	(23,311,650)	(1,642,994)	52,097	(24,902,547)
Total capital assets, being depreciated, net	$ 21,292,737	$ (1,346,550)	$ -	$ 19,946,187

NOTE 8: CAPITAL ASSETS (Continued)

	Beginning Balance October 1, 2024	Additions	Retirements	Ending Balance September 30, 2025
Capital assets, being amortized, net				
Right-to-use lease assets	$ 86,177	$ 209,342	$ -	$ 295,519
Less accumulated amortization	(17,235)	(45,148)	-	(62,383)
Total right-to-use lease assets, net	68,942	164,194	-	233,136
Right-to-use subscription assets	29,624	-	-	29,624
Less accumulated amortization	(14,812)	(14,812)	-	(29,624)
Total right-to-use subscription assets, net	14,812	(14,812)	-	-
Total capital assets, being amortized, net	83,754	149,382	-	233,136
Governmental activities, capital assets, net	$ 30,358,238	$ 912,654	$ -	$ 31,270,892

NOTE 8: CAPITAL ASSETS (Continued)

Depreciation and amortization were charged to government functions as follows:

	Depreciation	Amortization
Governmental Activities		
General government	$ 226,865	$ 14,812
Public safety	241,709	45,148
Health and welfare	1,526	-
Public works	975,800	-
Culture and recreation	197,094	-
Total depreciation and amortization - governmental activities	$ 1,642,994	$ 59,960

NOTE 8: CAPITAL ASSETS (Continued)

	Beginning Balance October 1, 2024	Additions	Retirements	Ending Balance September 30, 2025
Business-Type Activities				
Nondepreciable capital assets				
Land	$ 325,869	$ -	$ -	$ 325,869
Water rights	2,835,060	-	-	2,835,060
Construction in progress	3,985,197	725,225	-	4,710,422
Total nondepreciable capital assets	7,146,126	725,225	-	7,871,351
Capital assets, being depreciated				
Buildings	165,445	-	-	165,445
Machinery & Equipment	1,598,633	8,044	-	1,606,677
Water system	45,243,909	36,629	-	45,280,538
Wastewater system	1,652,337	208,132	-	1,860,469
Gas system	348,212	-	-	348,212
Capital assets, being depreciated	49,008,536	252,805	-	49,261,341
Less accumulated depreciation for				
Buildings	(165,445)	-	-	(165,445)
Machinery & Equipment	(1,365,688)	(53,332)	-	(1,419,020)
Water system	(23,754,515)	(1,528,623)	-	(25,283,138)
Wastewater system	(1,230,629)	(147,480)	-	(1,378,109)
Gas system	(344,216)	(444)	-	(344,660)
Total accumulated depreciation	(26,860,493)	(1,729,879)	-	(28,590,372)
Total capital assets, being depreciated, net	22,148,043	(1,477,074)	-	20,670,969

NOTE 8: CAPITAL ASSETS (Continued)

	Beginning Balance October 1, 2024	Additions	Retirements	Ending Balance September 30, 2025
Capital assets, being amortized, net				
Right-to-use lease assets	66,106	24,560	-	90,666
Less accumulated amortization	(18,505)	(16,031)	-	(34,536)
Total right-to-use lease assets, net	47,601	8,529	-	56,130
Right-to-use subscription assets	121,940	-	-	121,940
Less accumulated amortization	(60,970)	(60,970)	-	(121,940)
Total right-to-use subscription assets, net	60,970	(60,970)	-	-
Total capital assets, being amortized, net	108,571	(52,441)	-	56,130
Business activities, capital assets, net	$ 29,402,740	$ (804,290)	$ -	$ 28,598,450

Depreciation and amortization of $1,806,880 was charged to business-type activity for the year ended September 30, 2025.

NOTE 8: CAPITAL ASSETS (Continued)

The component unit's capital asset activity for the year ended September 30, 2025, is as follows:

	Beginning Balance October 1, 2024	Additions	Retirements	Ending Balance September 30, 2025
Nondepreciable capital assets				
Land	$ 24,710	$ -	$ -	$ 24,710
Total nondepreciable capital assets	24,710	-	-	24,710
Capital assets, being depreciated				
Buildings	266,732	-	-	266,732
Capital assets, being depreciated	266,732	-	-	266,732
Less accumulated depreciation for Buildings	(14,425)	(10,400)	-	(24,825)
Total accumulated depreciation	(14,425)	(10,400)	-	(24,825)
Total capital assets, being depreciated, net	252,307	(10,400)	-	241,907
Capital assets, net	$ 277,017	$ (10,400)	$ -	$ 266,617

Depreciation of $10,400 was charged to Economic Development Corporation expenses for the year ended September 30, 2025.

NOTE 9: LONG-TERM DEBT

A. Primary Government

Certificates of Obligation

Governmental activities:

Certificates of Obligation payable at September 30, 2025, is comprised of the following:

$2,076,000 and $1,495,000 Combination Tax and Revenue Certificates of Obligation, Series 2000-A Loan Forgivenes, payable in annual installments ranging from $17,000 to $80,000 through Novemember 2029, zero interest.	$ 3,034,000
	$ 3,034,000

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

Year ending September 30,	Principal	Interest	Total
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	73,000	88,745	161,745
2031-2035	402,000	405,828	807,828
2036-2040	473,000	334,866	807,866
2041-2045	557,000	251,374	808,374
2046-2050	655,000	153,125	808,125
2051-2055	606,000	40,204	646,204
Total	3,034,000	1,651,469	4,685,469
Current portion	(64,000)	(97,566)	(161,566)
Due in more than one year	$ 2,970,000	$ 1,553,903	$ 4,523,903

NOTE 9: LONG-TERM DEBT (Continued)

Business-type activities:
Certificates of Obligation payable at September 30, 2025, 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.	$ 327,000
$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%.	209,000
$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%.	89,000
$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%.	27,000
$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%.	61,000
$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%.	1,005,000
$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%.	326,000
$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.	1,859,000
$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%.	4,960,000
	$ 8,863,000

NOTE 9: LONG-TERM DEBT (Continued)

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

Year ending September 30,	Principal	Interest	Total
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	565,000	225,614	790,614
2031-2034	2,443,000	661,294	3,104,294
2035-2039	2,307,000	221,360	2,528,360
2040-2044	470,000	19,082	489,082
2045-2049	427,000	7,980	434,980
2050-2054	174,000	1,026	175,026
Total	8,863,000	2,261,383	11,124,383
Current portion	(685,000)	(317,333)	(1,002,333)
Due in more than one year	$ 8,178,000	$ 1,944,050	$ 10,122,050

NOTE 9: LONG-TERM DEBT (Continued)

Loans Payable

Governmental Activities:

Note payable at September 30, 2025, 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%.	1,043,000
	$ 1,043,000

Note payable debt service requirements to maturity are as follows:

Year ending September 30,	Principal	Interest	Total
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	23,000	21,533	44,533
2031-2035	121,000	99,800	220,800
2036-2040	135,000	85,617	220,617
2041-2045	152,000	69,629	221,629
2046-2050	169,000	51,778	220,778
2051-2055	189,000	31,857	220,857
2056-2060	168,000	9,641	177,641
Total	1,043,000	460,928	1,503,928
Current portion	(21,000)	(23,467)	(44,467)
Due in more than one year	$ 1,022,000	$ 437,461	$ 1,459,461

NOTE 9: LONG-TERM DEBT (Continued)

Financing Arrangements

Governmental Activities:

The City has entered into financing arrangements. Financing arrangements at September 30, 2025 are comprised of the following:

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%.	$ 27,214
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%.	36,775
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%.	7,053
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%.	135,833
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%.	29,942
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.	10,171,293
City of Roma, Texas entered into a finance agreement for the purchase of Lot 18 of the Industrial Park, payable in estimated payment of $847,700 in 2044, interest at 0%.	847,700
	$ 11,255,810

NOTE 9: LONG-TERM DEBT (Continued)

Future principal and interest financing arrangement payments as of September 30, 2025, are as follows:

Year ending September 30,	Principal	Interest	Total
2026	$ 1,734,394	$ 327,996	$ 2,062,390
2027	1,076,499	125,816	1,202,315
2028	1,223,041	71,228	1,294,268
2029	6,374,176	39,403	6,413,579
2030	-	-	-
2031-2035	-	-	-
2036-2040	-	-	-
2041-2045	847,700		847,700
Total	11,255,810	564,443	11,820,252
Current portion	(1,734,394)	(327,996)	(2,062,390)
Due in more than one year	$ 9,521,416	$ 236,447	$ 9,757,863

Loan Payable

A. *Component Unit*

Loan payable at September 30, 2025, 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%.	$ 730,000
$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%.	920,000
	$ 1,650,000

NOTE 9: LONG-TERM DEBT (Continued)

Note payable debt service requirements to maturity are as follows:

Year ending September 30,	Principal	Interest	Total
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	125,000	79,952	204,952
2031-2034	565,000	235,000	800,000
2035-2039	540,000	71,504	611,504
Total	1,650,000	776,781	2,426,781
Current portion	(95,000)	(107,250)	(202,250)
Due in more than one year	$ 1,555,000	$ 669,531	$ 2,224,531

Subscription Liabilities

Governmental activities:

The City has entered subscription arrangements. Subscriptions at September 30, 2025, 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%.	$ 10,300
	$ 10,300

NOTE 9: LONG-TERM DEBT (Continued)

The future principal and interest subscription payments as of September 30, 2025, are as follows:

Year ending September 30,	Principal	Interest	Total
2026	$ 10,300	$ 450	$ 10,750
Total	10,300	450	10,750
Current portion	(10,300)	(450)	(10,750)
Due in more than one year	$ -	$ -	$ -

Business-type Activities:

The City has entered subscription arrangements. Subscriptions at September 30, 2025, 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%.	$ 42,398
	$ 42,398

The future principal and interest subscription payments as of September 30, 2025, are as follows:

Year ending September 30,	Principal	Interest	Total
2026	$ 42,398	$ 1,853	$ 44,251
Total	42,398	1,853	44,251
Current portion	(42,398)	(1,853)	(44,251)
Due in more than one year	$ -	$ -	$ -

NOTE 9: LONG-TERM DEBT (Continued)

Leases

Leases – Lessee

Governmental activities:

The City has entered into lease agreements. Leases at September 30, 2025, 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%.	$	66,860
City of Roma, TX entered into a lease as Lessee for the use of D &M Tahoe 24745 60 month lease. City of Roma, TX is required to make monthly fixed payment $1,994. The lease has an interest rate 4.10%.		91,459
City of Roma, TX entered into a lease as Lessee for the use of D &M Tahoe 24429 60 month lease. City of Roma, TX is required to make monthly fixed payment $1,870. The lease has an interest rate 4.10%.		85,770
	$	244,089

The future principal and interest lease payments as of September 30, 2025, are as follows:

Year ending September 30,		Principal		Interest		Total
2026	$	51,699	$	8,379	$	60,078
2027		58,680		6,859		65,539
2028		61,159		4,381		65,540
2029		61,187		1,983		63,170
2030		11,364		105		11,469
Total		244,089		21,707		265,796
Current portion		(51,699)		(8,379)		(60,078)
Due in more than one year	$	192,390	$	13,328	$	205,718

NOTE 9: LONG-TERM DEBT (Continued)

Business-type Activities:

The City has entered into lease agreements. Leases at September 30, 2025, are comprised of the following:

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%.	45,092
City of Roma, Texas entered into a lease for the use of a printer for five years. The City is required to make monthly fixed payments of $1,019 with an interest rate of 4.09%.	11,968
City of Roma, Texas entered into a lease for the use of a printer for six years. The City is required to make monthly fixed payments of $180 with an interest rate of 4.79%.	9,160
	$ 66,220

The future principal and interest lease payments as of September 30, 2025, are as follows:

Year ending September 30,	Principal	Interest	Total
2026	$ 14,833	$ 1,979	$ 16,812
2027	16,296	1,571	17,867
2028	16,876	989	17,867
2029	16,627	537	17,164
2030	1,588	32	1,620
Total	66,220	5,108	71,330
Current portion	(14,833)	(1,979)	(16,812)
Due in more than one year	$ 51,387	$ 3,129	$ 54,516

NOTE 9: LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

A. Primary Government

Long-term liability activity for the year ended September 30, 2025, was as follows for governmental activities:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
Certificates of obligation	$ 3,096,000	$ -	$ 62,000	$ 3,034,000	$ 64,000
Total Bonds payable	3,096,000	-	62,000	3,034,000	64,000
Loan payable	1,063,000	-	20,000	1,043,000	21,000
Financing arrangements	11,798,374	-	542,564	11,255,810	1,734,394
Right-to-use leases	82,810	209,342	48,064	244,088	51,699
Subscriptions	20,169	-	9,869	10,300	10,300
Compensated absences	142,009	17,434	-	159,443	56,009
Landfill closure and post closure	25,783	2,100	-	27,883	-
Net pension liability	781,716	-	330,875	450,841	-
Net OPEB liability	263,801	23,830	-	287,631	17,839
Governmental activity long-term liabilities	$ 17,273,662	$ 252,706	$ 1,013,372	$ 16,512,996	$ 1,955,241

NOTE 9: LONG-TERM DEBT (Continued)

Long-term liability activity for the year ended September 30, 2025, was as follows for business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable					
Tax and revenue bonds	$ 9,386,000	$ -	$ 523,000	$ 8,863,000	$ 685,000
Total Bonds payable	9,386,000	-	523,000	8,863,000	685,000
Financing arrangements	22,801	-	22,801	-	-
Right-to-use leases	57,541	24,560	15,881	66,220	14,833
Subscriptions	83,020	-	40,622	42,398	42,398
Compensated absences	83,447	16,448	-	99,895	39,817
Net pension liability	420,924	-	218,372	202,552	-
Net OPEB liability	142,046	-	12,821	129,225	8,014
Business-type activity long-term liabilities	$ 10,195,779	$ 41,008	$ 833,497	$ 9,403,290	$ 790,062

B. Component Unit

Long-term liability activity for the year ended September 30, 2025, was as follows for REDC activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
REDC					
Loan payable	$ 1,740,000	$ -	$ 90,000	$ 1,650,000	$ 95,000
REDC long-term liabilities	$ 1,740,000	$ -	$ 90,000	$ 1,650,000	$ 95,000

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.tmrs.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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	84
Inactive employees entitled to but not yet receiving benefits	171
Active employees	140
Total	395

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 9.58% and 9.77% in calendar 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $442,159 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024, actuarial valuation was determined using the following actuarial assumptions:

Schedule of Actuarial Assumptions	TMRS
Valuation Date	12/31/2024
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 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, 2023. They were adopted in 2024 and first used in the December 31, 2024, 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Real Return	12.0%	8.00%
Real Estate	12.0%	7.60%
Absolute Return	5.0%	6.40%
Private Equity	10.0%	11.60%
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.

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, 2025, is as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/30/2023	$ 17,447,773	$ 16,245,133	$ 1,202,640
Changes for the year			
Service cost	562,784	-	562,784
Interest	1,166,489	-	1,166,489
Change in benefit terms	-	-	-
Difference between expected and actual experience	61,886	-	61,886
Change of assumption	-	-	-
Contributions - Employer	-	437,263	(437,263)
Contributions - Employee	-	228,218	(228,218)
Net investment income	-	1,686,004	(1,686,004)
Benefit payments, including refunds of employee contributions	(895,705)	(895,705)	-
Administrative Expense	-	(10,825)	10,825
Other Charges	-	(254)	254
Net changes	895,454	1,444,701	(549,247)
Balance at 12/31/2024	$ 18,343,227	$ 17,689,834	$ 653,393

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 $450,841 and $202,552, 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	$ 3,234,015	$ 653,393	$ (1,451,584)

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

For the year ended September 30, 2025, the City recognized pension expense in the amount of $471,271. At September 30, 2025, 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	$ 98,196	$ -
Changes in actuarial assumptions	-	41,185
Net differences between projected and actual investments earnings		164,369
Contributions subsequent to measurement date	346,954	-
Total	$ 445,150	$ 205,554

Deferred outflows of resources related to pension of $346,954 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,	
2025	$ 61,487
2026	208,792
2027	(259,737)
2028	(117,890)
2029	-
Thereafter	-
Total	$ (107,348)

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, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to but not yet receiving benefits	16
Active employees	140
Total	231

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 0.51% of their annual gross earnings during the fiscal year. The contribution rates for the City of Roma were 0. 52% and 0.51% in calendar year 2024 and 2025, respectively. The City’s contributions to the SDBF for the year ended September 30, 2025 were $23,852 and were equal to the required contributions.

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

Schedule of Actuarial Assumptions	
Measurement Date	December 31, 2024
Actuarial Valuation Date	December 31, 2024
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount Rate	4.08%
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 TexasMortality 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, 2024.

The actuarial assumptions used in the December 31, 2024, valuation were based on the results of an actuarial experience study for the period of December 31, 2023.

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The City's Total OPEB Liability was measured as of December 31, 2024, 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 12/31/2023	$ 405,847
Service Cost	23,278
Interest	15,490
Difference between expected and actual experience	5,651
Changes in assumption/inputs	(20,173)
Change in benefit terms	-
Benefit payments	(13,237)
Administrative Expense	-
Net Change	11,009
Balance at 12/31/2024	$ 416,856

Total OPEB liability amounts are allocated between the governmental activities and business-type activities in the statement of net position by $287,631 and $129,225, 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 4.08%, 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 (3.08%) or 1 percentage point higher (5.08%) than the current rate.

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's total OPEB liability	$ 487,741	$ 416,856	$ 360,299

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized combined OPEB expense in the amount of $25,853.

At September 30, 2025, 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)	$ 4,981	$ 7,135
Changes in actuarial assumptions	26,504	95,829
Contributions subsequent to the measurement date	18,111	-
Total	$ 49,596	$ 102,964

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 $18,111 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, 2026. 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	$ (20,960)
2026	(29,586)
2027	(19,309)
2028	(1,318)
2029	(312)
Total	$ (71,485)

NOTE 12: NET INVESTMENT IN CAPITAL ASSETS

At September 30, 2025, the City of Roma has the following net investment in capital asset balances:

	Governmental Activities	Business-type Activities	Component Unit REDC
Net investment in capital assets:			
Capital assets, net of accumulated depreciation	$ 31,037,756	$ 28,542,320	$ 266,617
Leases and subscriptions, net of accumulated amortization	233,136	56,130	-
Less related liabilities	(15,470,980)	(8,971,618)	-
Plus unexpended debt proceeds (capital projects)	-	5,606,471	-
Net investment in capital assets	$ 15,799,912	$ 25,233,303	$ 266,617

NOTE 13: MISCELLANEOUS REVENUES

A. Primary Government

Governmental activities:

Miscellaneous revenues in governmental activities at September 30, 2025, consisted of the following:

Police forfeitures and auctions	$	137,086
Gain on recovery of doubtful accounts		99,292
Parkland dedication and development fees		6,075
Rental income		48,030
Interlocal police assistance		434,930
Donations and sponsorships		74,074
Police reports		1,349
Miscellaneous		163,965
Total	$	964,801

B. Component Unit

Miscellaneous revenues in the component unit at September 30, 2025, consisted of the following:

Rental income	$	6,993
Industrial park land sales		1,798,938
Miscellaneous		9,999
Total	$	1,815,930

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, 2025. At year-end, the City's commitments with contractors are as follows:

	Original	Expended to Date	Remaining
Wastewater Project	$ 2,928,828	$ 376,775	$ 2,552,053
Centennial Drive Concrete Street	1,508,093	1,307,617	200,476
Water Booster Station	1,072,282	599,560	472,722
Total outstanding commitments			$ 3,225,251

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 $390,000,000 (as of September 30, 2025, 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.

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, 2025, is $27,883. An additional $2,100 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 5.78% capacity as of September 30, 2025.

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:

	September 30, 2024	September 30, 2025
Net Operating Income	$ 1,529,116	$ 1,739,003
Interest Income	25,963	69,573
Interest Expense	-	(62,173)
Depreciation of Bond-Acquired Assets	180,989	195,448
Contractual Income	1,736,068	1,941,851
City of Roma Percentage	35%	35%
City of Roma Participation	607,624	679,648
Balance Due (From)/To City of Roma		
Beginning of Year	248,936	546,312
Amount Paid to Roma During the Year	(310,248)	(649,752)
Balance End of Year	$ 546,312	$ 576,208

NOTE 19: SUBSEQUENT EVENTS

For purposes of reporting subsequent events, The City has considered events occurring up to June 16, 2026, the date the report was available to be issued.

Management evaluated all events or transactions that occurred after September 30, 2025, through June 16, 2026, the date the current year's financial statements were available to be issued. The following events occurred.

The City had the following ongoing project:

Mendez Street repair started October 2025 and its estimated to be completed by September 2028. The estimated project cost is $578,161. The project will be funded with a Southwest Border Regional Commission grant for $449,224 and a City match of $128,937.

Roma Economic Development Corporation

In May 2026, an agreement was executed for the sale of Lot 21, located in the Las Americas Roma Logistics and Industrial Park for $300,000.

In June 2026, an agreement was executed for the sale of Lot 23, located in the Las Americas Roma Logistics and Industrial Park for $551,100.

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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

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive/ (Negative)
Revenues				
Property taxes	$ 1,662,900	$ 1,850,100	$ 1,796,546	$ (53,554)
General sales and use taxes	1,611,100	1,611,100	1,487,042	(124,058)
Franchise taxes	320,000	320,000	272,509	(47,491)
Licenses and permits	132,500	132,500	167,955	35,455
Intergovernmental	420,000	643,000	575,590	(67,410)
Charges for services	2,388,200	2,037,300	2,275,157	237,857
Fines and forfeitures	58,050	152,250	155,212	2,962
Interest income	10,000	20,000	30,643	10,643
Miscellaneous revenue	180,200	324,200	761,186	436,986
Total revenues	6,782,950	7,090,450	7,521,840	431,390
Expenditures				
Current				
General government	1,753,832	1,547,970	1,087,300	460,670
Public safety	2,945,005	3,031,928	3,127,776	(95,848)
Public works	1,431,646	1,554,665	1,649,291	(94,626)
Health and welfare	264,385	290,310	297,235	(6,925)
Culture and recreation	10,500	17,300	17,906	(606)
Debt service	-			
Principal	140,400	140,400	634,433	(494,033)
Interest and fiscal agent fees	142,400	142,400	250,863	(108,463)
Total expenditures	6,688,168	6,724,973	7,064,804	(339,831)
Excess (deficiency) of revenues over (under) expenditures	94,782	365,477	457,036	91,559
Other financing sources (uses)				
Transfers in	40,000	17,400	144,608	127,208
Transfers out	(135,700)	-	(136,509)	(136,509)
Total other financing sources and uses	(95,700)	17,400	8,099	(9,301)
Net change in fund balances	(918)	382,877	465,135	82,258
Fund balance, beginning of year	925,352	925,352	925,352	-
Prior period adjustment	-	-	158,850	158,850
Fund balance beginning, as restated	925,352	925,352	1,084,202	158,850
Fund balance, end of year	$ 924,434	$ 1,308,229	$ 1,549,337	$ 241,108

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

For the year ended December 31,	2025	2024	2023
Total Pension Liability			
Service cost	$ 562,784	$ 540,682	$ 515,892
Interest	1,166,489	1,117,043	1,051,265
Differences between expected and actual experience	61,886	12,621	294,796
Changes of assumptions	-	(101,751)	-
Benefit payments, including refunds of employee contributions	(895,705)	(798,532)	(1,001,192)
Net change in total pension liability	895,454	770,063	860,761
Total pension liability - beginning	17,447,773	16,677,710	15,816,949
Total pension liability - ending (a)	18,343,227	17,447,773	16,677,710
Plan Fiduciary Net Position			
Contribution - employer	437,263	395,389	415,674
Contributions - employee	228,218	224,909	217,860
Net investment income	1,686,004	1,703,565	(1,188,076)
Benefit payments, including refunds of employee contributions	(895,705)	(798,532)	(1,001,192)
Adminstrative expense	(10,825)	(10,846)	(10,286)
Other	(253)	(76)	12,275
Net change in plan fiduciary net position	1,444,702	1,514,409	(1,553,745)
Plan fiduciary net position - beginning	16,245,133	14,730,724	16,284,469
Plan fiduciary net position - ending (b)	17,689,835	16,245,133	14,730,724
Net pension liability - ending (a) - (b)	$ 653,392	$ 1,202,640	$ 1,946,986
Plan fiduciary net position as a percentage of total pension liability	96.44%	93.11%	88.33%
Covered payroll	$ 4,564,350	$ 4,498,185	$ 4,357,197
Net pension liability as a percentage of covered payroll	14.32%	26.74%	44.68%

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

2022	2021	2020	2019	2018	2017	2016
$ 510,249	$ 456,601	$ 463,045	$ 460,344	$ 463,918	$ 443,473	$ 409,074
1,011,753	981,619	931,436	888,528	828,191	773,366	736,138
(73,494)	(317,969)	(58,617)	(334,108)	(40,865)	(56,730)	35,712
-	-	(27,778)	-	-	-	20,685
(730,741)	(670,532)	(452,303)	(308,593)	(402,558)	(313,640)	(241,939)
717,767	449,719	855,783	706,171	848,686	846,469	959,670
15,099,182	14,649,463	13,793,680	13,087,509	12,238,823	11,392,354	10,432,684
15,816,949	15,099,182	14,649,463	13,793,680	13,087,509	12,238,823	11,392,354
439,808	393,300	420,089	421,457	431,799	400,419	403,181
214,751	192,984	197,041	196,393	198,255	190,495	184,102
1,888,292	1,028,584	1,793,603	(349,016)	1,391,096	618,279	12,977
(730,741)	(670,532)	(452,303)	(308,593)	(402,558)	(313,640)	(241,939)
(8,735)	(6,652)	(10,129)	(6,740)	(7,205)	(6,979)	(7,903)
60	(260)	(304)	(352)	(365)	(376)	(391)
1,803,435	937,424	1,947,997	(46,851)	1,611,022	888,198	350,027
14,481,034	13,543,610	11,595,613	11,642,465	10,031,443	9,143,245	8,793,218
16,284,469	14,481,034	13,543,610	11,595,614	11,642,465	10,031,443	9,143,245
$ (467,520)	$ 618,148	$ 1,105,853	$ 2,198,066	$ 1,445,044	$ 2,207,380	$ 2,249,109
102.96%	95.91%	92.45%	84.06%	88.96%	81.96%	80.26%
$ 4,295,023	$ 3,859,686	$ 3,940,810	$ 3,927,851	$ 3,965,110	$ 3,809,903	$ 3,682,033
-10.88%	16.02%	27.38%	55.96%	36.44%	57.94%	61.08%

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

For the year ended December 31,	2025	2024	2023
Actuarially determined contribution	$ 442,159	$ 428,185	$ 404,615
Contributions in relation to the actuarially determined contributions	(442,159)	(428,185)	(404,615)
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**
Covered payroll	$ 4,639,773	$ 4,558,885	$ 4,509,730
Contributions as a percentage of covered payroll	9.53%	9.39%	8.97%

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

2022	2021	2020	2019	2018	2017	2016
$ 425,793	$ 435,940	$ 398,912	$ 419,479	$ 434,309	$ 436,351	$ 408,801
(425,793)	(435,940)	(398,912)	(419,479)	(434,309)	(436,351)	(408,801)
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 4,381,155	$ 4,262,526	$ 3,864,420	$ 3,927,996	$ 3,970,076	$ 3,965,902	$ 3,809,885
9.72%	10.23%	10.32%	10.68%	10.94%	11.00%	10.73%

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	21 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

For the year ended December 31,	2025	2024	2023
Total OPEB Liability			
Service cost	$ 23,278	$ 16,643	$ 28,322
Interest	15,490	14,916	9,537
Changes of benefit terms	-	-	-
Differences between expected and actual experience	5,651	692	(1,890)
Changes of assumptions	(20,173)	19,467	(169,049)
Benefit payments	(13,237)	(11,695)	(10,457)
Net change in total OPEB liability	11,009	40,023	(143,537)
Total OPEB liability - beginning	405,847	365,824	509,361
Total OPEB liability - ending	$ 416,856	$ 405,847	$ 365,824
Covered payroll	$ 4,564,350	$ 4,498,185	$ 4,357,197
Total OPEB liability as a percentage of covered payroll	9.13%	9.02%	8.40%

* 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.

2022	2021	2020	2019	2018
$ 28,777	$ 20,070	$ 15,369	$ 16,890	$ 14,671
9,854	11,293	11,918	10,792	10,503
-	-	-	-	-
(17,643)	(7,418)	(618)	(8,036)	-
14,871	59,835	62,932	(21,529)	24,074
(9,449)	(2,702)	(2,364)	(1,964)	(2,379)
26,410	81,078	87,237	(3,847)	46,869
483,041	401,963	314,726	318,573	271,704
$ 509,451	$ 483,041	$ 401,963	$ 314,726	$ 318,573
$ 4,295,023	$ 3,859,686	$ 3,940,810	$ 3,927,581	$ 3,965,110
11.86%	12.05%	10.20%	8.01%	8.03%

Measurement Date	December 31, 2024

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date	December 31, 2024
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	4.08%
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 set forward 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.

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 major and 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, 2025, expenditures in the Public Safety by $95,848, Health and Welfare by $6,925, Culture and Recreation by $606, Debt Service – Principal by $494,033, and Debt Service – Interest by $108,463. Total expenditures exceeded budgeted expenditures in the current year by $339,831.

OTHER SUPPLEMENTARY INFORMATION

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COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

EXHIBIT H-1

September 30, 2025	Hotel/Motel Occupancy Tax	HOME HRA & PWD	Municipal Court Technology
Assets			
Accounts receivable	$ -	$ -	$ -
Prepaid items	-	-	-
Due from other governments	-	-	-
Due from other funds	603	-	19,053
Restricted assets			
Restricted cash and cash equivalents	28,141	94	-
Total assets	$ 28,744	$ 94	$ 19,053
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	$ -	$ -	$ -
Retainage payable	-	-	-
Unearned revenue	-	-	-
Due to other funds	410	-	-
Total liabilities	410	-	-
Fund balances			
Nonspendable			
Prepaids	-	-	-
Restricted for			
Federal or state funds grant restrictions	-	94	-
Forfeiture funds	-	-	-
Hotel/Motel occupancy tax	28,334	-	-
Municipal court	-	-	19,053
Capital projects	-	-	-
Unassigned	-	-	-
Total fund balances	28,334	94	19,053
Total liabilities and fund balances	$ 28,744	$ 94	$ 19,053

Municipal Court Bldg Security	Municipal Court Jury	Municipal Court Truancy Prevention	Storm Draining Account	TIRZ Zone #1	PD Abandoned Vehicle
$ -	$ -	$ -	$ 9,095	$ -	$ -
-	-	-	-	-	-
-	-	-	-	439,684	-
16,743	177	6,404	249,859	295,250	-
-	-	-	117,238	174,013	78,660
$ 16,743	$ 177	$ 6,404	$ 376,192	$ 908,947	$ 78,660
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	24,658	-	-
-	-	-	24,658	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	78,660
-	-	-	-	-	-
16,743	177	6,404	-	-	-
-	-	-	351,534	908,947	-
-	-	-	-	-	-
16,743	177	6,404	351,534	908,947	78,660
$ 16,743	$ 177	$ 6,404	$ 376,192	$ 908,947	$ 78,660

September 30, 2025	PD Seizures	PD Forfeiture	Federal Forfeiture	PD Special Equipment
Assets				
Accounts receivable	$ -	$ 22,860	$ -	$ -
Prepaid items	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets				
Restricted cash and cash equivalents	31,798	198,564	313	6,868
Total assets	$ 31,798	$ 221,424	$ 313	$ 6,868
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ -	$ 13,116	$ -	$ -
Retainage payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	13,116	-	-
Fund balances				
Nonspendable				
Prepaids	-	-	-	-
Restricted for				
Federal or state funds grant restrictions	-	-	313	6,868
Forfeiture funds	31,798	208,308	-	-
Hotel/Motel occupancy tax	-	-	-	-
Municipal court	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	31,798	208,308	313	6,868
Total liabilities and fund balances	$ 31,798	$ 221,424	$ 313	$ 6,868

PD Officer Standards & Education	Parkland Dedication and Improvement	TDEM Grant DR4586	TXCDBG Grant CD21-0363	TWDB Wastewater Project
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	11,676	-	
1,929	6,075	-	-	5,289
9,042	-	215	-	13,935
$ 10,971	$ 6,075	$ 11,891	$ -	$ 19,224
$ -	$ -	$ -	$ -	$ 18,730
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	18,730
-	-	-	-	-
10,971	-	11,891	-	494
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	6,075	-	-	-
-	-	-	-	-
10,971	6,075	11,891	-	494
$ 10,971	$ 6,075	$ 11,891	$ -	$ 19,224

September 30, 2025	TXCDBG Grant CDM22-0108	Suspension Bridge Restore	USDA Industrial Park Project
Assets			
Accounts receivable	$ -	$ -	$ -
Prepaid items	-	-	-
Due from other governments	185,822	-	-
Due from other funds	-	-	-
Restricted assets			
Restricted cash and cash equivalents	27,322	99	1,096
Total assets	$ 213,144	$ 99	$ 1,096
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 188,781	$ -	$ -
Retainage payable	20,712	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Total liabilities	209,493	-	-
Fund balances			
Nonspendable			
Prepaids	-	-	-
Restricted for			
Federal or state funds grant restrictions	3,651	-	1,096
Forfeiture funds	-	-	-
Hotel/Motel occupancy tax	-	-	-
Municipal court	-	-	-
Capital projects	-	99	-
Unassigned	-	-	-
Total fund balances	3,651	99	1,096
Total liabilities and fund balances	$ 213,144	$ 99	$ 1,096

TXCDBG Grant CDV23-0218	Las Americas Grant B-24-CP-TX-2086	Mendez Ave. Project	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ 31,955
-	15,600	-	15,600
237,772	138,583	-	1,013,537
-	-	-	601,382
110	199,122	100	886,730
$ 237,882	$ 353,305	$ 100	$ 2,549,204
$ 195,721	$ 110,698	$ -	$ 527,046
2,103	25,036	-	47,851
-	15,600	-	15,600
-	200,000	-	225,068
197,824	351,334	-	815,565
-	15,600	-	15,600
40,058	(13,629)	100	61,907
-	-	-	318,766
-	-	-	28,334
-	-	-	42,377
-	-	-	1,266,655
-	-	-	-
40,058	1,971	100	1,733,639
$ 237,882	$ 353,305	$ 100	$ 2,549,204

September 30, 2025	Capital Projects	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Accounts receivable	$ -	$ -	$ 31,955
Prepaid items	-	-	15,600
Due from other governments		-	1,013,537
Due from other funds	-	-	601,382
Restricted assets			
Restricted cash and cash equivalents	123,411	123,411	1,010,141
Total assets	$ 123,411	$ 123,411	$ 2,672,615
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 10,350	$ 10,350	$ 537,396
Retainage payable	-	-	47,851
Unearned revenue	-	-	15,600
Due to other funds	-	-	225,068
Total liabilities	10,350	10,350	825,915
Fund balances			
Nonspendable			
Prepaids	-	-	15,600
Restricted for			
Federal or state funds grant restrictions	-	-	61,907
Forfeiture funds			318,766
Hotel/Motel occupancy tax	-	-	28,334
Municipal court	-	-	42,377
Capital projects	113,061	113,061	1,379,716
Unassigned	-	-	-
Total fund balances	113,061	113,061	1,846,700
Total liabilities and fund balances	$ 123,411	$ 123,411	$ 2,672,615

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

For the year ended September 30, 2025	Hotel/Motel Occupancy Tax	HOME HRA & PWD	Municipal Court Technology
Revenues			
Property taxes	$ -	$ -	$ -
Franchise tax	1,195	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and Forfeitures	-	-	3,068
Interest income	653	2	-
Miscellaneous revenue	-	-	-
Total revenues	1,848	2	3,068
Expenditures			
Current			
General government	9,784	4	-
Public safety	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal agent fees	-	-	-
Total expenditures	9,784	4	-
Excess (deficiency) of revenues over (under) expenditures	(7,936)	(2)	3,068
Other Financing Sources (uses)			
Proceeds from ROU Leases	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(7,936)	(2)	3,068
Fund balances, beginning of year	36,270	96	15,985
Adjustment	-	-	-
Fund balance beginning of year, as restated	36,270	96	15,985
Fund balance, end of year	$ 28,334	$ 94	$ 19,053

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	Storm Draining Account	TIRZ Zone #1	PD Abandoned Vehicle
$ -	$ -	$ -	$ -	$ 156,629	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	73,655	-	-
3,179	96	2,255	-	-	22,373
-	-	-	2,992	3,700	1,511
-	-	-	-	-	-
3,179	96	2,255	76,647	160,329	23,884
-	-	-	-	2,503	510
-	-	-	-	-	13,700
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,503	14,210
3,179	96	2,255	76,647	157,826	9,674
-	-	-	-	-	-
-	-	-	-	100	-
-	-	-	-	-	-
-	-	-	-	100	-
3,179	96	2,255	76,647	157,926	9,674
13,564	81	4,149	274,887	776,214	68,986
-	-	-	-	(25,193)	-
13,564	81	4,149	274,887	751,021	68,986
$ 16,743	$ 177	$ 6,404	$ 351,534	$ 908,947	$ 78,660

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
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Franchise tax	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and Forfeitures	-	114,097	-	-
Interest income	629	3,789	6	136
Miscellaneous revenue	-	616	-	-
Total revenues	629	118,502	6	136
Expenditures				
Current				
General government	-	14,174	-	-
Public safety	-	417,564	-	-
Debt service				
Principal	-	48,064	-	-
Interest and fiscal agent fees	-	9,871	-	-
Total expenditures	-	489,673	-	-
Excess (deficiency) of revenues over (under) expenditures	629	(371,171)	6	136
Other Financing Sources (uses)				
Proceeds from ROU Leases	-	209,342	-	-
Transfers in	-	136,509	-	-
Transfers out	-	(17,308)	-	-
Total other financing sources (uses)	-	328,543	-	-
Net change in fund balances	629	(42,628)	6	136
Fund balances, beginning of year	31,169	243,646	307	6,732
Prior period adjustment	-	7,290	-	-
Fund balance beginning of year, as restated	31,169	250,936	307	6,732
Fund balance, end of year	$ 31,798	$ 208,308	$ 313	$ 6,868

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	Parkland Dedication and Improvement	TDEM Grant DR4586	TXCDBG Grant CD21-0363	TWDB Wastewater Project
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
4,288	-	20,676	-	100,110
-	-	-	-	-
-	6,075	-	-	-
154	-	9	2	245
-	-	-	-	-
4,442	6,075	20,685	2	100,355
-	-	15,894	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	15,894	-	-
4,442	6,075	4,791	2	100,355
-	-	-	-	-
-	-	7,100	-	-
-	-	-	-	(100,110)
-	-	7,100	-	(100,110)
4,442	6,075	11,891	2	245
6,529	-	-	(1,302)	249
-	-	-	1,300	-
6,529	-	-	(2)	249
$ 10,971	$ 6,075	$ 11,891	$ -	$ 494

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

For the year ended September 30, 2024	TXCDBG Grant CDM22-0108	Suspension Bridge Restore	USDA Industrial Park Project
Revenues			
Property taxes	$ -	$ -	$ -
Franchise tax	-	-	-
Intergovernmental	396,368	-	116,493
Charges for services	-	-	-
Fines and Forfeitures	-	-	-
Interest income	1,118	2	97
Miscellaneous revenue	1	-	-
Total revenues	397,487	2	116,590
Expenditures			
Current			
General government	465,496	-	-
Public safety	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal agent fees	-	-	-
Total expenditures	465,496	-	-
Excess (deficiency) of revenues over (under) expenditures	(68,009)	2	116,590
Other Financing Sources (uses)			
Proceeds from ROU Leases	-	-	-
Transfers in	-	100	100
Transfers out	-	-	(116,580)
Total other financing sources (uses)	-	100	(116,480)
Net change in fund balances	(68,009)	102	110
Fund balances, beginning of year	48,210	(3)	986
Prior period adjustment	23,450	-	-
Fund balance beginning of year, as restated	71,660	(3)	986
Fund balance, end of year	$ 3,651	$ 99	$ 1,096

TXCDBG Grant CDV23-0218	Las Americas Grant B-24-CP-TX-2086	Mendez Ave. Project	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ 156,629
-	-	-	1,195
277,720	620,946	-	1,536,601
-	-	-	73,655
-	-	-	151,143
9	1,887	-	16,941
-	-	-	617
277,729	622,833	-	1,936,781
237,772	16	-	746,153
-	-	-	431,264
-	-	-	48,064
-	-	-	9,871
237,772	16	-	1,235,352
39,957	622,817	-	701,429
-	-	-	209,342
-	-	100	144,009
-	(620,947)	-	(854,945)
-	(620,947)	100	(501,594)
39,957	1,870	100	199,835
101	101	-	1,526,957
-	-	-	6,847
101	101	-	1,533,804
$ 40,058	$ 1,971	$ 100	$ 1,733,639

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

For the year ended September 30, 2024	Capital Projects	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property taxes	$ -	$ -	$ 156,629
Franchise tax	-	-	1,195
Intergovernmental	-	-	1,536,601
Charges for services	-	-	73,655
Fines and Forfeitures	-	-	151,143
Interest income	1,222	1,222	18,163
Miscellaneous revenue	60,455	60,455	61,072
Total revenues	61,677	61,677	1,998,458
Expenditures			
Current			
General government	11,980	11,980	758,133
Public safety	-	-	431,264
Debt service			
Principal	-	-	48,064
Interest and fiscal agent fees	-	-	9,871
Total expenditures	11,980	11,980	1,247,332
Excess (deficiency) of revenues over (under) expenditures	49,697	49,697	751,126
Other Financing Sources (uses)			
Proceeds from ROU Leases	-	-	209,342
Transfers in	50,000	50,000	194,009
Transfers out	-	-	(854,945)
Total other financing sources (uses)	50,000	50,000	(451,594)
Net change in fund balances	99,697	99,697	299,532
Fund balances, beginning of year	13,364	13,364	1,540,321
Prior period adjustment	-	-	6,847
Fund balance beginning of year, as restated	13,364	13,364	1,547,168
Fund balance, end of year	$ 113,061	$ 113,061	$ 1,846,700

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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, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated June 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 2025-001, 2025-002, 2025-003, 2025-004, 2025-005 and 2025-006 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 2025-007 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

City of Roma'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, Riggs & Ingram, L.L.C.

McAllen, Texas
June 16, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH 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 Each Major Federal Program

Opinion on Each Major Federal Program

We have audited 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 each of City's major federal programs for the year ended September 30, 2025. 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 each of its major federal programs for the year ended September 30,2025.

Basis for Opinion on Each 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 City 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 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 City's compliance with the requirements of each 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 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, Riggs & Ingram, L.L.C.

McAllen, Texas
June 16, 2026

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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? — Yes

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
11.307	Economic Adjustment Assistance
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

5. Dollar threshold used to distinguish between type A and type B programs: — $1,000,000
6. Auditee qualified as low-risk under 2CFR 200.520 — No

Section II – Financial Statements Findings

2025-001 (2024-001;2023-001; 22-001)	**Material Weakness / Noncompliance – Financial Close and Reports/Budget Compliance** (*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. As a result of the misstatements, actual expenditures exceeded final budget appropriations.
Cause:	Financial close and reporting was not prioritized shortly after September 30, 2025. 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.

Section II – Financial Statements Findings (*Continued*)

2025-001 (2024-001;2023-001; 22-001)

Material Weakness – Financial Close and Reporting (*Continued*)
(*Repeat finding)*

Management Response: Management agrees with finding. See corrective action plan on page 130.

2025-002 (2024-002;2023-002; 22-003)

Material Weakness – Capital Assets
(*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.

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. 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.

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

Section II – Financial Statements Findings (*Continued*)

2025-002 (2024-002;2023-002; 22-003)	**Material Weakness – Capital Assets (*Continued*)** (*Repeat finding; modified*)
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 130.
2025-003 (2024-003)	**Material Weakness – Accounting for Grants** (*Repeat finding; modified*)
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 to both current and prior period balances were required to adjust grants.
Cause:	The City did not correctly account for current and prior year revenue related to several grants.
Effect:	State and Federal grants were overstated by $63,533. This can cause inaccurate reporting to grantors and incorrect understanding of availability of grant funds.
Recommendation:	The City should review and reconcile its grant related revenues and receivables 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 130.

Section II – Financial Statements Findings (*Continued*)

2025-004 (2024-004)	**Material Weakness – Accounting for Tax Increment Reinvestment Zone (TIRZ)** (*Repeat finding; modified*)
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 $156,629 and due to TIRZ was understated by $83,299. Other accounts affected were fund balance, due from/to the general fund, and due from other governments causing inaccurate financial reporting. This can lead to an incorrect understanding of amounts available for projects and inaccurate information reported to financial statement users.
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 130.

Section II – Financial Statements Findings (*Continued*)

2025-005 (2024-005)	**Material Weakness – Accounting for Redevelopment Assets** (*Repeat finding; modified*)
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 sale.
Effect:	Redevelopment assets were overstated by $57,034. Revenue was understated by $1,035,739. Receivables were understated by $1,940,473 and fund balance was understated by $847,700. This can cause inaccurate amounts presented in the financial statements for redevelopment assets and their availability for sale.
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 130.

Section II – Financial Statements Findings (*Continued*)

2025-006 (2024-006)	**Material Weakness –Interfund Activity** (*Repeat finding; modified*)
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 and transactions causing several accounts to be misstated. The majority of the differences were caused by classifications of transactions between the REDC and the primary government, and cash pool 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 $79,503 and Other Governmental Funds were overstated by $96,690. Due from component units to General Fund was overstated by $149,066. Due to other funds were misstated as follows: General Fund was overstated by $149,066 and Other Governmental Funds were overstated by $61,218. Proprietary fund due from other funds was overstated by $168,396. Proprietary fund due to other funds was overstated by $79,146 and due to component units was overstated by $149,066. Additionally, several corresponding accounts related to the interfund activities were also misstated. This can lead to an inaccurate understanding of available funds for use and what is owed to other funds.
Recommendation:	The City should enhance its procedures to accurately reconcile the interfund accounts and related activity.
Management Response:	Management agrees with finding. See corrective action plan on page 130.

Section II – Financial Statements Findings (*Continued*)

2025-007 (2024-007;2023-003; 22-004)	**Significant Deficiency – Journal Entries** (*Repeat finding*)
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. This can lead to inaccurate reporting of balances in the Financial Statements which can affect user understanding.
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 130.

Section III – Federal Award Findings and Questioned Costs

No findings noted.

Section IV – Prior Findings and Questioned Costs for Federal Awards

Financial Statement Findings:

Reference Number: (2024-001)	**Financial Close and Reporting – Repeated and modified as finding 2025-001**
Reference Number: (2024-002)	**Capital Assets – Repeated and modified as finding 2025-002**
Reference Number: (2024-003)	**Accounting for Grants – Repeated and modified as finding 2025-003**
Reference Number: (2024-004)	**Accounting for Tax Increment Reinvestment Zone (TIRZ) – Repeated and modified as finding 2025-004**
Reference Number: (2024-005)	**Accounting for Redevelopment Assets – Repeated and modified as finding 2025-005**
Reference Number: (2024-006)	**Interfund Activity – Repeated and modified as finding 2025-006**
Reference Number: (2024-007)	**Journal Entries – Repeated as finding 2025-007**

Federal Award Findings:

No prior findings noted.

City of Roma, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. DEPARTEMENT OF COMMERCE				
Passed Through Economic Development Administration				
*Economic Adjustment Assistance	11.307	08-01-05718	$ -	$ 976,034
Total Economic Development Cluster			-	976,034
Total Passed Through Economic Development Administration			-	976,034
TOTAL U.S. DEPARTMENT OF COMMERCE			-	976,034
U.S. DEPARTMENT OF JUSTICE				
Passed Through The Office of the Governor - Criminal Justice Division				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3590507	-	28,042
Total Passed Through The Office of the Governor - Criminal Justice Division			-	28,042
TOTAL U.S. DEPARTMENT OF JUSTICE			-	28,042
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through The Office of the Governor - Homeland Security Grants Division				
Homeland Security Grant Program	97.067	3193309	-	203,827
Homeland Security Grant Program	97.067	3193310	-	143,288
Total Passed Through The Office of the Governor - Homeland Security Grants Division			-	203,827
Passed Through The Texas Division of Emergency Management				
Hazard Mitigation Assistance	97.039	J5YDNGSH1Z83	-	11,676
Total Passed Through The Texas Division of Emergency Management			-	11,676
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	215,503
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs				
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251		-	620,946
Total Direct Programs			-	620,946
Passed Through The Texas Department of Agriculture				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDV23-0218	-	237,772
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDM22-0108	-	396,369
Total Passed Through The Texas Department of Agriculture			-	634,141
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	1,255,087
U.S. DEPARTMENT OF AGRICULTURE (USDA) FOREST SERVICE (USFS)				
Passed Through The Texas A&M Forest Service's Urban and Community Forestry (U&CF) Program				
Community Forest and Open Space Conservation Program (CFP)	10.689	TT-638-27647	-	175
Community Forest and Open Space Conservation Program (CFP)	10.689	TT-638-23667	-	1,800
Community Forest and Open Space Conservation Program (CFP)	10.689	TT-638-27646	-	175
Total Passed Through The Texas A&M Forest Service's Urban and Community Forestry (U&CF) Program			-	2,150
TOTAL U.S. DEPARTMENT OF AGRICULTURE (USDA) FOREST SERVICE (USFS)			-	2,150
U.S. DEPARTMENT OF AGRICULTURE (USDA) RURAL BUSINESS DEVELOPMENT				
Direct Programs				
Rural Business Development Grant	10.351		-	116,493
Total Direct Programs			-	116,493
TOTAL U.S. DEPARTMENT OF AGRICULTURE (USDA) RURAL BUSINESS DEVELOPMENT			-	116,493
TOTAL U.S. DEPARTMENT OF AGRICULTURE (USDA)			-	118,643
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ -	$ 2,736,597

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, 2025, the City had no sub-recipients.

Note 3: LOANS / LOANS GUARANTEE OUTSTANDING BALANCES

During the year ended September 30, 2025, the City had no outstanding federal loans or loan guarantees.

Note 4: NONCASH ASSISTANCE AND OTHER

During the year ended September 30, 2025, the City did not receive any noncash assistance or federally funded insurance.

Note 5: INDIRECT COST RATE

The City did not elect to use the de minimis indirect cost rate allowed under the Uniform Guidance.

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.

Corrective Action Plan for the Year Ended September 30, 2025

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, 2025, 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.

During FY 2025, the City continued to strengthen its internal control environment through enhanced financial oversight, the appointment of an Assets Coordinator, the designation of a Grants Coordinator, increased management review processes, and ongoing efforts to improve financial reporting and account reconciliation procedures. While significant progress has been made, management recognizes that additional work remains to fully address longstanding accounting and reporting deficiencies identified during the audit process.

Finding 2025-001 – Financial Close and Reports/Budget Compliance

Corrective Action:

The City has implemented procedures to strengthen its financial close and reporting process through the use of its financial management software, formal month-end and year-end closing procedures, monthly reconciliation of significant balance sheet accounts, timely recording of audit adjustments, and supervisory review of financial reports. Quarterly reviews will be performed to evaluate the effectiveness of internal controls and ensure timely and accurate financial reporting and budget compliance.

Completion Date: September 30, 2027

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

Finding 2025-002 – Capital Assets

Corrective Action:

An Assets Coordinator has been designated to work closely with the Finance Department and conduct monthly reviews of asset acquisitions, disposals, transfers, and Construction in Progress (CIP) activity. Quarterly reconciliations and annual inventory procedures will be performed to ensure capital assets are accurately recorded, properly classified, and depreciated in accordance with applicable accounting standards.

Completion Date: September 30, 2027

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

Finding 2025-003 – Accounting for Grants

Corrective Action:

The City designated a Grants Coordinator in May 2025 to oversee grant administration, compliance reporting, and grant monitoring activities. The Grants Coordinator and Finance Department will maintain a centralized grant tracking system and conduct quarterly reconciliations of grant expenditures, reimbursement requests, revenues, receivables, and reporting requirements. Annual reviews of all active grants will be performed to ensure grant revenues and receivables are properly recorded in accordance with applicable accounting standards and grant requirements.

Completion Date: September 30, 2027

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

Finding 2025-004 – Accounting for TIRZ

Corrective Action:

Under the oversight of the Assistant City Manager, the City will maintain a detailed TIRZ tracking schedule and perform quarterly reconciliations of TIRZ revenues, receivables, collections, expenditures, and related due to/from accounts. Periodic reviews will be conducted to ensure TIRZ activity is accurately recorded, supported, and reported in the appropriate accounting period.

Completion Date: September 30, 2027

Responsible Person: Assistant City Manager (Alfonso Ramirez) / Finance Director (Dora Garcia)

Finding 2025-005 – Redevelopment Assets (EDC)

Corrective Action:

The Roma Economic Development Corporation (REDC), in coordination with the Finance Director, will maintain detailed records of redevelopment assets, land held for sale, property sales, receivables, and related revenues. Quarterly reconciliations and periodic reviews of redevelopment asset activity will be conducted to ensure proper classification, valuation, revenue recognition, and financial reporting. Activity summaries will be presented to the REDC Board of Directors to strengthen oversight and monitoring.

Completion Date: September 30, 2027

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

Finding 2025-006 – Interfund Activity

Corrective Action:

The Finance Department will maintain detailed schedules supporting all interfund receivables, payables, transfers, and related transactions. Quarterly reconciliations will be performed to ensure balances between funds are properly recorded, supported, and reported. Cash pool activity and shared expenditures will be reviewed and allocated to the appropriate funds on a timely basis, and all interfund transactions will be supported by adequate documentation and management review.

Completion Date: September 30, 2027

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

Finding 2025-007 – Journal Entries

Corrective Action:

The City will continue strengthening controls over journal entries by requiring supporting documentation for all manual journal entries and implementing a formal review and approval process. Journal entries prepared by accounting staff will be reviewed by the Finance Director prior to posting, and periodic reviews of general ledger activity will be conducted to identify and correct posting errors, misclassifications, and unusual transactions in a timely manner.

Completion Date: September 30, 2027

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