
CITY OF ROMA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Luis C. Orozco
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Pharr, TX 78577
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CITY OF ROMA

MAY 05 2011

**OFFICIAL RECORDS
OF THE CITY SECRETARY**

CERTIFIED PUBLIC ACCOUNTANT

208 W Ferguson Unit 3 Ste 1

Pharr, TX 78577

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UNQUALIFIED OPINION ON BASIC FINANCIAL STATEMENTS
ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER
SUPPLEMENTARY INFORMATION INCLUDING THE
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Independent Auditor's Report

City Council
The City of Roma
P O Box 947
Roma, TX 78584-0947

Members of the Council:

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 (the City) as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's administrators. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

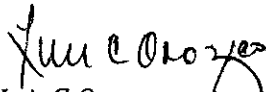
In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental*

Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise The City of Roma's basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Although the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements, they have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Luis C Orozco
Certified Public Accountant

June 5, 2010

CITY OF ROMA

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OFFICIAL RECORDS
OF THE CITY SECRETARY

THE CITY OF ROMA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

EXHIBIT A-1

Data Control Codes	Primary Government			Component Unit	
	Governmental Activities	Business Type Activities	Total	Nonmajor Component Unit	
ASSETS					
1010	Cash and Cash Equivalents	\$ 601,127	\$ 1,031,096	\$ 1,632,223	\$ 572,254
1030	Investments - Current	310,879	-	310,879	-
1150	Receivables (net of allowance for uncollectibles)	544,645	86,225	630,870	501,500
1300	Internal Balances	(339,507)	693,796	354,289	(25,000)
Restricted Assets:					
Temporarily Restricted:					
1611	Temp. Restricted Asset (Reserve Accounts)	-	1,720,416	1,720,416	-
Capital Assets:					
1710	Land	425,322	164,648	589,970	-
1720	Infrastructure, net	8,134,371	24,925	8,159,296	-
1730	Buildings, net.	200,224	166,710	366,934	-
1740	Improvements other than Buildings, net	-	40,364,539	40,364,539	-
1750	Machinery and Equipment, net	867,049	79,957	947,006	(71,607)
1780	Construction in Progress	-	(600)	(600)	-
1990	Other Assets - Water Rights	-	2,835,060	2,835,060	-
1000	Total Assets	<u>10,744,110</u>	<u>47,166,772</u>	<u>57,910,882</u>	<u>977,147</u>
LIABILITIES					
2020	Accounts Payable	10,640	(7,750)	2,890	-
2070	Intergovernmental Payable	39,937	-	39,937	-
2120	Matured Bonds and Interest Payable	381,178	-	381,178	-
2220	Deferred Revenues	308,027	-	308,027	-
2270		-	137,556	137,556	-
Noncurrent Liabilities					
2502	Due in More Than One Year	321,677	8,004,000	8,325,677	249,277
2000	Total Liabilities	<u>1,061,459</u>	<u>8,133,806</u>	<u>9,195,265</u>	<u>249,277</u>
NET ASSETS					
3200	Invested in Capital Assets, Net of Related Debt	9,114,700	57,765	9,172,465	-
3810	Restricted for	-	170,038	170,038	727,870
3900	Unrestricted Net Assets	567,951	38,805,162	39,373,113	-
3000	Total Net Assets	<u>\$ 9,682,651</u>	<u>\$ 39,032,965</u>	<u>\$ 48,715,616</u>	<u>\$ 727,870</u>

The notes to the Financial Statements are an integral part of this statement.

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CITY OF ROMA

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**OFFICIAL RECORDS
OF THE CITY SECRETARY**

THE CITY OF ROMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Data Control Codes	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
10 General Government	\$ 805,122	\$ 160,189	\$ 948,545
20 Public Safety	2,204,950	160,189	-
31 Highways and Streets	878,876	160,189	-
32 Sanitation	590,058	160,189	-
50 Culture and Recreation	(250)	-	-
56 Define - Culture and Recreation	11,487	-	-
60 Conservation and Development	474,551	160,189	-
Total Governmental Activities:	<u>4,964,794</u>	<u>800,945</u>	<u>948,545</u>
BUSINESS-TYPE ACTIVITIES:			
701	3,824,831	4,720,450	2,781,753
702 TWDB Contract G070003	10,122	-	25,000
703 TWDB Contract G20100	608	-	-
Total Business-Type Activities:	<u>3,835,561</u>	<u>4,720,450</u>	<u>2,806,753</u>
TOTAL PRIMARY GOVERNMENT:	<u>\$ 8,800,355</u>	<u>\$ 5,521,395</u>	<u>\$ 3,755,298</u>

Data Control Codes	General Revenues:
	Taxes:
5010	Property Taxes, Levied for General Purposes
5120	Sales Taxes
5170	Franchise Taxes
5700	Miscellaneous Revenue
5800	Investment Earnings
5800	Transfers In (Out)
	Total General Revenues and Transfers
	Change in Net Assets
	Net Assets--Beginning
	Prior Period Adjustment
	Net Assets--Ending

The notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ 303,612	\$ -	\$ 303,612
(2,044,761)	-	(2,044,761)
(718,687)	-	(718,687)
(429,869)	-	(429,869)
250	-	250
(11,487)	-	(11,487)
(314,362)	-	(314,362)
<u>(3,215,304)</u>	<u>-</u>	<u>(3,215,304)</u>
-	3,677,372	3,677,372
-	14,878	14,878
-	(608)	(608)
-	<u>3,691,642</u>	<u>3,691,642</u>
<u>(3,215,304)</u>	<u>3,691,642</u>	<u>476,338</u>
909,278	-	909,278
496,879	-	496,879
247,884	-	247,884
819,561	43,293	862,854
7,882	-	7,882
474,954	(473,953)	1,001
<u>2,956,438</u>	<u>(430,660)</u>	<u>2,525,778</u>
(258,866)	3,260,982	3,002,116
11,803,345	35,068,462	46,871,807
(1,861,828)	703,520	(1,158,308)
<u>\$ 9,682,651</u>	<u>\$ 39,032,964</u>	<u>\$ 48,715,615</u>

CITY OF ROMA

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OFFICIAL RECORDS
OF THE CITY SECRETARY

THE CITY OF ROMA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
ASSETS			
1010 Cash and Cash Equivalents	\$ 399,100	\$ 202,027	\$ 601,127
1030 Investments - Current	310,879	-	310,879
1050 Taxes Receivable	843,413	-	843,413
1051 Allowance for Uncollectible Taxes (credit)	(535,244)	-	(535,244)
1150 Receivables (Net)	5,819	-	5,819
1260 Intergovernmental Receivables	230,657	-	230,657
1000 Total Assets	<u>\$ 1,254,624</u>	<u>\$ 202,027</u>	<u>\$ 1,456,651</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
2070 Intergovernmental Payable	\$ 39,937	\$ -	\$ 39,937
2080 Due to Other Funds	317,007	22,500	339,507
2090 Due to Others	10,640	-	10,640
2120 Bonds, Loans & Other Liabilities Payable -	-	190,589	190,589
2220 Deferred Revenues	308,027	-	308,027
2000 Total Liabilities	<u>675,611</u>	<u>213,089</u>	<u>888,700</u>
Fund Balances:			
Reserved For:			
3430	59,046	-	59,046
Unreserved and Undesignated:			
3600 Reported in the General Fund	519,968	-	519,968
3610 Reported in the Special Revenue Fund	-	(10,913)	(10,913)
3000 Total Fund Balances	<u>579,014</u>	<u>(10,913)</u>	<u>568,101</u>
4000 Total Liabilities and Fund Balances	<u>\$ 1,254,625</u>	<u>\$ 202,176</u>	<u>\$ 1,456,801</u>

The notes to the Financial Statements are an integral part of this statement.

THE CITY OF ROMA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

Total Fund Balances - Governmental Funds	\$	519,968
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The City uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net effect of this consolidation is to Increase (decrease) net assets.		-0-
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Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$xxx,xxx,xxx and the accumulated depreciation was \$xxx,xxx,xxx. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net assets.		10,869,178
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Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2008 capital outlays and debt principal payments is to increase net assets.		314,681
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The 2009 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(275,000)
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Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets.		(1,794,159)
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Net Assets of Governmental Activities	\$	9,690,596
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CITY OF ROMA

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OFFICIAL RECORDS
OF THE CITY SECRETARY

THE CITY OF ROMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
REVENUES:			
Taxes:			
5110	\$ 909,278	\$ -	\$ 909,278
5120	496,879	-	496,879
5170	247,884	-	247,884
5200	58,943	-	58,943
5300	296,299	652,246	948,545
5400	562,579	-	562,579
5510	179,427	-	179,427
5610	7,281	597	7,878
5700	864,271	14,496	878,767
5020	<u>3,622,841</u>	<u>667,339</u>	<u>4,290,180</u>
EXPENDITURES:			
Current:			
0010	808,815	1,493	810,308
0020	2,138,630	-	2,138,630
Public Works:			
0031	826,626	-	826,626
0032	568,058	-	568,058
0050	(22,500)	19,500	(3,000)
0056	8,488	2,999	11,487
0060	-	474,551	474,551
Capital Outlay:			
0080	-	177,815	177,815
6030	<u>4,328,117</u>	<u>676,358</u>	<u>5,004,475</u>
1100	<u>(705,276)</u>	<u>(9,019)</u>	<u>(714,295)</u>
OTHER FINANCING SOURCES (USES):			
7915	589,785	200	589,985
8911	(115,031)	-	(115,031)
7080	<u>474,754</u>	<u>200</u>	<u>474,954</u>
1200	(230,522)	(8,819)	(239,341)
0100	438,530	(3,645)	434,885
1300	371,006	1,402	372,408
3000	<u>\$ 579,014</u>	<u>\$ (11,062)</u>	<u>\$ 567,952</u>

The notes to the Financial Statements are an integral part of this statement.

THE CITY OF ROMA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

Total Net Change in Fund Balances - Governmental Funds	\$ (239,341)
The city uses some internal service funds to charge the costs of certain activities primarily to the governmental funds. The net income (loss) of these internal service funds are reported with governmental activities. The net effect of this consolidation is to increase (decrease) net assets.	-0-
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2009 capital outlays and debt principal payments is to increase net assets.	314,681
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.	(275,000)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to (decrease) net assets.	(59,205)
Change in Net Assets of Governmental Activities	\$ (129,768)

CITY OF ROMA

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OFFICIAL RECORDS
OF THE CITY SECRETARY

The notes to the Financial Statements are an integral part of this statement.

THE CITY OF ROMA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009

	Business-Type Activities - Enterprise Funds		
	Enterprise Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,022,883	\$ 8,213	\$ 1,031,096
Restricted Assets - Current:			
Cash Reserve Accounts	1,720,416	-	1,720,416
Accounts Receivable-Net of Uncollectible Allowance	86,225	-	86,225
Due from Other Funds	331,190	-	331,190
Total Current Assets	3,160,714	8,213	3,168,927
Noncurrent Assets:			
Capital Assets:			
Land Purchase and Improvements	124,998	39,650	164,648
Infrastructure	-	24,925	24,925
Buildings	173,544	-	173,544
Accumulated Depreciation - Buildings	(6,834)	-	(6,834)
Improvements other than Buildings	43,465,959	-	43,465,959
Accumulated Depreciation - Other Improvements	(3,101,420)	-	(3,101,420)
Machinery and Equipment	503,257	-	503,257
Accumulated Depreciation - Machinery &	(423,300)	-	(423,300)
Construction in Progress	(600)	-	(600)
Water Rights	2,835,060	-	2,835,060
Total Noncurrent Assets	43,570,664	64,575	43,635,239
Total Assets	46,731,378	72,788	46,804,166
LIABILITIES			
Current Liabilities:			
Wages and Salaries Payable	(5,463)	-	(5,463)
Intergovernmental Payable	(2,287)	-	(2,287)
Due to Other Funds	(362,606)	-	(362,606)
Other Current Liabilities	137,556	-	137,556
Total Current Liabilities	(232,800)	-	(232,800)
NonCurrent Liabilities:			
Bonds Payable - Noncurrent	8,004,640	-	8,004,640
Notes Payable - Noncurrent	(640)	-	(640)
Total Noncurrent Liabilities	8,004,000	-	8,004,000
Total Liabilities	7,771,200	-	7,771,200
NET ASSETS			
Investments in Capital Assets, Net of Debt	-	57,765	57,765
Restricted for Reserves	170,038	-	170,038
Unrestricted Net Assets	38,790,139	15,023	38,805,162
Total Net Assets	\$ 38,960,177	\$ 72,788	\$ 39,032,965

The notes to the Financial Statements are an integral part of this statement.

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CITY OF ROMA

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**OFFICIAL RECORDS
OF THE CITY SECRETARY**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CITY OF ROMA (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. The services include 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 financial statements of the city have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard -setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below:

A. REPORTING ENTITY

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") in its Statement No. 14, "The Financial Reporting Entity." The city of Roma became a Home Rule city in May 2007.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of the above criteria, the following is a brief review of the City's only component unit addressed in defining the City's reporting entity.

Included in the Reporting Entity

Roma Economic Development Corporation – This component unit was established on October 24, 1995 for the purpose of promoting economic development within the City of Roma and the State of Texas. The Roma Economic Development Corporation 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 Roma Economic Development Corporation will make improvements to the City's transportation, infrastructure and public facilities sometime in the future. This, in turn, may create new businesses and economic growth within the City of Roma, Texas.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the CITY OF ROMA nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the City operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the City. The "grants and contributions" column includes amounts paid by organizations outside the City to help meet the operational or capital requirements of a given function. Taxes are always general revenues.

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due froms on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Assets as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for City operations, they are not included in the government-wide statements. The City considers some governmental and enterprise funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The City considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are due.

CITY OF ROMA
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OFFICIAL RECORDS
OF THE CITY SECRETARY

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the City are depreciated using the straight line method over the following estimated useful lives. The estimated lives range from 3 to 10 years for equipment, 10 to 25 years for improvements, and 25 years for buildings.

5. Restricted Assets-Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.
6. Deferred revenues are those for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Monies collected in advance from federal or state agencies are recorded as revenue in the year for which the expenditures are incurred.
7. When the City incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.
8. Encumbrances-The City of Roma, Texas, does not employ encumbrance accounting; under which purchase order, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.
9. Estimates-The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net assets for governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds.

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Exhibit C-4 provides reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net assets of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net asset balance and the change in net assets.

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Council adopts an "appropriated budget" for the General Fund, Enterprise Fund, Hotel Occupancy Fund, and Roma Economic Development Corporation (component unit). In accordance with Government Accounting Standards Board (GASB) Statement#34, a City is required to present the adopted and final amended budgeted revenues and expenditures for the General Fund, and any major special revenue funds with an officially adopted budget. The City compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit F-1.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Prior to October 1, the City prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance by the Board. Once a budget is approved, it can only be formally amended by approval of a majority of the members of the Council. Amendments are presented to the Council at its regular meetings. Each amendment must have Council approval. As required by law, such amendments are made before the fact, and are reflected in the official minutes of the Council, and are not made after fiscal year end. The City has a policy of careful budgetary control, with only one amendment being necessary during the year to convert to Generally Accepted Accounting Principles (GAAP) basis.
4. Budgeted amounts are as amended by the Council. All budget appropriations lapse at year end.

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

General Fund expenditures exceeded appropriations by the amounts noted below:

Functional Category	Amount
General Government	\$ 233,873
Public Safety	88,498
Public Works	100,255

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-today basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

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At September 30, 2009, the carrying amount of the City's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$ 2,229,613 and the bank balance was \$ 2,175,857. The City's cash deposits at September 30, 2009 and during the year ended September 30,

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2009 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

The City's investments at September 30, 2009, are shown below:

Investment Type	Fair Value	Investments Maturities (in years)			More than 10
		Less than 1	1 - 5	6 - 10	
General Fund:					
Certificates of Deposit	\$ 455,441	\$ 455,441	-	-	-
Enterprise Fund:					
Certificates of Deposit	\$ 1,720,416	\$1,720,416	-	-	-
Totals	\$ 2,175,857	\$2,175,857	-	-	-

The Enterprise Fund's temporary investments noted above are included in the total amount reported as restricted assets \$ 1,720,416 at September 30, 2009.

Credit Risk To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the City limits investments to Certificates of Deposits and Public Funds Investment Pools, collateralized by U.S. Government Securities. As of September 30, 2009, the city's investments were secured by U.S. Government Securities.

Custodial Credit Risk for Investments State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the city complies with this law, it has no custodial credit risk for deposits.

Concentration of Credit Risk To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the investment portfolio shall be diversified in terms of investment instruments maturity scheduling, and financial institutions. To further limit the risk all of the City investments are collateralized by U.S. Government Securities.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the City requires that the investments shall be monitored by using specific identification.

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 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 (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year. For the year ended September 30, 2009, the rate applicable to the General Fund was \$.44462 per \$100 assessed valuation. The City did not levy a separate rate for a Debt Service Fund. The total taxable valuation for the year was \$ 153,150,260.00 which generated a tax levy of \$ 680,936.69.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds, when applicable, are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

D. INTERFUND BALANCES

Interfund balances at September 30, 2009 were as follows:

Interfund accounts were not reconciled properly at year-end.

E. CAPITAL ASSET ACTIVITY

Capital asset activity for the City for the year ended September 30, 2009, was as follows:

Governmental Activities

Capital Assets	Balance as of 9/30/2008	Increases	Decreases	Balance as of 9/30/2009
Land	464,322	50,000	(89,000)	425,322
Buildings	658,226	56,232	(155,518)	558,940
Improvements/Infrastructure	6,466,717	9,627,777	(1,515,706)	14,578,788
Furniture and Equipment	2,336,556	73,145	-	2,409,701
Construction in process	9,492,473		(9,492,473)	-
	19,418,294	9,807,154	(11,252,697)	17,972,751
Accumulated Depreciation				
Accumulated Depreciation	(8,036,850)	(308,935)		(8,345,785)
	(8,036,850)	(308,935)		(8,345,785)
Net Capital Assets	11,381,444	9,498,219	(11,252,697)	9,626,966

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Business-type Activities

	Balance as of 9/30/2008	Increases	Decreases	Balance as of 9/30/2009
Capital Assets				
Land	159,353	35,000	-	194,353
Buildings	173,544	1	-	173,545
Furniture and Equipment	552,638	-	-	552,638
Water System	1,742,456	40,509,037	-	42,251,493
Wastewater System	534,941	-	-	534,941
Gas System	679,747	-	-	679,747
Construction in process	38,170,816	2,338,221	(40,509,037)	-
	42,013,495	42,882,259	(40,509,037)	44,386,717

Accumulated Depreciation				
Total Accumulated Depreciation	(3,531,554)	(74,754)	-	(3,606,308)
	(3,531,554)	(74,754)	-	(3,606,308)
Net Capital Assets	38,481,941	42,807,505	(40,509,037)	40,780,409

E. BONDS AND LONG-TERM NOTES PAYABLE/CAPITAL LEASES PAYABLE

At September 30, 2009, long-term debt consisted of the following:

General Long Term Debt-Governmental Fund Types:

Note Payables:

Note Description	Origination Date	Maturity Date	Interest Rate	Balance at 9/30/2008	Proceeds from Borrowings	Principal Payments	Balance at 9/30/2009
Loan # 8559 - Renewed in 2008	1/22/08	1/22/10	4.72%	4,250	-	-	4,250
International Bank of Commerce	6/6/06	6/6/09	5.50%	15,253	-	-	15,253
Tractor loader for Public Works	6/6/08	6/6/13	5.45%	41,555	-	-	41,555
Ford Expedition	3/16/08	3/16/11	5.25%	23,752	-	-	23,752
				\$ 84,810	\$ -	\$ -	\$ 84,810

Capital Leases:

Note Description	Origination Date	Maturity Date	Interest Rate	Balance at 9/30/2008	Proceeds from Borrowings	Principal Payments	Balance at 9/30/2009
City Capital-Boom Brush Truck	6/1/06	6/1/11	4.79%	51,618			51,618
City Capital-Sterling Vector Truck	4/11/07	4/11/14	4.79%	110,873			110,873
Ford Motor Credit Company (2 Police Cruisers)	6/15/07	6/15/09	5.90%	21,243			21,243
Ford Motor Credit Company (4 Police Cruisers)	4/11/07	4/11/09	5.40%	53,133			53,133
				\$ 236,867	\$ -	\$ -	\$ 236,867

Long-Term Debt-Proprietary Fund Types:

Revenue Bonds Payable:

Terms and Principal Balances											
Description	Original Principal	Origination Date	Maturity Date	Interest Rate	Balance at 9/30/2008	Proceeds from Borrowings	Principal Payments	Balance at 9/30/2009	Principal Payments for Year Ending 9/30/2010	Long-term Balance	
Series 1987-B	500,000	09/01/87	09/01/09	7.10-7.45%	60,000	-	(60,000)	-	-	-	
Series 1999-B	1,975,000	04/09/99	05/01/15	4.69 - 5.69%	1,125,000	-	(135,000)	990,000	(145,000)	845,000	
Series 1999-C	3,035,000	04/09/99	05/01/20	2.4 - 4.05%	2,130,000	-	(140,000)	1,990,000	(145,000)	1,845,000	
Series 2000-A	2,327,000	01/25/00	11/01/29	0%	1,687,000	-	(80,000)	1,607,000	(80,000)	1,527,000	
2003	1,150,000	09/12/03	05/01/24	1.00 - 4.30%	971,000	-	(47,000)	924,000	(48,000)	876,000	
Series 2003-A	322,000	10/01/03	09/01/42	1.0-4.3%	307,000	-	(4,000)	303,000	(4,000)	299,000	
2004	530,000	10/20/04	09/01/24	2.34 - 5.59%	450,000	-	(20,000)	430,000	(20,000)	410,000	
2005	1,151,000	10/12/05	09/01/26	3.24 - 5.74%	1,076,000	-	(39,000)	1,037,000	(41,000)	996,000	
2006	343,000	04/17/06	09/01/26	3.24 - 5.74%	321,000	-	(12,000)	309,000	(12,000)	297,000	
Series 2008	283,000	09/01/08	09/01/25	4.21-5.11%	283,000	-	(8,000)	275,000	(8,000)	267,000	
					8,410,000	-	(545,000)	7,865,000	(503,000)	7,362,000	

There are a number of limitations and restrictions contained in the general obligation bond indenture.

G. DEBT SERVICE REQUIREMENTS

Debt service requirements are as follows:

Year Ended	Govt. Fund Type	Govt. Fund Type	Proprietary Fund	Proprietary Fund Type-Revenue	
	Capital Leases	Notes Payable	Type-Notes Payable	Bonds	Bonds
August 31,	Principal	Principal	Principal	Principal	Interest
2010	66,674	23,069	24,607	503,000	185,991
2011	87,623	20,000	21,229	517,000	182,673
2012	38,724	16,989	24,356	541,000	172,103
2013	39,631	24,752	68,808	566,000	168,302
2014	4,215	-	-	584,000	156,583
2015-2019	-	-	-	2,440,000	685,857
2020-2024	-	-	-	1,710,000	387,441
2025-2029	-	-	-	699,000	164,053
2030-2034	-	-	-	112,000	75,774
2035-2039	-	-	-	109,000	35,525
2040-2044	-	-	-	84,000	4,455
Totals	\$ 236,867	\$ 84,810	\$ 139,000	\$ 7,865,000	\$ 2,218,755

H. SIGNIFICANT BOND RESOLUTION LEGAL REQUIREMENTS AND RESERVES:

1. Revenue Bonds Series 1987-B

Provisions of the bond order Series 1987 Waterworks and Sewer System Revenue Bonds state that all revenues of the system shall be kept separate and apart from all other funds and accounts of the City and that "special reserve" funds shall be created and maintained so long as any bonds or interest thereon are outstanding and unpaid. The bonds are payable from and equally and ratably secured by a lien on and pledge of the net revenues from the City's combined Waterworks and Sanitary Sewer System. An Interest and Sinking Fund should be created, and deposited into this fund shall be amounts in equal monthly installments sufficient to pay the interest and principal scheduled to come due on the bonds on the next interest and principal date. There shall also be deposited into a Reserve Fund an amount equal to the average annual debt service requirement, calculated on a fiscal year basis. These deposits are required to be made monthly. Compliance with Bond Ordinance and Covenants The City has cash reserved into which deposits are made to

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cover the interest and principal scheduled to come due on bonds Series 1987-B on the following payment date. Amounts held in these accounts totaled \$ 1,418 at September 30, 2009. This amount is insufficient to meet the annual debt service obligations of the Revenue Bonds for the fiscal year ending September 30, 2010, which amounts to \$ 64,470. However, the City has schedule monthly periodic payments (transfers) subsequent to fiscal year end in the amount of \$4,885/month to cover debt service requirements as they mature.

2. Combination Tax & Revenue Certificates of Obligation Series 1999-B, 1999-C

Provisions of the Combination Tax and Revenue Bonds Series 1999-B, 1999-C indicate that a special fund entitled "City of Roma Texas Combination Tax and Revenue Certificates of Obligation Debt Service Fund" be created and be established and maintained by the City at its official depository. The Debt Fund shall be kept separate and apart from all other funds and accounts of the City shall be used only for payment of the principal and interest on the Certificates.

All ad-valorem taxes levied and collected for and on account of the Certificates be deposited, as collected, to the credit of the Debt Service Fund. During each year while any of the Certificates or interest thereon are outstanding or unpaid, the City Commission shall compute and ascertain a rate and amount of ad-valorem taxes which will be sufficient to raise and produce the amount required to provide for the payment of the interest on the Certificates as such interest comes due and to provide and maintain a sinking fund adequate to pay the principal of the Certificates as such principal matures (but never less than 2% of the original principal amount of the Certificates in any year); and such tax shall be based on the latest tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collections.

Such rate and amount of ad-valorem taxes are hereby levied, and hereby ordered to be levied, within the limits prescribed by law, against all taxable property in the City for each year while any of the Certificates or interest thereon are outstanding; such tax shall be assessed and collected each such year, and the proceeds of such tax shall be appropriated and applied to the payment of principal of and interest on the Certificates. Provisions also call for the establishment and maintenance of a Repair and Replacement Fund on the books of the City, and accounted for separate and apart from all other funds of the City, a separate fund entitled "City of Roma Waterworks and Sewer System Repair and Replacement Fund" (the "Repair and Replacement Fund").

The Repair and Replacement Fund shall be used for the purpose of paying the costs of improvements, enlargements, extensions, additions, replacements, or other capital expenditures related to the System, or for paying the costs of unexpected or extraordinary repairs or replacements of the System for which System funds are not available, or for paying unexpected or extraordinary expenses of operation and maintenance of the System for which System funds are not otherwise available, or for any other lawful purpose with the terms of the provision subject to the approval of the Development Fund Manager of the Texas Water Development Board. Since issuance of the Certificates, the City has made all payments of maturing principal and interest, and has materially complied with above-noted provisions.

3. Combination Tax & Revenue (No-interest) Certificates of Obligation Series 2000A

All ad valorem taxes levied and collected for and on account of the certificates, and the Parity Obligations (1999B and 1999C Certificates) be deposited, as collected, to the credit of the Debt Service Fund. During each year while any of the Certificates, or the Parity Obligations or interest thereon are Outstanding or unpaid, the City Commission, after due consideration of the balances then currently on deposit in the Debt Service Fund and amounts from Surplus Net Revenues and other legally available funds budgeted for deposit to the Debt Service Fund, shall compute and ascertain a rate and amount of ad valorem taxes which will be sufficient to raise and produce the amount required to provide and maintain a sinking fund adequate to pay the principal of the Certificates, and the Parity Obligations, as such principal matures (but never less than 2% of the original principal amount thereof in any year); and such tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. A rate and amount of ad valorem taxes are hereby levied, and are hereby ordered to be levied, within the limits prescribed by law, against all taxable property in the City of each year while the principal of the Certificates

are Outstanding; such tax shall be assessed and collected each such year, and the proceeds of such tax shall be appropriated and applied to the payment of principal on the Certificates.

While the principal of any of the Certificates or principal or interest on the Parity Obligations are outstanding or unpaid, the City also pledges its Surplus Net Revenues of the system to the payment of the certificates and the Parity Obligations. Such pledge shall be subordinate and inferior in all respects to the pledge of any or all of the Net Revenues of the System which are pledged to the payment of any obligation of the City, whether authorized heretofore or hereafter and which the city designates as having a pledge senior to the pledge to the Certificates and the Parity Obligations, and the City reserves the right to issues, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligations and other obligations of any kind payable in whole or in part from any or all of the Net Revenues secured by a pledge of any or all of the Net Revenues that may be prior and superior in right to or on a parity with the Certificates and the Parity Obligations. The City shall transfer and deposit of the debt service Fund each month 1/12th of the annual debt service of the Certificates, and the Parity Obligations until the amount on deposit in the Debt Service Fund equals the amount required for annual debt service on the Certificates and the Parity Obligations. The City shall not transfer any funds from the Revenue Fund to any other fund until such time as an amount equal to the annual debt service on the Certificates and the Parity Obligations for that fiscal year has been deposited to the Debt Service Fund.

For each year the Certificate or the Parity Obligations are outstanding, and prior to the time that taxes are levied for such year, the City shall adopt, establish, and maintain an annual budget that provides for the monthly deposit of sufficient ad valorem tax revenue, Surplus Net Revenues, or other legally available funds, including gifts and government grants, into the Debt Service Fund for the repayment of the Certificates and the Parity Obligations.

If sufficient funds have been deposited or budgeted to be deposited in the Debt Service Fund at the time that taxes are levied for such year, to cover the debt service requirements of the Certificates, and the Parity Obligations for the ensuing fiscal year, then the amount of taxes which otherwise would have been required to be levied to cover this debt service for the fiscal year, may be reduced to the extent and by the amount then on deposit or budgeted to be deposited in the Debt Service Fund during the fiscal year. Since issuance of the Certificates, the City has made all payments of maturing principal and interest, and has materially complied with above-noted provisions.

Provisions also call for the establishment and maintenance of a Repair and Replacement Fund on the books of the City, and accounted for separate and apart from all other funds of the City, a separate fund entitle "City of Roma Waterworks and Sewer System Repair and Replacement Fund" (the "Repair and Replacement Fund"). The Repair and Replacement Fund shall be used for the purpose of paying the costs of improvements, enlargements, extensions, additions, replacements, or other capital expenditures related to the System, or for paying the costs of unexpected or extraordinary repairs or replacements of the System for which System funds are not available, or for paying unexpected or extraordinary expenses of operation and maintenance of the System for which System funds are not otherwise available, or for any other lawful purpose with the terms of the provision subject to the approval of the Development Fund Manager of the Texas Water Development Board. Since issuance of the Certificates, the City has made all payments of maturing principal and interest, and has materially complied with above-noted provisions.

4. Combination Tax & Limited Pledge Revenue Certificate of Obligations Series 2001

Provisions of the Combination Tax and Limited Pledge Revenue Certificate of Obligations Series 2001 indicate special fund entitled "City of Roma, Texas combination Tax and Limited Pledge Revenue Certificate of Obligations, Series 2001, Debt Service Fund" (the Debt Service Fund") shall be established and maintained by the City at its official depository. The Debt Service Fund shall be kept separate and apart from all other funds and accounts of the City and shall be used only for paying the interest on and principal of the Certificates.

All ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Debt Service Fund. A Special Fund entitled the City of Roma, Texas

Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2001 Emergency and Reserve Fund (the "Emergency and Reserve Fund") shall be established and maintained by the City at its official depository. The Emergency and Reserve Fund shall be kept separate and apart from all other funds and accounts on the City and shall be used only for (i) emergency expenditures, or (ii) debt service payments as follows: The City Commission may draw monies from the Emergency and Reserve Fund to undertake repairs or improvements to the Facilities in the event of an emergency in which the City has insufficient other funds available to undertake the repairs and improvements. During each year while any of the Certificates or interest thereon are Outstanding or unpaid, the City Commission shall compute and ascertain a rate and amount of ad valorem taxes which will be sufficient to raise and produce the amount required to provide for the payment of the interest on the Certificates as such interest comes due and to provide and maintain a sinking fund adequate to pay the principal of the Certificates in principal matures (but never less than 2% of the original principal amount of the Certificates in any year). Such tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. Such rate and amount of ad valorem taxes are hereby levied, and are hereby ordered to be levied, within the limits prescribed by law, against all taxable property in the City for each year while any of the Certificates or interest thereon are Outstanding. Such tax shall be assessed and collected each such year, and the proceeds of such tax shall be appropriated and applied to the payment of principal of and interest on the Certificates. Since issuance of the Certificates, the City has made all payments of maturing principal and interest, and has materially complied with above-noted provisions.

5. Combination Tax & Revenue Certificate of Obligations Series 2003

A Provisions of the Combination Tax and Revenue Certificate of Obligation Series 2003 indicate special fund entitled "City of Roma, Texas Combination Tax and Revenue certificates of Obligation Debt Service Fund" (the "Debt Service Fund") has been created in connection with issuance of the City's Series 1999B Certificates and Series 1999C Certificates and has been maintained by the City at its official depository. The Debt Service Fund shall be continued and maintained separate and apart from all other funds and accounts of the city, and shall be used solely to pay debt service of the Series 2000A Article, the Series 1999B Certificates, the Series 1999C Certificates and the Certificates (hereinafter the "Parity Obligations"). The City certifies that currently it will have on hand available funds of the City sufficient to make the debt service payments due November 1, 2009.

All ad valorem taxes levies and collected for and on account of the Certificates and the Parity Obligations be deposited, as collected, to the credit of the Debt Service Fund. During each year while any of the Certificates, or the Parity Obligations or interest thereon are Outstanding or unpaid, the City Commission, after due consideration of the balances then currently on deposit in the Debt Service Fund and amounts from Surplus Net Revenues and other legally available funds budgeted for deposit to the Debt Service Fund, shall compute and ascertain a rate and amount of ad valorem taxes which will be sufficient to raise and produce the amount required to provide and maintain a sinking fund adequate to pay the principal of the Certificates, and the Parity Obligations, as such principal matures (but never less than 2% of the original principal amount thereof in any year); and such tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. A rate and amount of ad valorem taxes are hereby levied, and are hereby ordered to be levied, within the limits prescribed by law, against all taxable property in the City of each year while the principal of the Certificates are Outstanding; such tax shall be assessed and collected each such year, and the proceeds of such tax shall be appropriated and applied to the payment of principal on the Certificates.

While the principal of any of the Certificates or principal or interest on the Parity Obligations are outstanding or unpaid, the City also pledges its Surplus Net Revenues of the system to the payment of the certificates and the Parity Obligations. Such pledge shall be subordinate and inferior in all respects to the pledge of any or all of the Net Revenues of the System which are pledged to the payment of any obligation of the City, whether authorized heretofore or hereafter and which the city designates as having a pledge senior to the pledge to the Certificates and the Parity Obligations, and the City reserves the right to issues, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligations and other obligations of any kind payable in whole or in part from any or all of the Net Revenues secured by a pledge of

any or all of the Net Revenues that may be prior and superior in right to or on a parity with the Certificates and the Parity Obligations. The City shall transfer and deposit of the debt service Fund each month 1/12th of the annual debt service of the Certificates, and the Parity Obligations until the amount on deposit in the Debt Service Fund equals the amount required for annual debt service on the Certificates and the Parity Obligations. The City shall not transfer any funds from the Revenue Fund to any other fund until such time as an amount equal to the annual debt service on the Certificates and the Parity Obligations for that fiscal year has been deposited to the Debt Service Fund.

For each year the Certificate or the Parity Obligations are outstanding, and prior to the time that taxes are levied for such year, the City shall adopt, establish, and maintain an annual budget that provides for the monthly deposit of sufficient ad valorem tax revenue, Surplus Net Revenues, or other legally available funds, including gifts and government grants, into the Debt Service Fund for the repayment of the Certificates and the Parity Obligations.

If sufficient funds have been deposited or budgeted to be deposited in the Debt Service Fund at the time that taxes are levied for such year, to cover the debt service requirements of the Certificates, and the Parity Obligations for the ensuing fiscal year, then the amount of taxes which otherwise would have been required to be levied to cover this debt service for the fiscal year, may be reduced to the extent and by the amount then on deposit or budgeted to be deposited in the Debt Service Fund during the fiscal year. Since issuance of the Certificates, the City has made all payments of maturing principal and interest, and has materially complied with above-noted provisions.

6. Combination Tax & Revenue Certificate of Obligations Series 2003

Provisions of the Combination Tax and Revenue Certificate of Obligation Series 2003 indicate a special fund entitled "City of Roma, Texas Combination Tax and Revenue Certificate of Obligation, Series 2003, Debt Service Fund" (the "Debt Service Fund") shall be established and maintained by the City at its official depository. The Debt Service Fund shall be kept separate and apart from all other funds and accounts of the City and shall be used only for paying the interest on and principal of the Certificate. All ad valorem taxes levied and collected and all System Net Revenues collected for and on account of the Certificate shall be deposited, as collected, to the credit of the Debt Service Fund.

The City Commission shall compute and ascertain the rate and amount of ad valorem tax, based upon the latest approved tax rolls of said city, with full allowances being made for tax delinquencies and costs of collection, which will be sufficient to raise and produce the money required to pay any sums which may be or become due during any such year on account of said "debt", in no instance to be less than two (2%) per cent of such obligation, together with all interest thereon. Said rate and amount of ad valorem tax is hereby ordered to be levied and is hereby levied against all taxable property in said city for each year which any liability exists by reason of the debt incurred, and said ad valorem tax shall be assessed and collected each such year until all of the debt incurred shall have been discharged. Since issuance of the Certificates, the City has made all payments of maturing principal and interest, and has materially complied with above-noted provisions.

7. Combination Tax & Revenue Certificate of Obligations Series 2003-A

Provisions of the Combination Tax and Revenue Certificate of Obligation Series 2003-A indicate a special fund entitled "City of Roma, Texas Combination Tax and Revenue Certificates of Obligation Debt Service Fund" (the "Debt Service Fund") has been created in connection with issuance of the City's Series 2000A Obligations, Series 1999-B and Series 1999-C Obligations and the Series 2003 Obligations and has been maintained by the City at its official depository. The Debt Service Fund shall be continued and maintained separate and apart from all other funds and accounts of the city, and shall be used solely to pay debt service of the Series 2000A Obligations, the Series 1999-B Obligations, the Series 1999-C Obligations, the series 2003 Obligations and the Certificates (hereinafter the "Parity Obligations").

The City certifies that it will have on hand available funds of the City sufficient to make the debt service payments due September 1, 2009.

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All ad valorem taxes levied and collected for and on account of the Certificates and the Parity Obligations be deposited, as collected, to the credit of the Debt Service Fund. During each year while any of the Certificates, or the Parity Obligations or interest thereon are Outstanding or unpaid, the City Commission, after due consideration of the balances then currently on deposit in the Debt Service Fund and amounts from Surplus Net Revenues and other legally available funds budgeted for deposit to the Debt Service Fund, shall compute and ascertain a rate and amount of ad valorem taxes which will be sufficient to raise and produce the amount required to provide and maintain a sinking fund adequate to pay the principal of the Certificates, and the Parity Obligations, as such principal matures (but never less than 2% of the original principal amount thereof in any year); and such tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. A rate and amount of ad valorem taxes are hereby levied, and are hereby ordered to be levied, within the limits prescribed by law, against all taxable property in the City of each year while the principal of the Certificates are Outstanding; such tax shall be assessed and collected each such year, and the proceeds of such tax shall be appropriated and applied to the payment of principal on the Certificates.

While the principal of any of the Certificates or principal or interest on the Parity Obligations are outstanding or unpaid, the City also pledges its Surplus Net Revenues of the system to the payment of the certificates and the Parity Obligations. Such pledge shall be subordinate and inferior in all respects to the pledge of any or all of the Net Revenues of the System which are pledged to the payment of any obligation of the City, whether authorized heretofore or hereafter and which the city designates as having a pledge senior to the pledge to the Certificates and the Parity Obligations, and the City reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligations and other obligations of any kind payable in whole or in part from any or all of the Net Revenues secured by a pledge of any or all of the Net Revenues that may be prior and superior in right to or on a parity with the Certificates and the Parity Obligations. The City shall transfer and deposit of the debt service Fund each month 1/12th of the annual debt service of the Certificates, and the Parity Obligations until the amount on deposit in the Debt Service Fund equals the amount required for annual debt service on the Certificates and the Parity Obligations. The City shall not transfer any funds from the Revenue Fund to any other fund until such time as an amount equal to the annual debt service on the Certificates and the Parity Obligations for that fiscal year has been deposited to the Debt Service Fund.

For each year the Certificate or the Parity Obligations are outstanding, and prior to the time that taxes are levied for such year, the City shall adopt, establish, and maintain an annual budget that provides for the monthly deposit of sufficient ad valorem tax revenue, Surplus Net Revenues, or other legally available funds, including gifts and government grants, into the Debt Service Fund for the repayment of the Certificates and the Parity Obligations.

If sufficient funds have been deposited or budgeted to be deposited in the Debt Service Fund at the time that taxes are levied for such year, to cover the debt service requirements of the Certificates, and the Parity Obligations for the ensuing fiscal year, then the amount of taxes which otherwise would have been required to be levied to cover this debt service for the fiscal year, may be reduced to the extent and by the amount then on deposit or budgeted to be deposited in the Debt Service Fund during the fiscal year. Since issuance of the Certificates, the City has made all payments of maturing principal and interest, and has materially complied with above-noted provisions.

8. Combination Tax & Revenue Certificate of Obligations Series 2004

Provisions of the Combination Tax and Revenue Certificate of Obligation Series 2004 indicate a special fund entitled "City of Roma, Texas Combination Tax and Revenue Certificates of Obligation Debt Service Fund" (the "Debt Service Fund") has been created in connection with issuance of the City's Series 1999B Certificates and Series 1999C Certificates and has been maintained by the City at its official depository for the payment of the Parity Obligations. The Debt Service Fund shall be continued and maintained separate and apart from all other funds and accounts of the city, and shall be used solely to pay debt service of the Certificate and the Parity Obligations. The City certifies that currently will have on hand available funds of the City sufficient to make the debt service payments due May 1, 2009.

All ad valorem taxes levied and collected for and on account of the Certificates and the Parity Obligations be deposited, as collected, to the credit of the Debt Service Fund. During each year while any of the Certificates, or the Parity Obligations or interest thereon are Outstanding or unpaid, the City Commission, after due consideration of the balances then currently on deposit in the Debt Service Fund and amounts from Surplus Net Revenues and other legally available funds budgeted for deposit to the Debt Service Fund, shall compute and ascertain a rate and amount of ad valorem taxes which will be sufficient to raise and produce the amount required to provide and maintain a sinking fund adequate to pay the principal of the Certificates, and the Parity Obligations, as such principal matures (but never less than 2% of the original principal amount thereof in any year); and such tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. A rate and amount of ad valorem taxes are hereby levied, and are hereby ordered to be levied, within the limits prescribed by law, against all taxable property in the City of each year while the principal of the Certificates are Outstanding; such tax shall be assessed and collected each such year, and the proceeds of such tax shall be appropriated and applied to the payment of principal on the Certificates.

While the principal of any of the Certificates or principal or interest on the Parity Obligations are outstanding or unpaid, the City also pledges its Surplus Net Revenues of the system to the payment of the certificates and the Parity Obligations. Such pledge shall be subordinate and inferior in all respects to the pledge of any or all of the Net Revenues of the System which are pledged to the payment of any obligation of the City, whether authorized heretofore or hereafter and which the city designates as having a pledge senior to the pledge to the Certificates and the Parity Obligations, and the City reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligations and other obligations of any kind payable in whole or in part from any or all of the Net Revenues secured by a pledge of any or all of the Net Revenues that may be prior and superior in right to or on a parity with the Certificates and the Parity Obligations. The City shall transfer and deposit of the debt service Fund each month 1/12th of the annual debt service of the Certificates, and the Parity Obligations until the amount on deposit in the Debt Service Fund equals the amount required for annual debt service on the Certificates and the Parity Obligations. The City shall not transfer any funds from the Revenue Fund to any other fund until such time as an amount equal to the annual debt service on the Certificates and the Parity Obligations for that fiscal year has been deposited to the Debt Service Fund.

For each year the Certificate or the Parity Obligations are outstanding, and prior to the time that taxes are levied for such year, the City shall adopt, establish, and maintain an annual budget that provides for the monthly deposit of sufficient ad valorem tax revenue, Surplus Net Revenues, or other legally available funds, including gifts and government grants, into the Debt Service Fund for the repayment of the Certificates and the Parity Obligations.

If sufficient funds have been deposited or budgeted to be deposited in the Debt Service Fund at the time that taxes are levied for such year, to cover the debt service requirements of the Certificates, and the Parity Obligations for the ensuing fiscal year, then the amount of taxes which otherwise would have been required to be levied to cover this debt service for the fiscal year, may be reduced to the extent and by the amount then on deposit or budgeted to be deposited in the Debt Service Fund during the fiscal year. Since issuance of the Certificates, the City has made all payments of maturing principal and interest, and has materially complied with above-noted provisions.

9. Combination Tax & Revenue Certificate of Obligations Series 2005

Provisions of the Combination Tax and Revenue Certificate of Obligation Series 2005 indicate a special fund entitled "City of Roma, Texas Combination Tax and Revenue Certificates of Obligation Debt Service Fund" (the "Debt Service Fund") has been created in connection with issuance of the City's Series 1999B Certificates and Series 1999C Certificates and has been maintained by the City at its official depository for the payment of the Parity Obligations for the deposit of Net Revenues. The Debt Service Fund shall be continued and maintained separate and apart from all other funds and accounts of the city, and shall be used

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solely to pay debt service of the Certificate and the Parity Obligations. The City certifies that currently will have on hand available funds of the City sufficient to make the debt service payments due March 1, 2009.

All ad valorem taxes levied and collected for and on account of the Certificates and the Parity Obligations be deposited, as collected, to the credit of the Debt Service Fund. During each year while any of the Certificates, or the Parity Obligations or interest thereon are Outstanding or unpaid, the City Commission, after due consideration of the balances then currently on deposit in the Debt Service Fund and amounts from Surplus Net Revenues and other legally available funds budgeted for deposit to the Debt Service Fund, shall compute and ascertain a rate and amount of ad valorem taxes which will be sufficient to raise and produce the amount required to provide and maintain a sinking fund adequate to pay the principal of the Certificates, and the Parity Obligations, as such principal matures (but never less than 2% of the original principal amount thereof in any year); and such tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. A rate and amount of ad valorem taxes are hereby levied, and are hereby ordered to be levied, within the limits prescribed by law, against all taxable property in the City of each year while the principal of the Certificates are Outstanding; such tax shall be assessed and collected each such year, and the proceeds of such tax shall be appropriated and applied to the payment of principal on the Certificates.

While the principal of any of the Certificates or principal or interest on the Parity Obligations are outstanding or unpaid, the City also pledges its Surplus Net Revenues of the system to the payment of the certificates and the Parity Obligations. Such pledge shall be subordinate and inferior in all respects to the pledge of any or all of the Net Revenues of the System which are pledged to the payment of any obligation of the City, whether authorized heretofore or hereafter and which the city designates as having a pledge senior to the pledge to the Certificates and the Parity Obligations, and the City reserves the right to issues, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligations and other obligations of any kind payable in whole or in part from any or all of the Net Revenues secured by a pledge of any or all of the Net Revenues that may be prior and superior in right to or on a parity with the Certificates and the Parity Obligations. The City shall transfer and deposit of the debt service Fund each month 1/12th of the annual debt service of the Certificates, and the Parity Obligations until the amount on deposit in the Debt Service Fund equals the amount required for annual debt service on the Certificates and the Parity Obligations. The City shall not transfer any funds from the Revenue Fund to any other fund until such time as an amount equal to the annual debt service on the Certificates and the Parity Obligations for that fiscal year has been deposited to the Debt Service Fund.

For each year the Certificate or the Parity Obligations are outstanding, and prior to the time that taxes are levied for such year, the City shall adopt, establish, and maintain an annual budget that provides for the monthly deposit of sufficient ad valorem tax revenue, Surplus Net Revenues, or other legally available funds, including gifts and government grants, into the Debt Service Fund for the repayment of the Certificates and the Parity Obligations.

If sufficient funds have been deposited or budgeted to be deposited in the Debt Service Fund at the time that taxes are levied for such year, to cover the debt service requirements of the Certificates, and the Parity Obligations for the ensuing fiscal year, then the amount of taxes which otherwise would have been required to be levied to cover this debt service for the fiscal year, may be reduced to the extent and by the amount then on deposit or budgeted to be deposited in the Debt Service Fund during the fiscal year. Since issuance of the Certificates, the City has made all payments of maturing principal and interest, and has materially complied with above-noted provisions.

10. Combination Tax & Revenue Certificate of Obligations Series 2008

Provisions of the Combination Tax and Revenue Certificate of Obligation Series 2008 a special fund entitled "City of Roma, Texas Combination Tax and Revenue Certificates of Obligation, Series 2008 Debt Service Fund" (the "Debt Service Fund") is created and shall be established and maintained by the City at its official depository. The Debt Service Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used solely to pay debt service of the Certificate.

The City certifies that funds of the City are available sufficient to make the debt service payment due February 1, 2010.

All ad valorem taxes levied and collected for and on account of the Certificates and the Parity Obligations be deposited, as collected, to the credit of the Debt Service Fund. During each year while any of the Certificates, or the Parity Obligations or interest thereon are Outstanding or unpaid, the City Commission, after due consideration of the balances then currently on deposit in the Debt Service Fund and amounts from Surplus Net Revenues and other legally available funds budgeted for deposit to the Debt Service Fund, shall compute and ascertain a rate and amount of ad valorem taxes which will be sufficient to raise and produce the amount required to provide and maintain a sinking fund adequate to pay the principal of the Certificates, and the Parity Obligations, as such principal matures (but never less than 2% of the original principal amount thereof in any year); and such tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. A rate and amount of ad valorem taxes are hereby levied, and are hereby ordered to be levied, within the limits prescribed by law, against all taxable property in the City of each year while the principal of the Certificates are Outstanding; such tax shall be assessed and collected each such year, and the proceeds of such tax shall be appropriated and applied to the payment of principal on the Certificates.

While the principal of any of the Certificates or principal or interest on the Parity Obligations are outstanding or unpaid, the City also pledges its Surplus Net Revenues of the system to the payment of the certificates and the Parity Obligations. Such pledge shall be subordinate and inferior in all respects to the pledge of any or all of the Net Revenues of the System which are pledged to the payment of any obligation of the City, whether authorized heretofore or hereafter and which the city designates as having a pledge senior to the pledge to the Certificates and the Parity Obligations, and the City reserves the right to issues, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligations and other obligations of any kind payable in whole or in part from any or all of the Net Revenues secured by a pledge of any or all of the Net Revenues that may be prior and superior in right to or on a parity with the Certificates and the Parity Obligations. The City shall transfer and deposit of the debt service Fund each month 1/12th of the annual debt service of the Certificates, and the Parity Obligations until the amount on deposit in the Debt Service Fund equals the amount required for annual debt service on the Certificates and the Parity Obligations. The City shall not transfer any funds from the Revenue Fund to any other fund until such time as an amount equal to the annual debt service on the Certificates and the Parity Obligations for that fiscal year has been deposited to the Debt Service Fund.

For each year the Certificate or the Parity Obligations are outstanding, and prior to the time that taxes are levied for such year, the City shall adopt, establish, and maintain an annual budget that provides for the monthly deposit of sufficient ad valorem tax revenue, Surplus Net Revenues, or other legally available funds, including gifts and government grants, into the Debt Service Fund for the repayment of the Certificates and the Parity Obligations.

If sufficient funds have been deposited or budgeted to be deposited in the Debt Service Fund at the time that taxes are levied for such year, to cover the debt service requirements of the Certificates, and the Parity Obligations for the ensuing fiscal year, then the amount of taxes which otherwise would have been required to be levied to cover this debt service for the fiscal year, may be reduced to the extent and by the amount then on deposit or budgeted to be deposited in the Debt Service Fund during the fiscal year. Since issuance of the Certificates, the City has made all payments of maturing principal and interest, and has materially complied with above-noted provisions.

DEFINED BENEFIT PENSION PLAN

Plan Description

The city provides pension benefits for all of its full-time employees, except for firefighters in the Rome Fire Department, through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide

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Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system.

Benefits depend upon the sum of the employee's contributions to the plan, with interest and the City financed Monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his/her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer financed monetary credits with interest were used to purchase an annuity. Members can retire at age 60 and above with 5 years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Contributions

The contribution rate for the employees is 5%, and the City matching ratio is currently 1.5 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level of percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (over funded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance to budget for it, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect.

The City is one of 821 municipalities having the benefit plan administered by TMRS. Each of the 821 municipalities has an annual, actuarial valuation performed. All assumptions for the December 31, 2005 valuations are contained in the 2005 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas, 78714-9153.

The City of Roma	
Schedule of Actuarial Liabilities and Funding Progress	
Actuarial Valuation Date December 31, 2008	
Actuarial Value of Assets	\$ 4,324,170
Actuarial Accrued Liability	\$ 6,383,969
Percentage Funded	67.7%
Unfunded (over-funded) Actuarial Accrued Liability (UAAL)	\$ 2,059,799
Annual covered payroll	\$ 3,047,914
UAAL as Percentage of Covered Payroll	67.6%
Net Pension Obligation as of beginning of Period	\$ -
Annual Pension Cost:	\$ 156,244
Annual Required Contribution (ARC)	-
Less: Contributions Made	170,788.00
NPO at the end of the period	\$ -