



**Iola Independent School District
Financial Management Report
For 2016-2017 Fiscal Year**

**Distributed at Public Hearing
October 29, 2018**

RATING YEAR DISTRICT NUMBER



Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON SCHOOL YEAR 2016-2017 DATA - DISTRICT STATUS DETAIL

Name: IOLA ISD (093903)	Publication Level 1: 8/6/2018 2:48:24 PM
Status: Passed	Publication Level 2: 8/8/2018 12:11:29 PM
Rating: C = Meets Standard	Last Updated: 8/8/2018 12:11:29 PM
District Score: 72	Passing Score: 60

#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	4/20/2018 8:45:49 AM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	<u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u>	4/20/2018 8:45:49 AM	Yes
2.B	<u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)</u>	4/20/2018 8:45:49 AM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	4/20/2018 8:45:49 AM	Yes
4	<u>Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?</u>	4/20/2018 8:45:50 AM	Yes
5	<u>Was the total unrestricted net position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Position greater than zero? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)</u>	4/20/2018 8:45:50 AM	Yes
			1

			Multiplier Sum
6	<u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (See ranges below.)</u>	4/20/2018 8:45:50 AM	0
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	4/20/2018 8:45:50 AM	6
8	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.) (See ranges below.)</u>	4/20/2018 8:45:50 AM	6
9	<u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?</u>	4/20/2018 8:45:51 AM	0
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	7/11/2018 1:55:25 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	4/20/2018 8:45:51 AM	10
12	<u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)</u>	6/19/2018 11:12:05 AM	10
13	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?</u>	4/20/2018 8:45:52 AM	10
14	<u>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</u>	4/20/2018 8:45:52 AM	10
15	<u>Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (ESP) funds as a result of a financial hardship?</u>	4/20/2018 8:45:52 AM	10
			72 Weighted Sum
			1 Multiplier Sum
			72 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, 5, or 2.A? If so, the school district's rating is F for Substandard Achievement regardless of points earned.		
B.	Determine the rating by the applicable number of points. (Indicators 6-15)		
	<table border="1"> <tr> <td>A = Superior</td> <td>90-100</td> </tr> </table>	A = Superior	90-100
A = Superior	90-100		

B = Above Standard	80-89
C = Meets Standard	60-79
F = Substandard Achievement	<60

No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.

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THE **TEXAS EDUCATION AGENCY**

1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734

FIRST 5.4.1.0



Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA INDICATOR TEST 6

Name:	IOLA ISD (093903)
Indicator:	Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (See ranges below.)
Result/Points	0
Last Updated:	4/20/2018 8:45:50 AM

FORMULA

Field	Value
(
(
Cash and Equivalents	18,563
+ Current Investments	211,730
)	
/	
(
Total Expenditures	4,960,512
- Facilities Acquisition and Construction	78,217
)	
)	
* 365	
Mathematical Breakdown: 17.2167	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
>=90	<90 >=75	<74 >=60	<60 >=45	<45 >=30	<30

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Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA INDICATOR TEST 7

Name:	IOLA ISD (093903)
Indicator:	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)
Result/Points	6
Last Updated:	4/20/2018 8:45:50 AM

FORMULA

Field	Value
Current Assets	1,357,155
/ Current Liabilities	629,726
Mathematical Breakdown: 2.1552	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
>=3.00	<3.00 >=2.50	<2.50 >=2.00	<2.00 >=1.50	<1.50 >=1.00	<1.00

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Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA INDICATOR TEST 8

Name:	IOLA ISD (093903)
Indicator:	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.) (See ranges below.)
Result/Points	6
Last Updated:	4/20/2018 8:45:50 AM

FORMULA

Field	Value
(
Long Term Liabilities	10,421,892
/	
Total Assets	13,657,032
<= 1	
)	
Or	
(
(
2017 Total Students	463
- 2013 Total Students	466
)	
/	
2013 Total Students	466
>= Threshold for Five-Year Percent Change in Students	0.07
)	
Mathematical Breakdown: 0.7631 <= 1 Or -0.0064 >= 0.07	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
<=0.60	>0.60 <=0.70	>0.70 <=0.80	>0.80 <=0.90	>0.90 <=1.00	>1.00

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DISTRICT NUMBER

district #

Select An Option

Help

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Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA INDICATOR TEST 9

Name:	IOLA ISD (093903)
Indicator:	Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?
Result/Points	0
Last Updated:	4/20/2018 8:45:51 AM

FORMULA

Field	Value
(
Total Revenue	4,229,726
/	
(
Total Expenditures	4,960,512
- Facilities Acquisition and Construction	78,217
)	
- 1	
)	
>= 0	
Or	
(
(
Cash and Equivalents	18,563
+ Current Investments	211,730
)	
/	
(
Total Expenditures	4,960,512
- Facilities Acquisition and Construction	78,217
)	
)	
* 365	
>= Acceptable Days Cash on Hand	60

Mathematical Breakdown: -0.1337 >= 0 Or 17.2167 >= 60

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0

>=0%

<0%

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DISCLOSURES

1. Superintendent's Employment Contract

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the School FIRST hearing in calendar year 2018. In lieu of publication in the School FIRST financial management report, the school district may choose to publish the superintendent's employment contract on the school district's Internet site. **If published on the Internet**, the contract is to remain accessible for twelve months.

Superintendent Term Contract

This Contract is entered into between the Board of Trustees (the "Board") of IOLA INDEPENDENT SCHOOL DISTRICT (the "District") and SCOTT MARTINDALE (the "Superintendent").

The Board and the Superintendent, for and in consideration for the terms stated in this Contract, hereby agree as follows:

1. **Term.** The Board agrees to employ the Superintendent on a twelve-month basis per school year, beginning July 3, 2018 and ending July 3, 2021. The Board and the Superintendent (the "Parties") may extend the term of this Contract by agreement.
2. **Certification.** The Superintendent agrees to maintain the required certification throughout the term of employment with the District. If the Superintendent's certification expires, is canceled, or is revoked, this Contract is void.
3. **Representations.** The Superintendent makes the following representations:
 - 3.1 **Beginning of Contract:** The Superintendent represents that he/she has disclosed to the Board, in writing, any arrest and any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent. The Superintendent understands that a criminal history record acceptable to the Board, at its sole discretion, is a condition precedent to this Contract.
 - 3.2 **During Contract:** The Superintendent also agrees that, during the term of this Contract, the Superintendent will notify the Board, in writing, of any arrest or of any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent. The Superintendent agrees to provide such notification in writing within seven calendar days of the event or any shorter period specified in Board policy.
 - 3.3 **False Statements and Misrepresentations:** The Superintendent represents that any records or information provided in connection with his or her employment application are true and correct. Any false statements, misrepresentations, omissions of requested information, or fraud by the Superintendent in or concerning any required records or in the employment application may be grounds for termination or nonrenewal, as applicable.
4. **Duties.** The Superintendent shall be the educational leader and chief executive officer of the District. The Superintendent agrees to perform his or her duties as follows:
 - 4.1 **Authority:** The Superintendent shall perform such duties and have such powers as may be prescribed by the law and the Board. The Board shall have the right to assign additional duties to the Superintendent and to make changes in responsibilities or work at any time during the contract term. All duties assigned by the Board shall be

appropriate to and consistent with the professional role and responsibility of the Superintendent.

- 4.2 **Standard:** Except as otherwise permitted by this Contract, the Superintendent agrees to devote his or her full time and energy to the performance of his or her duties. The Superintendent shall perform his or her duties with reasonable care, skill, and diligence. The Superintendent shall comply with all Board directives, state and federal laws and rules, Board policy, and regulations as they exist or may hereafter be amended.
5. **Compensation.** The District shall pay the Superintendent an annual salary as follows:
- 5.1 **Salary:** Compensation to be determined annually at the June board meeting
- One Hundred Seven Thousand Dollars (\$ 107,000) per year
- 5.2 **Benefits:** The District shall provide benefits to the Superintendent as provided by state law and Board policies. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase these benefits, at the Board's sole discretion.
- 5.3 **Benefits:** The District will provide the following:
- a. superintendent will receive same benefits available to other district employees
 - b. School District Housing including all utilities paid
 - c. laptop or tablet
 - d. state mileage paid for out of district mileage or may use district vehicle for out of district travel
 - e. dues paid for two professional organizations
6. **Suspension.** In accordance with Texas Education Code chapter 21, the Board may suspend the Superintendent without pay during the term of this Contract for good cause as determined by the Board.
7. **Termination and Nonrenewal of Contract.** Termination or nonrenewal of this contract, or resignation under this contract, will be pursuant to Texas Education Code chapter 21.
8. **General provisions.**
- 8.1 **Amendment:** This Contract may not be amended except by written agreement of the Parties.
- 8.2 **Severability:** If any provision in this Contract is, for any reason, held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of the Contract. This Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been a part of the Contract.
- 8.3 **Entire Agreement:** All existing agreements and contracts, both verbal and written,

between the Parties regarding the employment of the Superintendent are superseded by this Contract. This Contract constitutes the entire agreement between the Parties.

- 8.4 **Applicable Law and Venue:** Texas law shall govern construction of this Contract. The Parties agree that venue for any litigation relating to the Superintendent's employment with the District, including this Contract, shall be the county in which the District's administration building is located. If litigation is brought in federal court, the Parties agree that venue shall be the federal district and division in which the district's administration building is located.
- 8.5 **Paragraph Headings:** The headings used at the beginning of each numbered paragraph in this Contract are not intended to have any legal effect; the headings do not limit or expand the meaning of the paragraphs that follow them.
- 8.6 **Legal Representation:** Both Parties have been represented by legal counsel of their choice, or have had the opportunity to consult with legal counsel, in the negotiation and execution of this Contract.

9. **Notices.**

- 9.1 **To Superintendent:** The Superintendent agrees to keep a current address on file with the District's human resources office and the Board President. The Superintendent agrees that the Board may meet any legal obligation it has to give the Superintendent written notice regarding this Contract or the Superintendent's employment by hand-delivery, or by certified mail, regular mail, and/or express delivery service to the Superintendent's address of record.
- 9.2 **To Board:** The Board agrees that the Superintendent may meet any legal obligation to give the Board written notice regarding this Contract or the Superintendent's employment by providing one copy of the notice to the President of the Board and one copy to the Vice President of the Board. The Superintendent may provide such notices by hand delivery, or by certified mail, regular mail, and/or express delivery service, to the Board President and Vice President's addresses of record, as provided to the District.

I have read this Contract and agree to abide by its terms and conditions:

Superintendent: **Scott Martindale**

Date signed: Scott Martindale


By: _____
President, Board of Trustees

By: _____
President, Board of Trustees

Date signed: 7-3-18



DISCLOSURES

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2017

For the Twelve-month Period Ended June 30, or August 31, 2017	Chad Jones					
Description of Reimbursements	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member
Meals	\$	Jason Gooch	Mike McDougald	Tammy Harvey	James Ray Trant	Christie Leman
Lodging		\$	\$	\$	\$	\$
Transportation						
Motor Fuel						
Other						
Total	\$ 2,981.66	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
						Board Member Carolyn Mallett \$
						Board Member Scot Nevill \$
						Board Member \$

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2017, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

Meals – Meals consumed off of the school district’s premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

Lodging - Hotel charges.

Transportation - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.

Motor fuel – Gasoline.

Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.



DISCLOSURES

3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2017

For the Twelve-Month Period Ended June 30, or August 31, 2017	
Name(s) of Entity(ies)	\$0.00
Total	\$0.00

Note – Compensation does not include business revenues from the superintendent's livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.



DISCLOSURES

4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2017

For the Twelve-Month Period Ended June 30, or August 31, 2017	Chad Jones	Superintendent														
			Jason Gooch	Board Member	Mike McDougald	Board Member	Tammy Harvey	Board Member	James Ray Trant	Board Member	Christie Leman	Board Member	Scot Nevill	Board Member	Carolyn Mallett	Board Member
Summary Amounts	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. Gifts received by first degree relatives, if any, will be reported under the applicable school official.



DISCLOSURES

5. Business Transactions Between School District and Board Members for Fiscal Year 2017

For the Twelve-Month Period Ended June 30, or August 31, 2017	Jason Gooch	Mike McDougald	Tammy Harvey	James Ray Trant	Christie Leman	Scot Nevill	Carolyn Mallett
	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
Summary Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Note - The summary amounts reported under this disclosure are not to duplicate the items reported in the summary schedule of reimbursements received by board members.



DISCLOSURES

6. Any other information the board of trustees of the school district or open-enrollment charter school determines to be useful.