



School Finance Report Card

Rating: Superior

B

As rated by
Financial Integrity Rating System of Texas
A division of the Texas Education Agency
Issue Date: Fall 2018 (for the 2016-2017 School Year)

Score 86
Above Standard 80-89

Dr. Mark Porterie, Superintendent
Ms. Phyllis Geans, CPA, Assistant Superintendent for Business and Finance

Board of Trustees:
Ms. Debra Amboise, President
Ms. Dianne Brown, Vice President
Mr. Brandon Bartie, Secretary
Mr. Kenneth W. Lofton, Sr., Trustee
Mr. Robert Reid, Trustee
Mr. Donald Frank, Sr., Trustee
Ms. Lloyd Marie Johnson, Trustee

Port Arthur Independent School Board of Trustees



Left to right:
Mr. Robert Reid
Mr. Kenneth Lofton, Sr.
Ms. Lloyd Marie Johnson
Ms. Debra Ambroise
Dr. Mark Porterie
Ms. Dianne Brown
Rev. Dr. Donald R. Frank, Sr.

MEMO from the Office of the Superintendent

TO: Stakeholders

DATE: October 25, 2018

SUBJECT: Financial Report Card

The financial report card is provided to you in an effort to keep you abreast of the financial health of your school district. An Above Average rating was awarded to Port Arthur ISD by the Texas Education Agency’s F.I.R.S.T (Financial Integrity Rating System of Texas). The district is proud to receive a score of 86 out of 100 possible points.

I hope this report card gives you added comfort in knowing that PAISD tax dollars are being managed cost-efficiently and effectively to provide the highest quality education possible to the children of the district.

PAISD Facts for 2018-2019

- PAISD has 8,336 students
- There are 1,280 employees at PAISD
- The total 2016-2017 budget is \$113,512,079
- The total PAISD appraised value is \$8,939,384,768
- The total PAISD taxable value is \$6,100,801,914

PAISD

Port Arthur Independent School District is an Equal Opportunity Employer in full compliance with the Title VI, Civil Rights Act, 1964; Title IX, Education Amendment, 1972; Section 504, Rehabilitation Act, 1973. It is the policy of the Port Arthur Independent School District not to discriminate based on race, color, age, gender, handicap, religion, or national origin in educational or vocational programs, activities or employment. For further information, please contact Mark Porterie, Ed.D. at (409) 989-6238.

Other Disclosures
September 2016 - August 2017

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

For the Twelve-Month Period
Ended August 31, 2016

Name(s) of Entity(ies)	Amount Received
	\$0
Total	\$0

Note – Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any) (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)

For the Twelve-Month Period
Ended August 31, 2016

Description of Reimb. - Supt.	Mark Porterie
Total	\$0

Description of Reimb. - Board	Debra Ambroise	Brandon Bartie	Dianne Brown	Donald Frank Sr.	Joseph Guillory	Kenneth Lofton	Thomas Kinlaw	Robert Reed	Tracy Thomas
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials.

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended August 31, 2016

Description of Reimb. - Board	Debra Ambroise	Brandon Bartie	Dianne Brown	Donald Frank Sr.	Joseph Guillory	Kenneth Lofton	Thomas Kinlaw	Robert Reed	Tracy Thomas
Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

No.	Indicator Description	2015-2016 Result	2016-2017 Result	SCORE	COMPARISON
1	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?	Yes - The Annual Financial Report was filed with TEA's audit area on January 28. PAISD's deadline was 2/28.	Yes - The Annual Financial Report was filed with TEA's audit area on January 28. PAISD's deadline was 2/28.	Yes	No change.
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	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.)	Yes - PAISD received an Unqualified Opinion.	Yes - PAISD received an Unqualified Opinion.	Yes	No change.
2.B	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 weaknesses.)	Yes - PAISD was free of any instance(s) of material weaknesses in internal controls.	Yes - PAISD was free of any instance(s) of material weaknesses in internal controls.	Yes	No change.
3	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.)	Yes- The District was able to make all bond payments.	Yes- The District was able to make all bond payments.	Yes	No change.
4	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?	Yes - PAISD made timely payments to Government Agencies	Yes - PAISD made timely payments to Government Agencies	Yes	No change.
5	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 10 percent or more, then the school district passes this indicator.)	Yes - PAISD Net Asset Balance was \$22,136,141; Target >\$0.	Yes - PAISD Net Asset Balance was \$16,892,289; Target >\$0.	Yes	Decrease in Net Asset Balance of \$5,243,852.

Reimbursments Received by the Superintendent and Board Members
September 2016 - August 2017

Description of Reimb. - Supt.	Mark Porterie
Meals	\$232
Lodging	\$3,380
Transportation	\$1,091
Motor Fuel	\$128
Other	\$2,727
Total	\$7,559

Description of Reimb. - Board	Debra Ambroise	Brandon Bartie	Dianne Brown	Donald Frank Sr.	Joseph Guillory	Kenneth Lofton	Thomas Kinlaw	Robert Reed	Tracy Thomas
Meals	\$729	\$240	\$121	\$361	\$240	\$120	\$516	\$241	\$0
Lodging	\$4,252	\$1,989	\$676	\$2,600	\$2,020	\$1,053	\$3,543	\$1,918	\$0
Transportation	\$1,677	\$739	\$111	\$924	\$924	\$98	\$1,213	\$215	\$0
Motor Fuel	\$23	\$11	\$23	\$23	\$0	\$0	\$0	\$0	\$0
Other	\$3,612	\$2,254	\$2,959	\$2,959	\$2,959	\$1,651	\$2,348	\$1,326	\$778
Total	\$10,293	\$5,233	\$3,889	\$6,866	\$6,143	\$2,922	\$7,620	\$3,700	\$778

All “reimbursements” expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. Items to be reported per category include:

Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).

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.

No.	Indicator Description	2015-2016 Result	2016-2017 Result	SCORE	COMPARISON
6	Was the number of days of cash on hand and current investments in the general fund of the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?	PAISD cash and equivalents was \$24,831,366	PAISD cash and equivalents was \$15,488,778	6	Decrease in cash and equivalents of \$9,342,588.
7	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	Ratio - >=3.00; PAISD - 8.6152.	Ratio - >=3.00; PAISD -5.325.	10	Decrease in ratio of 3.2902
8	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 10 percent or more, then the school district passes the indicator.)	Ratio - >0.80 <= 0.90; PAISD - 0.8747.	Ratio - >0.90 <= 1.00; PAISD - 0.9175.	2	Increase in ratio of 0.0428
9	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?	Ratio - >= 0 or >= 60; PAISD - 0.0126 or 118.8993	Ratio - >= 0 or >= 60; PAISD - 0.0759 or 74.3302	10	Increase in ratio of 0.0633 and decrease in number of days of 44.4591.
10	Was the debt service coverage ratio sufficient to meet the required debt service?	Ratio - >= 1.2 PAISD - 1.4573	Ratio - >= 1.2 PAISD - 3.9412	10	Increase in ratio of 2.4839
11	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	Cost Ratio - >.1000; PAISD - .1201	Cost Ratio - >.1000; PAISD - .1204	8	Increase in ratio of 0.0003
12	Did the school district not have a 15 percent decline in the staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this function?	PAISD did not have 15 percent decline in the students to staff ration	PAISD did not have 15 percent decline in the students to staff ration	10	No change.
13	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?	Acceptable Level of Variance < (rounding) is 0.03%. District variance was 0%	Acceptable Level of Variance < (rounding) is 0.03%. District variance was 0%	10	No change.
14	Did the external independent auditor report that 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.)	Yes - No material noncompliance.	Yes - No material noncompliance.	10	No change.
15	Did the school district not receive and adjusted repayment schedule for more that one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	True - No Adjusted Repayment Schedule	True - No Adjusted Repayment Schedule	10	No change.

Determination of Rating	
A. Did the district answer "NO" to indicators 1, 3, 4, 5, or 2.B? If so, the school district's rating if F for Substandard Achievement regardless of points earned.	
B. Determine Rating by applicable range for summation of the indicator scores (Indicators 6 - 15).	
A = Superior	90-100
B = Above Standard	80-89
C = Meets Standard	60-79
D = Substandard Achievement	<60