



School Finance Report Card

Rating: Superior

A

As rated by
Financial Integrity Rating System of Texas
A division of the Texas Education Agency
Issue Date: Fall 2020 (for the 2018-2019 School Year)

Score 92
Superior 90 - 100

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

Board of Trustees:

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

Port Arthur Independent School Board of Trustees



Left to right:

Mr. Robert Reid
Mr. Kenneth Lofton, Sr.
Ms. Dianne Brown
Dr. Mark Porterie
Ms. Debra Ambroise
Mr. Brandon Bartie
Ms. Lloyd Marie Johnson
Mr. Donald R. Frank, Sr.

MEMO from the Office of the Superintendent

TO: Stakeholders

DATE: October 22, 2020

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. A Superior 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 92 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.

No.	Indicator Description	2017-2018 Result	2018-2019 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 Unmodified Opinion.	Yes - PAISD received an Unmodified 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.

No.	Indicator Description	2017-2018 Result	2018-2019 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 Number of days cash on hand = 85.98 days Ratio - < 90 > = 75	PAISD Number of days cash on hand = 175.18 days Ratio - >= 90	10	Increase in number of days cash on hand of 89.20 days.
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 - 3.1358.	Ratio - >= 3.00; PAISD - 3.5972.	10	Increase in ratio of 0.4614
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 - >0.90 <= 1.00; PAISD - 0.9156.	Ratio - >0.80 <= 0.90; PAISD - 0.8633.	4	Decrease in ratio of 0.0523
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 - 0.0219 or 85.9803	Ratio - >= 0 or >= 0%; PAISD - 0.3354 or 175.1803	10	Increase in ratio of 0.3658 and increase in number of days of 89.20.
10	Was the debt service coverage ratio sufficient to meet the required debt service?	Ratio - >= 1.2 PAISD - 1.2278	Ratio - >= 1.2 PAISD - 2.1849	10	Increase in ratio of 0.96
11	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	Cost Ratio - >.1000; PAISD - .1109	Cost Ratio - >.1000; PAISD - .1099	8	Decrease in ratio of 0.001
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 .0023%	Acceptable Level of Variance < (rounding) is 0.03%. District variance was .03%	10	Increase in percentage of 0.0287
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 than 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 is **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

Reimbursements Received by the Superintendent and Board Members

September 2018 - August 2019

Description of Reimb. - Supt.	Mark Porterie
Meals	\$198
Lodging	\$5,575
Transportation	\$1,067
Motor Fuel	\$284
Other	\$1,701
Total	\$8,824

Description of Reimb. - Board	Debra Ambroise	Brandon Bartie	Dianne Brown	Donald Frank Sr.	Kenneth Lofton	Loyd Johnson	Robert Reid
Meals	\$300	\$424	\$424	\$494	\$304	\$424	\$412
Lodging	\$4,174	\$5,422	\$4,607	\$6,052	\$3,261	\$4,558	\$4,089
Transportation	\$1,723	\$956	\$685	\$1,058	\$685	\$685	\$645
Motor Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$2,437	\$2,406	\$2,406	\$2,772	\$1,806	\$1,950	\$2,098
Total	\$8,635	\$9,208	\$8,122	\$10,375	\$6,055	\$7,617	\$7,244

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.

Other Disclosures

September 2018 - August 2019

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

<u>Name(s) of Entity(ies)</u>	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	\$0	Brandon Bartie	\$0	Dianne Brown	\$0	Donald Frank Sr.	\$0	Kenneth Lofton	\$0	Lloyd Johnson	Robert Reid
Total		\$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	\$0	Brandon Bartie	\$0	Dianne Brown	\$0	Donald Frank Sr.	\$0	Kenneth Lofton	\$0	Lloyd Johnson	Robert Reid
Amounts		\$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.

PAISD Facts for 2020-2021

- PAISD has 7,938 students
- There are 1,310 employees at PAISD
- The total 2020-2021 budget is \$122,776,372
- The total PAISD appraised value is \$7,795,431,461
- The total PAISD taxable value is \$65,758,558,522

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.