



# 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 2016 (for the 2014-2015 School Year)

Score 92  
A = Superior 70-100

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

**Board of Trustees:**

Mr. Kenneth Lofton, Sr., President  
Mr. Brandon Bartie, Vice President  
Mrs. Debra Ambrose, Secretary  
Dr. Thomas J. Kinlaw III, Trustee  
Mr. Robert Reid, Trustee  
Mr. Joseph L. Guillory II, Trustee  
Mr. Donald R. Frank, Sr., Trustee

# Port Arthur Independent School Board of Trustees



Left to right:

Dr. Thomas J. Kinlaw III  
Mr. Robert Reid  
Mr. Donald R. Frank, Sr.  
Mr. Kenneth Lofton, Sr.  
Dr. Mark Porterie  
Mr. Brandon Bartie  
Mrs. Debra Ambroise  
Mr. Joseph L. Guillory II

MEMO from the Office of the Superintendent

TO: Stakeholders

DATE: October 27, 2016

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	2013-2014 Results	2014-2015 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 28th deadline depending upon the district's fiscal year end date June 30th or August 31, respectively?	Yes - The Annual Financial Report was filed with TEA's audit area on January 27. 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.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 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 the local, state, or federal funds? (The AICPA defines material weakness.)	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, an exemption applies in the 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 included a plan for paying back any 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 make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	No results for 2013-2014 due to change in School F.I.R.S.T. reporting structure.	Yes - PAISD made timely payments to Government Agencies	Yes	No comparison available due to change in School F.I.R.S.T. reporting structure.
5	Was the total unrestricted net asset balance (Net of accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets 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 \$22,396,594; Target >\$0.	Yes - PAISD Net Asset Balance was \$14,477,531; Target >\$0.	Yes	Decrease in Net Assets of \$7,919,063.
6	Was the number of days of cash on hand and current investments in the general fund for the district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?	No results for 2013-2014 due to change in School F.I.R.S.T. reporting structure.	Yes, PAISD cash and equivalents was \$25,969,123	10	No comparison available due to change in School F.I.R.S.T. reporting structure.
7	Was the measure of current asset to current liabilities ratio for the school district sufficient to cover short-term debt?	No results for 2013-2014 due to change in School F.I.R.S.T. reporting structure.	Ratio - > 3 00; PAISD - 7.2839.	10	No comparison available due to change in School F.I.R.S.T. reporting structure.
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 this indicator.)	No results for 2013-2014 due to change in School F.I.R.S.T. reporting structure.	Ratio - >0.80 <= 0.90; PAISD - 0.8681.	4	No comparison available due to change in School F.I.R.S.T. reporting structure.

No.	Indicator Description	2013-2014 Results	2014-2015 Result	SCORE	COMPARISON
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?	No results for 2013-2014 due to change in School F.I.R.S.T. reporting structure.	Ratio - $\geq 0$ or $\geq 60$ ; PAISD - 0.0059 or 130.4075	10	No comparison available due to change in School F.I.R.S.T. reporting structure.
10	Was the debt service coverage ratio sufficient to meet the required debt service?	No results for 2013-2014 due to change in School F.I.R.S.T. reporting structure.	Ratio - $\geq 1.2$ PAISD - 1.5222	10	No comparison available due to change in School F.I.R.S.T. reporting structure.
11	Was the school district's administrative cost ratio equal or less than threshold ratio?	Cost Ratio - $\leq .1000$ ; PAISD - .1142	Cost Ratio - $\leq .1000$ ; PAISD - .114	8	No change.
12	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.)	No results for 2013-2014 due to change in School F.I.R.S.T. reporting structure.	PAISD did not have 15 percent decline in the students to staff ratio	10	No comparison available due to change in School F.I.R.S.T. reporting structure.
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.)	No results for 2013-2014 due to change in School F.I.R.S.T. reporting structure.	Yes - No material noncompliance.	10	No change.
15	Did the school district not receive an adjustment 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?	No results for 2013-2014 due to change in School F.I.R.S.T. reporting structure.	True - No Adjusted Repayment Schedule	10	No comparison available due to change in School F.I.R.S.T. reporting structure.

92

### 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 Rating By Applicable Range For Summation of the Indicator Scores (Indicators 6-15)
- |                             |        |
|-----------------------------|--------|
| A = Superior                | 70-100 |
| B = Above Standard          | 50-69  |
| C = Meet Standard           | 31-49  |
| F = Substandard Achievement | <31    |

## Reimbursements Received by the Superintendent and Board Members September 2014 - August 2015

Description of Reimb. - Supt.	Mark Porterie
Meals	\$203
Lodging	\$3,596
Transportation	\$2,173
Motor Fuel	\$73
Other	\$6,317
<b>Total</b>	<b>\$12,361</b>

Description of Reimb. - Board	Diane Brown	Gregory Flores	Lloyd M. Johnson	Thomas Kinlaw	Kenneth Lofton	Robert Reid	Tracy Thomas	Debra Ambroise	Brandon Bartie	Joseph Guillory
Meals	\$116	\$0	\$116	\$224	\$108	\$200	\$236	\$108	\$108	\$108
Lodging	\$572	\$0	\$572	\$1,648	\$1,272	\$1,186	\$1,723	\$1,076	\$1,086	\$1,086
Transportation	\$392	\$0	\$392	\$710	\$1,170	\$642	\$1,053	\$337	\$318	\$318
Motor Fuel	\$5	\$0	\$5	\$5	\$0	\$0	\$63	\$0	\$0	\$0
Other	\$1,461	\$1,369	\$1,443	\$2,386	\$2,153	\$1,982	\$2,301	\$879	\$944	\$944
<b>Total</b>	<b>\$2,546</b>	<b>\$1,369</b>	<b>\$2,528</b>	<b>\$4,974</b>	<b>\$4,702</b>	<b>\$4,010</b>	<b>\$5,376</b>	<b>\$2,400</b>	<b>\$2,457</b>	<b>\$2,457</b>

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 2014 - August 2015

### 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, 2015

Name(s) of Entity(ies)	Amount Received	Amount Received
	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>

**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, 2015

Description of Reimb. - Supt.	Mark Porterie
<b>Total</b>	<b>\$0</b>

Description of Reimb. - Board	Debra Ambroise	Brandon S. Bartie	Diane Brown	Gregory Flores	Joseph L. Guillory	Lloyd M. Johnson	Thomas Kinlaw	Kenneth Lofton	Robert Reid	Tracy Thomas	Donald Frank
<b>Total</b>	\$0	\$0	\$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. Gifts received by first degree relatives, if any, will be reported under the applicable school official.

### Business Transactions Between School District and Board Members

For the Twelve-Month Period  
Ended August 31, 2015

Description of Reimb. - Board	Debra Ambroise	Brandon S. Bartie	Diane Brown	Gregory Flores	Joseph L. Guillory II	Lloyd M. Johnson	Thomas Kinlaw	Kenneth Lofton	Robert Reid	Tracy Thomas	Donald Frank
<b>Amounts</b>	\$0	\$0	\$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.

## **PAISD Facts for 2016-2017**

- PAISD has 8,972 students
- There are 1,439 employees at PAISD
- The total 2016-2017 budget is \$102,051,464
- The total PAISD appraised value is \$7,618,041,831
- The total PAISD taxable value is \$3,449,680,091

### **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.