



School Finance Report Card

Rating: Pass

A

As rated by
Financial Integrity Rating System of Texas
A division of the Texas Education Agency
Issue Date: Fall 2015 (for the 2013-2014 School Year)

Score 28
Pass 16-30

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

Board of Trustees:

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

Port Arthur Independent School Board of Trustees



Left to right:

Mr. Brandon Bartie
Mrs. Tracy Thomas
Mrs. Debra Amboise
Mr. Thomas J. Kinlaw III
Dr. Mark Porterie
Mr. Robert Reid
Mr. Kenneth Lofton, Sr.
Mr. Joseph L. Guillory II

MEMO from the Office of the Superintendent

TO: Stakeholders

FROM: Dr. Mark Porterie, Superintendent

DATE: October 22, 2015

SUBJECT: Financial Report Card

This financial report card is provided to you in an effort to keep you abreast of the financial health of your school district. Our Passing rating is the highest rating awarded by the Texas Education Agency's FIRST (Financial Integrity Rating System of Texas) program. The district was proud to receive a score of 28 out of 30 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	2012-2013 Result	2013-2014 Results	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 28. PAISD's deadline was 2/28.	Yes - The Annual Financial Report was filed with TEA's audit area on January 27. PAISD's deadline was 2/28.	Yes	No change.
2	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 Unmodified Opinion.	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.)	No result for 2012-2013 due to change in School F.I.R.S.T. reporting structure.	Yes- The District was able to make all bond payments.	Yes	No comparison available due to change in School F.I.R.S.T. reporting structure.
4	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 \$19,102,419; Target >\$0.	Yes - PAISD Net Asset Balance was \$22,396,594; Target >\$0.	Yes	Increase in Net Assets of \$3,294,175.
5	Was the school district's administrative cost ratio equal or less than threshold ratio? (See ranges below.)	Cost Ratio - <=.1250; PAISD - .1244.	Cost Ratio - <=.1000; PAISD - .1142	8	Decrease in Ratio of 0.0102.
6	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.
7	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 - No weaknesses in internal controls.	Yes - No weaknesses in internal controls.	10	No change.

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1	Was the total fund balance less nonspendable and restricted fund balance greater than zero in the General Fund?	Yes - PAISD General Fund Balance \$33,509,323 less reserves of \$470,070.	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
2	Were there no disclosures in the Annual Financial Report and/or other sources of information concerning default on Bonded Indebtedness Obligations?	Yes	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A

No.	Indicator Description	2012-2013 Result	2013-2014 Results	SCORE	COMPARISON
3	Was the three-year average percent of total tax collections (including delinquent) greater than 98%?	Standard 98%. PAISD 3 year average is 99.19%.	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
4	Were debt related expenditures (net of IFA and/or EDA allotment) < \$350 per student? (If the district's five-year percent change in students = or > 7%, or if property taxes collected per penny of tax effort > \$200,000 per student).	Yes - Acceptable Level is < \$350. PAISD Level is \$0.	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
5	Was there no disclosure in the Annual Audit Report of material noncompliance?	None reported.	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
6	Did the district have full accreditation status in relation to financial management practices? (e.g., no conservator or monitor assigned).	Yes	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
7	Was the aggregate of budgeted expenditures and other uses less than the aggregate of total revenues, other resources and fund balance in General Fund?	Total Available \$73,175,673. Expenditures \$75,181,787. Net Surplus: Target - = or > \$0; PAISD - \$30,562,705.	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
8	If the district's aggregate fund balance in the General Fund and Capital Projects Fund was less than zero, were construction projects adequately financed? (To avoid creating or adding to the fund balance deficit situation).	Aggregate Fund Balance: Acceptable Level >\$0. PAISD Level \$38,263,947. Capital Projects (\$5,323,662) were adequately funded from this fund balance.	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
9	Was the ratio of cash and investments to deferred revenues (excluding amount equal to net delinquent taxes receivable) in the General Fund greater than or equal to 1:1? (If deferred revenues were less than net delinquent tax receivable).	Acceptable Ratio - = or > 1:1. PAISD's Ratio of Cash and Investments (\$31,227,665) to Deferred Revenues is zero.	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
10	Was the ratio of students to teachers within the ranges according to district size?	Acceptable Ratio - Between 13-22; PAISD - 15.7557.	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
11	Was the ratio of students to total staff within the ranges according to the district size?	Acceptable Ratio - Between 6.8-14; PAISD - 7.1551.	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
12	Was the decrease in undesignated unreserved fund balance < 20% over two fiscal years? (If Total Revenues > Operating Expenditures in the General Fund, then District receives 5 points).	The district's Undesignated, Unreserved Fund Balance of \$17,505,937 has increased.	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
13	Was the aggregate total of cash and investments in the General Fund more than \$0?	Cash and Investments at 8/31/10 - \$31,227,665.	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A
14	Were investment earnings in all funds (excluding Debt Service Fund and Capital Project Funds) meet or exceed the 3-month Treasury Bill Rate?	Acceptable Earnings per Student = \$20; PAISD = \$0.1049	No result for 2013-2014 due to change in School F.I.R.S.T. reporting structure.		N/A

Determination of Rating

- A. Did The District Answer 'No' To Indicators 1, 2, 3, Or 4? If So, The District's Rating Is Substandard Achievement.
- B. Determine Rating By Applicable Range For Summation of the Indicator Scores (Indicators 5-7)

Pass	16-30
Substandard Achievement	<16

Reimbursements Received by the Superintendent and Board Members September 2013 - August 2014

Description of Reimb. - Supt.	Mark Porterie
Meals	\$179
Lodging	\$2,553
Transportation	\$2,464
Motor Fuel	\$527
Other	\$4,797
Total	\$10,521

Description of Reimb. - Board	Diane Brown	Gregory Flores	Lloyd M. Johnson	Thomas Kinlaw	Kenneth Lofton	Robert Reid	Tracy Thomas
Meals	\$492	\$264	\$492	\$492	\$348	\$180	\$372
Lodging	\$2,135	\$1,579	\$2,135	\$2,135	\$1,175	\$1,052	\$1,722
Transportation	\$460	\$687	\$640	\$436	\$715	\$1,042	\$410
Motor Fuel	\$0	\$0	\$0	\$0	\$0	\$163	\$80
Other	\$3,777	\$3,776	\$3,590	\$3,616	\$3,342	\$3,232	\$3,932
Total	\$6,864	\$6,306	\$6,856	\$6,680	\$5,580	\$5,669	\$6,516

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 2013 - August 2014

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, 2014

Name(s) of Entity(ies)	Amount Received	Amount Received
	\$0	\$0
Total	\$0	\$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, 2014

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

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
Total	\$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 for local officials.

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended August 31, 2014

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
Amounts	\$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 2015-2016

- PAISD has 8,825 students
- There are 1,401 employees at PAISD
- The total 2015-2016 budget is \$109,149,848
- The total PAISD appraised value is \$8,518,048,084
- The total PAISD taxable value is \$4,094,293,184

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.