



**Agenda of Public Hearing  
November 14, 2022  
The Board of Trustees  
Wichita Falls Independent School District**

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In Compliance with the Texas Government Code, Chapter 551, Subchapter C, the Board of Trustees of the Wichita Falls Independent School District will meet for a Public Hearing at 5:30 PM, on November 14, 2022, in the Board Room at the Education Center, 1104 Broad St, Wichita Falls, TX 76301.

The subjects to be discussed, considered, or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

**I. Call to Order**

**II. Schools FIRST Report (Financial Integrity Rating System of Texas)**

**2**

**III. Public Comments on the FIRST Report**

**IV. Adjournment**

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*If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.*

The notice for this meeting was posted in compliance with the Texas Open Meetings Act on Friday, November 11, 2022 at 2:00 pm.

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For the Board of Trustees



**Wichita Falls**  
**Independent School District**

**Annual Financial  
Accountability  
Management Report**

**2021-2022 Rating  
2020-2021 Fiscal Year Data**

**Rating: “A” – Superior  
Achievement**

# **Wichita Falls Independent School District Annual Financial Accountability Management Report**

## **Introduction**

The primary goal of Schools FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system. A secondary objective is to measure and report the extent to which financial resources in Texas public schools assure the maximum allocation possible for direct instructional purposes. Other objectives reflect the implementation of a rating system that fairly and equitably evaluates the quality of financial management decisions. After full implementation of the rating system, the districts' ratings will be openly reported to the general public and to other interested persons and entities.

This is the 20<sup>th</sup> year of the School FIRST (Financial Accountability Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76<sup>th</sup> Texas Legislature in 1999. The Schools FIRST report underwent sweeping changes under HB 5, Section 49, of the 83<sup>rd</sup> Texas Legislature, Regular Session, 2013. Those changes require the commissioner of education to include processes in the financial accountability rating system for anticipating the future financial solvency of each school district and open enrollment charter school. The Commissioner's Rule for School FIRST changes under HB 5 were finalized in August 2015.

Additional changes were made to the School FIRST system in 2018. The most substantive changes from 2018 will be implemented by the Texas Education Agency beginning with ratings year 2020-2021 based primarily on data from fiscal year 2020. During the phase-in period, the new School FIRST system has separate worksheets for rating years 2017-2018, 2018-2019, and 2019-2020 as compared to subsequent years. The worksheet for rating year 2014-2015 contained only 7 indicators as opposed to 20 indicators used in 2013-2014. The worksheets for rating years 2015-2016 and 2016-2017 increased to 15 indicators. The ratings for years 2017-2018 through 2019-2020 will use the same 15 indicators. Also, the worksheets for rating years 2016-2017 and beyond require higher scores for select ratings compared to the worksheet for rating year 2015-2016.

Legislative rules require the district to present a FIRST management report that includes the following: A) The district's financial management performance rating provided by the Texas Education Agency (TEA) based on its comparison with indicators established by the Commissioner of Education for the state's new Financial Accountability System; B) The district's financial management performance under each indicator for the current and previous

years' financial accountability ratings; and C) Additional information required by the Commissioner of Education. In addition, the district must advertise and hold a public meeting to discuss the report.

The district's School FIRST rating is based upon an analysis of data reported for the 2020-2021 school year. This information is submitted through the district's annual PEIMS (Public Education Information Management System) submissions. The financial accountability rating of the district is based on its overall performance on certain financial measurements, ratios, and other indicators established by the commissioner of education with the financial accountability rating worksheet.

For the first 12 years of the reporting system, Wichita Falls ISD received ratings of **“Superior Achievement” with the exception of the 2010-2011 rating year, Wichita Falls ISD received “Above Standard Achievement”, scoring 69 out of 80 possible points.** A significant change under HB 5 in 2013 was to move to a rating scale of simply **“Pass”** or **“Fail”**. For the 2014-2015 rating year, Wichita Falls ISD was rated as “Pass” and achieved a score of 30 out of 30 with positive responses to each of the 7 indicators on the worksheet. Starting with the rating year, 2017-2018, the rating system assigns one of four financial accountability ratings to Texas school districts as follows:

- A = Superior Achievement
- B = Above Standard Achievement
- C = Standard Achievement
- F = Substandard achievement

The Wichita Falls Independent School District is once again rated as Superior with a score of 92 out of 100. This report briefly focuses on how this passing rating was achieved.

For 2021-2022 the Wichita Falls Independent School District  
received a School FIRST rating of:

**A = SUPERIOR ACHIEVEMENT**

Resulting in a status of

**PASSED**

**Reporting, Notices and Public Meetings**

The Board of Trustees will publish an annual report describing the financial management performance of the district. The report must include the information provided by the Texas Education Agency and any supplemental information as may be determined by the local board of trustees. **A copy of the report is available, upon request, at the District's administrative offices and on the district's website.**

As required by State law, the Board of Trustees shall hold a public meeting within two months of receiving the final School FIRST rating. Notice of the meeting to discuss the school financial accountability rating must be published in a local newspaper. The first notice must be no more than thirty days or less than ten days prior to the scheduled meeting date. The District has complied with the public hearing notification in the local newspaper. **The public meeting was held in conjunction with the regularly called Board of Trustees meeting on November 8, 2022.**

**Schools FIRST**  
**Financial Integrity Rating System of Texas**  
**Wichita Falls Independent School District**  
**2021-2022 Rating based on 2020-2021 Data**

State Indicator	Indicator Background	State Yes, or Points Avail.	WFISD 20-21 Result
<p>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?</p> <p><b>Additional Information:</b>  <i>Wichita Falls ISD's Fiscal Year end date is June 30. The November deadline is applicable to Wichita Falls ISD. TEA received the audit report on November 18, 2021 which was nine days prior to the deadline.</i></p>	<p>Was the Annual Financial Report filed with TEA by the deadline?</p>	Yes	Yes
<p>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.)</p> <p><b>Additional Information:</b>  <i>Weaver and Tidwell, L.L.P., the District's external auditors, issued an unmodified opinion for the year ending June 30, 2021.</i></p>	<p>This indicator will be considered PASSED if the district received an unmodified opinion in the AFR.</p>	Yes	Yes
<p>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.)</p> <p><b>Additional Information:</b>  <i>Wichita Falls ISD has never defaulted on any of its bond indebtedness obligations. Payments on all debt agreements were made timely.</i></p>	<p>This indicator will be considered PASSED if there were no disclosures in the annual financial report and/or other sources of information concerning default on debt agreements.</p>	Yes	Yes
<p>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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</p> <p><b>Additional Information:</b>  <i>Wichita Falls ISD is current with all payment's due other government agencies</i></p>	<p>This indicator will be considered PASSED if the district made timely payments to the TRS, TWC, IRS, and other government agencies. This indicator will be considered PASSED for the Ceiling if the district was not issued a warrant hold.</p>	Yes  Ceiling Passed	Yes  Ceiling Passed

**Schools FIRST**  
**Financial Integrity Rating System of Texas**  
**Wichita Falls Independent School District**  
**2021-2022 Rating based on 2020-2021 Data**

State Indicator	Indicator Background	State Yes, or Points Avail.	WFISD 20-21 Result
5. <b>This Indicator is not being scored.</b>		NA	NA
6. Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)	This indicator will be considered PASSED for the Ceiling if the average change in fund balances over 3 years had less than a 25 percent decrease or the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures.	Ceiling Passed	Ceiling Passed
<b>Additional Information:</b> <i>The District "Ceiling Passed" with a 5.38% average change over 3 years.</i>			
7. 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 in the Determination of Points section.	This indicator measures whether the district had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities. Did the district meet or exceed the target amount?	10	8
<b>Additional Information:</b> <i>Points are earned based on where the District's ratio falls on a sliding scale. To achieve the full 10 points assigned to this measure, the District's cash on hand and investments to cover operating expenditures must be 90 days or more. For the 2020-2021 period, the district had 78.5084 days of cash on hand and investments to cover operating expenditures. The district scored an eight.</i>			
8. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.	This indicator questions the district's debt to "market value" of the assets that debt is attributable to. This indicator recognizes that fast-growth districts incur additional operating costs to open new campuses.	10	10
<b>Additional Information:</b> <i>Points are earned based on where the District's ratio falls on a sliding scale. To achieve the full 10 points assigned to this measure, the District's ratio of assets to debt must exceed 3 percent. For the 2020-2021 period, current assets were \$326,920,413 while current liabilities were \$36,063,493 so, the district's ratio of assets to debt was 9.0651%. Ten points were received based on the ratio.</i>			
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? See ranges below in the Determination of Points section.	This indicator asks simply "did the district spend more than it earned?" If the district had at least 60 days cash on hand the indicator is automatically passed.	10	10
<b>Additional Information:</b> <i>For the 2020-2021 school year, general fund revenues were (\$127m) while expenditures were (\$132m). The district also met the requirement of 60 days cash on hand.</i>			

**Schools FIRST**  
**Financial Integrity Rating System of Texas**  
**Wichita Falls Independent School District**  
**2021-2022 Rating based on 2020-2021 Data**

State Indicator	Indicator Background	State Yes, or Points Avail.	WFISD 20-21 Result
<b>10. This Indicator is not being scored.</b>		NA	10
<p>11. 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 increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.</p> <p><b>Additional Information:</b>  <i>Six points were earned on this indicator by the mathematical breakdown of liabilities divided by assets equaling 0.7387.</i></p>	<p>This indicator questions the district's debt to "market value" of the assets that debt is attributable to. This indicator recognizes that fast-growth districts incur additional operating costs to open new campuses.</p>	10	6
<p>12. Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.</p> <p><b>Additional Information:</b>  <i>The district's ratio for 2020-2021 was 6.6785 exceeding the target ratio of 4 to receive 8 points for this indicator.</i></p>	<p>This indicator asks about the district's ability to make debt principal and interest payments that will become due during the next year. Did the district meet or exceed the target amount?</p>	10	8
<p>13. Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</p> <p><b>Additional Information:</b>  <i>Points are earned based on where the District's ratio falls on a sliding scale. To achieve the full 10 points assigned to this measure, the District's administrative cost ratio must be below 8.55%.</i></p> <p><i>The State of Texas establishes limits on the amount of money school districts are allowed to spend on administrative costs. The limit is set as a ratio of administrative costs to instructional costs and is titled the "Administrative Cost Ratio". Administrative costs are defined as Instructional Leadership and General Administration. Instructional Leadership includes costs to provide leadership for staff and all instructional services. This excludes campus leadership. General Administration includes costs for managing the school district as an overall entity. The District's administrative cost ratio for 2020-2021 was 8.16%.</i></p>	<p>This indicator measures the percentage of a district's budget that was spent on administration. Did the District exceed the cap in School FIRST for districts its size?</p>	10	10

**Schools FIRST**  
**Financial Integrity Rating System of Texas**  
**Wichita Falls Independent School District**  
**2021-2022 Rating based on 2020-2021 Data**

State Indicator	Indicator Background	State Yes, or Points Avail.	WFISD 20-21 Result
<p>14. 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.</p> <p><b>Additional Information:</b>  <i>The district received a full 10 points being awarded for this indicator.</i></p>	<p>If a decline in students over the 3 school years was experienced, this indicator asks if the district decreased the number of staff paid in proportion to the decline in students. (This indicator is automatically passed if there was no decline in students.)</p>	10	10
<p>15. <b>This indicator is not being scored.</b></p>		NA	5
<p>16. 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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</p> <p><b>Additional Information:</b>  <i>There were no significant differences between the Comprehensive Annual Financial Report and the PEIMS financial data.</i></p>	<p>This indicator measures the quality of data reported to PEIMS and in the Annual Financial Report to make certain that the data reported in each case "matches up." If the difference in numbers reported in any fund type is more than 3 percent, the District "fails" this measure.</p>	Ceiling Passed	Ceiling Passed
<p>17. 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.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</p> <p><b>Additional Information:</b>  <i>Weaver and Tidwell, L.L.P., the District's external auditors, reported no material weakness in internal controls over local, state, or federal funds in the 2020-2021 audit.</i></p>	<p>A clean audit of the Annual Financial Report would state the district has no material weaknesses in the internal controls. Any internal weaknesses create a risk of the District not being able to properly account for its use of public funds, and should be immediately addressed. This is a simple "Yes" or "No" indicator.</p>	Ceiling Passed	Ceiling Passed

**Schools FIRST**  
**Financial Integrity Rating System of Texas**  
**Wichita Falls Independent School District**  
**2021-2022 Rating based on 2020-2021 Data**

<b>State Indicator</b>	<b>Indicator Background</b>	<b>State Yes, or Points Avail.</b>	<b>WFISD 20-21 Result</b>
<p>18. 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.)</p> <p><b>Additional Information:</b>  <i>Weaver and Tidwell, L.L.P., the District's external auditors, reported no material noncompliance for grants, contracts, and laws related to local, state, or federal funds in the 2020-2021 audit resulting in Wichita Falls ISD receiving a score of ten.</i></p>	<p>A clean audit of the Annual Financial Report would state the district has no material noncompliance for grants, contracts, and laws related to local, state or federal funds. This is a simple "Yes" or "No", however, it does assign 10 points for "Yes" and zero points for "No".</p>	10	10
<p>19. Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</p> <p><b>Additional Information:</b>  <i>Weaver and Tidwell, L.L.P., the District's external auditors, reported Wichita Falls ISD did post all required financial information on our website in the 2020-2021 audit resulting in the district receiving a score five.</i></p>	<p>This is a simple "yes" or "no" indication worth 5 points to ensure district post all required financial documents on their website for the public.</p>	5	5
<p>20. Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</p> <p><b>Additional Information:</b>  <i>Weaver and Tidwell, L.L.P., the District's external auditors, reported Wichita Falls ISD Board of Trustees did discuss the school district property values at a board meeting within 120 days before the school district adopted its budget in 2020-2021 audit.</i></p>	<p>This indicator will be considered PASSED for the Ceiling if the school board discussed property values at a meeting within 120 days before the district adopted its budget.</p>	Ceiling Passed	Ceiling Passed
<b>Total Points Available / Earned</b>		<b>100</b>	<b>92</b>

**Required Disclosures for  
Wichita Falls Independent School District  
2021-2022 FIRST Rating**

### **Required Supplementary Information**

The District's annual financial management report must include specific disclosures regarding the superintendent's contract, reimbursements received by the superintendent and board members and other compensation and gifts received. This information is being presented below to comply with the requirements.

#### **Superintendent's Current Employment Contract**

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual 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.

*A copy of the superintendent's current employment contract is attached following TEA's FIRST Report.*

#### **Reimbursements Received by the Superintendent and Board Members**

A summary schedule for the twelve-month period of total reimbursements received by the superintendent and each board member is to be included in the annual financial management report. All reimbursement expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. The summary schedule is to report separately items per category including:

**Meals** – Meals consumed off of the school district's premises, 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.

*The disclosure of reimbursements received by the Superintendent and Board Members is provided at the end of this report.*

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

A summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services is to be reported.

*The disclosure of outside compensation received by the Superintendent for professional consulting and/or other personal services is provided at the end of this report.*

Gifts Received by Executive Officers and Board Members

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.

*The disclosure of gifts received by Executive Offices and Board Members is provided at the end of this report.*

Business Transactions Between School District and Board Members

Finally, a summary schedule for the fiscal year of the dollar amount by board member for the aggregate amount of business transactions with the school district is to be included. This reporting requirement is not to duplicate the items disclosed in the schedule of reimbursements.

*The disclosure of business transactions between the school district and Board Members is provided at the end of this report.*

## School FIRST Annual Financial Management Report WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1001(q). Effective August 1, 2018.

The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing. The template may not be all inclusive.

### Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual 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.

The District has chosen to provide a copy of the Superintendent's current employment contract as an attachment to the School FIRST Annual Management Report for 2021-2022.

### Reimbursements Received by the Superintendent and Board Members

**For the Twelve-Month Period  
Ended June 30, 2021**

Description of Reimbursements	Michael S. Kuhrt, Superintendent	Mike Rucker	Elizabeth Yeager	Tom Bursey	Dale Harvey	Mark Lukert	Katherine McGregor	Bob Payton
Meals	\$ 116.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lodging	\$ 396.32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	\$ 1,123.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Motor Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (Parking/Lyft/Uber)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 1,635.39</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</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.

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

**For the Twelve-Month Period  
Ended June 30, 2021**

<u>Name(s) of Entity(ies)</u>	Amount Received
	\$ -
Total	<u>\$ -</u>

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 June 30, 2021**

	<b>Michael S. Kuhrt, Superintendent</b>	<b>Mike Rucker</b>	<b>Elizabeth Yeager</b>	<b>Tom Bursey</b>	<b>Dale Harvey</b>	<b>Mark Lukert</b>	<b>Katherine McGregor</b>	<b>Bob Payton</b>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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 June 30, 2021**

	<b>Michael S. Kuhrt, Superintendent</b>	<b>Mike Rucker</b>	<b>Elizabeth Yeager</b>	<b>Tom Bursey</b>	<b>Dale Harvey</b>	<b>Mark Lukert</b>	<b>Katherine McGregor</b>	<b>Bob Payton</b>
Amounts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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.

**TEA FIRST Report**  
**Wichita Falls Independent School District**  
**2021-2022 FIRST Rating**



### Financial Integrity Rating System of Texas

## 2021-2022 RATINGS BASED ON SCHOOL YEAR 2020-2021 DATA - DISTRICT STATUS DETAIL

<b>Name:</b> <b>WICHITA FALLS ISD(243905)</b>	<b>Publication Level 1:</b> 8/2/2022 2:05:39 PM
<b>Status:</b> <b>Passed</b>	<b>Publication Level 2:</b> 8/4/2022 12:15:48 PM
<b>Rating:</b> A = Superior Achievement	<b>Last Updated:</b> 8/4/2022 12:15:48 PM
<b>District Score:</b> 92	<b>Passing Score:</b> 70

#	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>	7/12/2022 8:51:47 AM	Yes
2	<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>	5/16/2022 1:16:16 PM	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>	5/16/2022 1:16:16 PM	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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	5/16/2022 1:16:17 PM	Yes Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	5/17/2022 10:01:37 AM	Ceiling Passed
7	<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 in the Determination of Points section.</u>	5/16/2022 1:16:17 PM	8
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	5/16/2022 1:16:18 PM	10
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? See ranges below in the Determination of Points section.</u>	5/16/2022 1:16:18 PM	10
10	This indicator is not being scored.		10

11	<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 increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.</u>	5/16/2022 1:16:20 PM	6
12	<u>Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.</u>	5/16/2022 1:16:20 PM	8
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/9/2022 11:26:07 AM	10
14	<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>	5/16/2022 1:16:21 PM	10
15	This indicator is not being scored.		5
16	<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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	5/16/2022 1:16:22 PM	Ceiling Passed
17	<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.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	5/16/2022 1:16:22 PM	Ceiling Passed
18	<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>	5/16/2022 1:16:22 PM	10
19	<u>Did the school district post the required financial</u>	5/16/2022	5

	<u>information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u>	1:16:23 PM	
20	<u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	5/16/2022 1:16:23 PM	Ceiling Passed
			92 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			92 Score

### DETERMINATION OF RATING

<b>A.</b>	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.								
<b>B.</b>	Determine the rating by the applicable number of points.								
	<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;"><b>A = Superior Achievement</b></td> <td>90-100</td> </tr> <tr> <td><b>B = Above Standard Achievement</b></td> <td>80-89</td> </tr> <tr> <td><b>C = Meets Standard Achievement</b></td> <td>70-79</td> </tr> <tr> <td><b>F = Substandard Achievement</b></td> <td>&lt;70</td> </tr> </table>	<b>A = Superior Achievement</b>	90-100	<b>B = Above Standard Achievement</b>	80-89	<b>C = Meets Standard Achievement</b>	70-79	<b>F = Substandard Achievement</b>	<70
<b>A = Superior Achievement</b>	90-100								
<b>B = Above Standard Achievement</b>	80-89								
<b>C = Meets Standard Achievement</b>	70-79								
<b>F = Substandard Achievement</b>	<70								
<p><b>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.</b></p>									

The school district receives an **F** if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.

## CEILING INDICATORS

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.

<b>Determination of rating based on meeting ceiling criteria.</b>	<b>Maximum Points</b>	<b>Maximum Rating</b>
<b>Indicator 4</b> (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
<b>Indicator 6</b> (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 16</b> (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 17</b> (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
<b>Indicator 20</b> (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

## Superintendent Term Contract

This Contract is entered into between the Board of Trustees (the “Board”) of WICHITA FALLS INDEPENDENT SCHOOL DISTRICT (the “District”) and MICHAEL S. KUHRT (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 June 16, 2021 and ending June 30, 2025. 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, with the exception of routine traffic citations, he 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, other than routine traffic citations. 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 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 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 full time and energy to the performance of his duties. The Superintendent shall perform his 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.

4.3 **Outside Employment:** The Superintendent may, with prior written consent of the Board, undertake consulting work, speaking engagements, writing, lecturing, and other professional duties and obligations that do not conflict or interfere with the Superintendent's professional responsibilities to the District. For any such outside employment, the Superintendent agrees to comply with applicable ethics rules, laws, and Board policy regarding reporting potential and actual conflicts of interest. In addition, the Superintendent agrees to provide information regarding income from such activities to the District as necessary for financial reporting requirements.

5. **Compensation.** The District shall pay the Superintendent an annual salary and provide benefits as follows:

5.1 **Salary:** The Superintendent shall be paid a salary of TWO HUNDRED TWENTY-SIX THOUSAND THREE HUNDRED FIFTY-FIVE DOLLARS AND 14/CENTS (\$226,355.14) per year until the end of the contract period.

5.1.1 **Salary Adjustment.** If teacher salaries are increased in the annual budget adopted by the Board of Trustees for any year this Contract is in effect, the Superintendent's base salary, set forth in Section 5.1, may be increased by the same percentage as teacher salaries are increased for that budget year. In addition, at any time during the term of this Contract, the Board may, in its sole discretion, review and adjust the salary of the Superintendent, with any adjustment being in the form of either a written addendum to this Contract or a new contract. However, in no event shall the Superintendent

be paid less than the salary set forth in Section 5.1 above, except by mutual, written agreement of both the Superintendent and the District.

5.1.2 **Widespread Salary Reduction.** If the Board implements a widespread salary reduction under Texas Education Code section 21.4023, the Superintendent's annual salary shall be reduced by the percent or fraction of a percent that is equal to the average percent or fraction of a percent by which teacher salaries have been reduced.

5.1.3 **Furlough.** If the Board implements a furlough under Texas Education Code section 21.4021, the Superintendent shall be furloughed for the same number of days as other contract personnel and the Superintendent's salary shall be reduced in proportion to the number of furlough days.

52 **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.

53 **Leave:** The Superintendent is entitled to the same number days of leave as authorized by Board policy for administrative employees on twelve month contracts, and shall be entitled to the same holidays and breaks as provided for other twelve month administrators in the Board's adopted calendar. Discretionary leave shall be taken at such time as will least interfere with the performance of the Superintendent's duties as set forth in this Contract.

54 **Health Insurance.** The District shall provide medical insurance to the Superintendent to the same extent it is provided to other employees and in accordance with the District's plan.

55 **Transportation Allowance.** The District shall provide the Superintendent with an automobile allowance in the amount of SIX HUNDRED DOLLARS (\$600.00) per month, which is in lieu of mileage expense reimbursement, gasoline, insurance or other charges associated with the use of his personal automobile in the travel and performance of business within the District. For travel outside of the District's boundaries, the District shall reimburse the Superintendent as provided in District policy.

56 **Vacation.** The Superintendent shall be entitled to fifteen (15) vacation days per year. These vacation days are in addition to leave available as described in Section 5.3 of this Contract. Vacation days shall be taken at such time or times as will least

interfere with the performance of the Superintendent's duties as set forth in this Contract. Upon the Superintendent's resignation from employment, the District shall pay the Superintendent accumulated unused vacation days (up to a maximum of 45 days) in a lump sum to the Superintendent or his survivors at the Superintendent's then current daily rate of pay with the daily rate being calculated on a 240 day work year.

5.7 **Supplemental Retirement Plan.** For each year during the term of this Contract, the District shall contribute to a Supplemental Retirement Plan for the benefit of the Superintendent in an amount equal to Twenty Thousand and No/100 Dollars (\$20,000.00) per year. The District shall contribute to the Supplemental Retirement Plan on or before June 30th of each year during the term of this Contract, beginning June 30, 2021. No contributions under this Section shall be made after the Superintendent's employment with the District terminates.

The contributions to the Supplemental Retirement Plan and earnings thereon shall become vested according to the schedule listed below.

Date	Vested Percentage
Prior to June 30, 2023	0%
June 30, 2023	100%

Any unvested funds in the account will revert to the District if the Superintendent ceases to be employed by the District. The Supplemental Retirement Plan shall be a qualified plan established under Section 403(b) of the Internal Revenue Code (the "Code ") of the Superintendent's choice. The § 403(b) plan shall be established as employer-paid with non-discretionary contributions by the District, and the Superintendent shall have no right to receive such contributions in cash. The § 403(b) plan shall be established under a written plan document that meets the requirements of the Code and such document is incorporated herein by reference. The funds for the § 403(b) plan shall each be invested as determined solely by the Superintendent in such investment vehicles as are allowable under the Code for the applicable type of plan.

Subject to any § 403(b) plan limitations, payments previously made by the District for the Superintendent's benefit to an unencumbered retention bonus account, to include Twenty Thousand and No/100 Dollars (\$20,000.00) paid to the Superintendent on or about June 30, 2020, shall be deposited into the § 403(b) plan once established.

- 58     **Deferred Compensation.** The District also desires to promote and encourage the Superintendent to remain an employee of the District throughout the full school year. Accordingly, during the term of this Contract, the District shall pay the Superintendent TEN THOUSAND DOLLARS AND NO/CENTS (\$10,000.00) per year as Deferred Compensation if he remains employed as Superintendent by the District on June 10th of each year. The Deferred Compensation payment in the amount of TEN THOUSAND DOLLARS AND NO/CENTS (\$10,000.00) per year will be made to the Superintendent by the District on June 10 of each year of this contract, provided the Superintendent is employed by the District at that time. This salary payment will have applicable appropriate payroll deductions taken from it as required by law and in accordance with District practice.
6.     **Membership Dues.** The Board encourages the Superintendent to become a member of and participate in professional associations and community and civic affairs, including the chamber of commerce, civic clubs, governmental committees, and educational organizations. The Board concludes that such participation will serve a legitimate purpose related to the educational mission of the District. The District shall reimburse the Superintendent for membership fees in up to three (3) professional associations of the Superintendent's choice. The Superintendent understands that no reimbursement of any kind for membership in such local professional associations and community and civic affairs shall be made unless he first receives advance approval from the Board President and complies with all procedures and documentation requirements for reimbursement in accordance with Board policies.
7.     **Reassignment.** The Board may not reassign the Superintendent from the position of Superintendent to another position within the district without the Superintendent's express written consent.
8.     **Suspension.** In accordance with Texas Education Code Chapter 21, the Board may suspend the Superintendent for good cause, as determined by the Board under and pursuant to applicable Texas law, without pay for a period not to extend beyond the end of the school year.
9.     **Termination, Nonrenewal and Resignation of Contract.**
- 9.1    **Mutual Agreement.** This Contract may be terminated by the mutual agreement of the Superintendent and the Board in writing upon such terms and conditions as may be mutually agreed upon.
- 9.2    **Retirement or Death.** This Contract shall be terminated upon the retirement or death of the Superintendent.

93 **Dismissal for Good Cause.** The Board may dismiss the Superintendent during the term of the Contract for good cause. The term “good cause” is defined as follows:

- (a) Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;
- (b) Incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication from the Board; provided, however, the terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent a reasonable opportunity to remediate any incompetency or inefficiency;
- (c) Insubordination or failure to comply with lawful written Board directives;
- (d) Failure to comply with the Board’s policies or the District’s administrative regulations;
- (e) Neglect of duties;
- (f) Drunkenness or excessive use of alcoholic beverages;
- (g) Illegal use of drugs, hallucinogens, or other substances regulated by the Texas Controlled Substances Act;
- (h) Conviction of a felony or crime involving moral turpitude;
- (i) Failure to meet the District’s standards of professional conduct;
- (j) Failure to comply with reasonable District professional development requirements regarding advanced course work or professional development;
- (k) Disability, not otherwise protected by law, that impairs performance of the required duties of the Superintendent;
- (l) Immorality, which is conduct the Board determines is not in conformity with the accepted moral standards of the community encompassed by the District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency, or depravity;

- (m) Assault on an employee or student;
- (n) Knowingly falsifying records or documents related to the District's activities;
- (o) Conscious misrepresentation of facts to the Board or other District officials in the conduct of the District's business;
- (p) Failure to fulfill requirements for superintendent certification; or,
- (q) Any other reason constituting "good cause" under Texas law.

94 **Termination Procedure.** In the event that the Board terminates this Contract for "good cause," the Superintendent shall be afforded all the rights as set forth in the Board's policies and state and federal law.

95 **Resignation of Superintendent.** The Superintendent may leave the employment of the District at the end of a school year without penalty by filing a written resignation with the Board. The resignation must be addressed to the Board and filed not later than the 45th day before the first day of instruction of the following year. The Superintendent may resign with the consent of the Board at any other time.

96 **Nonrenewal of Superintendent.** Nonrenewal of this contract will be pursuant to Chapter 21 of the Texas Education Code.

## 10. General Provisions.

10.1 **Amendment:** This Contract may not be amended except by written agreement of the Parties.

10.2 **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.

10.3 **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.

10.4 **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.

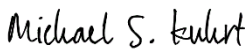
- 105 **Paragraph Headings:** The headings used at the beginning of each numbered paragraph in this Contract are not intended to have any legal effect; the headings do not limit or expand the meaning of the paragraphs that follow them.
- 106 **Legal Representation:** Both Parties have been represented by legal counsel of their choice, or have had the opportunity to consult with legal counsel, in the negotiation and execution of this Contract.

**11. Notices.**

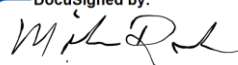
- 11.1 **To Superintendent:** The Superintendent agrees to keep a current address on file with the District's human resources office and the Board President. The Superintendent agrees that the Board may meet any legal obligation it has to give the Superintendent written notice regarding this Contract 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.
- 11.2 **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.

(Signature Page to Follow)

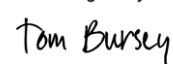
**I have read this Contract and agree to abide by its terms and conditions:**

DocuSigned by:  
  
3A7DEA8E27894E4...  
\_\_\_\_\_  
Michael S. Kuhrt  
Superintendent of Schools  
Wichita Falls Independent School District

10/7/2021  
\_\_\_\_\_  
Date Signed

By: DocuSigned by:  
  
CD03870D5F624B8...  
\_\_\_\_\_  
Mike Rucker  
President, Board of Trustees

10/7/2021  
\_\_\_\_\_  
Date Signed

By: DocuSigned by:  
  
AFE0EFC9EFEZ424...  
\_\_\_\_\_  
Tom Bursey  
Secretary, Board of Trustees

10/7/2021  
\_\_\_\_\_  
Date Signed