Forensic Audit Report

Review of Budget Development and Financial Reporting

Weslaco Independent School District

Prepared By:
Weaver and Tidwell

May 18, 2026

weaver
Assurance • Tax • Advisory

Table of Contents

Executive Summary 3

I. Introduction 3
II. Scope of Work 3
III. Summary of Findings 4
IV. Conclusion 9
V. Recommendations 10

A. FY2024 Budget (7/2023 – 6/2024) 11

I. Background 11
II. ADA Enrollment for FY2024 Budget 11
III. Summary of Findings 15

B. FY2025 Budget (7/2024 – 6/2025) 17

I. Budget Development Review 17
II. Monthly Financial Reporting to the Board 26
III. Summary of Findings 28

C. FY2026 Budget (7/2025 – 6/2026) 32

I. Budget Development Review 32
II. Region One Budget Review 35
III. Monthly Financial Reporting to the Board 37
IV. Summary of Findings 37

Exhibits and Appendices 40

Executive Summary

I. Introduction

Weaver and Tidwell, L.L.P. ("Weaver") submits this Forensic Audit Report ("Report") to the Board of Trustees (the "Board") for Weslaco Independent School District (the "District"). Weaver has made its best effort, given the available time and resources, to conduct an impartial, independent and extensive forensic audit. Certain limitations on the information available to Weaver resulted in constraints on our forensic audit. We had no power to compel third parties to submit to interviews, produce documents, or otherwise provide information.[1]

The Executive Summary provides an overview of Weaver's findings and recommendations based on the work performed as part of the forensic audit. The Executive Summary is based on the set of facts and findings described in the Report and should be read with the Report itself. Standing alone, it does not, and cannot, provide a full understanding of the facts and analysis underlying our findings and recommendations. In addition, while the Report itself is intended to provide the relevant basis for our findings and recommendations, it does not exhaustively detail all efforts undertaken by Weaver. Weaver reserves the right to amend this Report should additional information be made available relevant to our review.

II. Scope of Work

On March 23, 2026, Weaver was engaged by the District to perform a forensic audit / investigation of monthly financial reports presented to the Board during fiscal years 2024-2025 (FY2025) and 2025-2026 (FY2026), as well as the preparation of budgets for FY2025 and FY2026. Detail of Weaver's scope of work is provided below:

- Conduct interviews of all relevant staff (including leadership) that had access to allegations/information.
- Review of emails and supporting documentation from relevant staff.
- Verification of the accuracy of financial information presented to the Board and its sources, including an evaluation of compliance with state law and policy requirements.
- Preparation of written report summarizing our observations and findings.

[1] The most significant limitation on our review was not being able to interview the former CFO, David Robledo, who declined Weaver's request for an interview.

While Weaver performed additional work steps not included above, the above-mentioned work steps reflect the actions performed by Weaver that formed the basis of our findings and recommendations discussed throughout the remainder of this Report.

III. Summary of Findings

Weaver's observations and findings for the forensic audit are summarized below, with additional detail in support of our observations and findings included in **Sections A-C** of this Report.

a. Inaccurate ADA Information Presented by Mr. Robledo for FY2024 Budget

Weaver determined that revenues for the FY2024 Budget were calculated based on Average Daily Attendance ("ADA") of 14,485, based on the ADA input into the budget template used to calculate revenues.[2] However, the District's former CFO, David Robledo ("Mr. Robledo"), represented to the Board during the budget adoption that revenues were based on ADA of 14,000, which was inaccurate.[3]

In February 2024, the District's Budget Director, Javiel Ruiz ("Mr. Ruiz"), informed the Superintendent, Dr. Rivera, that the FY2024 Budget was based on ADA of 14,485 and not 14,000 as presented by Mr. Robledo. After being asked by Dr. Rivera to clarify whether the District was receiving revenue for the FY2024 Budget based on ADA of 14,000 or 14,485, Mr. Robledo continued to represent that the beginning FY2024 Budget was based on ADA of 14,000, which he outlined in a memorandum dated February 29, 2024. It is our understanding that Mr. Robledo discredited the information being provided by Mr. Ruiz concerning ADA, informing the Superintendent and Cabinet that Mr. Ruiz "*did not have all of the facts.*" However, Weaver determined that the ADA figure of 14,000 represented by Mr. Robledo did not account for additional ADA under the District's Student Attendance Success Initiative program ("SASI Program"), which is eligible for inclusion in calculating ADA under the State's Optional Flexible School Day Program ("Flex Program").[4] Given that State funding was based on ADA inclusive of attendance recorded under the SASI Program, it is unclear

---

[2] In Texas, state funding for public school districts through the Foundation School Program is directly tied to ADA, not total enrollment. Districts receive funding based on the average number of students in attendance daily.

[3] On May 15, 2023, Mr. Robledo emailed Mr. Ruiz and indicated that the "*District Budget for ADA (For Funding)*" was 14,485, which was based on a spreadsheet calculating ADA using enrollment data from the previous four (4) fiscal years. Based on this email from the CFO, Mr. Ruiz and the budget team input ADA into the budget template used for calculating the State funding portion of revenues for the FY2024 Budget.

[4] Pursuant to the TEA Student Attendance Accounting Handbook, attendance for eligible Flex Programs such as the District's SASI Program is recorded in contact minutes instead of days present.

why Mr. Robledo continued to represent that District revenues for the FY2024 Budget were based on ADA of 14,000.[5] Our analysis of the FY2024 Budget is provided in more detail in **Section A** of this Report.

b. New Revenues of $12.1 Million for FY2025 Budget Based on Inaccurate ADA Information Presented by Mr. Robledo

During the budget development for the FY2025 Budget, Mr. Robledo provided inaccurate information to the Superintendent, Cabinet and the Board that the District would receive additional revenues of $12.1 million due to increased ADA from 14,000 in the FY2024 Budget to 14,500 in the FY2025 Budget, including carryover revenues due to actual ADA for FY2024 coming in at 14,522 compared to budgeted ADA of 14,000. The Board relied upon the information related to new revenues presented by Mr. Robledo during Budget Workshops and approved substantial pay raises and stipends for all District staff as part of the FY2025 Budget, which was estimated to cost $9.2 million. However, as described previously in this Report, there was no basis for the assertion that the District would receive new revenues related to higher ADA as the FY2024 Budget was based on ADA of 14,485 and not 14,000 as presented by Mr. Robledo (i.e., ADA of 14,500 in the FY2025 Budget was only slightly higher than the FY2024 Budget based on ADA of 14,485).

We also determined that Mr. Robledo received a written reprimand from the Deputy Superintendent, Abel Aguilar ("Mr. Aguilar"), on May 20, 2024 for the failure to "*plan accordingly for accurate budget and cost estimates needed for the board workshop and regular school board meeting scheduled for May 21, 2024*," which was the Board meeting in which the "new revenues" of $12.1 million were presented to the Board.[6] Our analysis of the FY2025 Budget is provided in more detail in **Section B** of this Report.

c. Mr. Robledo Adjusted the FY2025 Budget to Reflect a Balanced Budget

In May 2024, Mr. Ruiz and other members of the budget team prepared the "imputed" draft FY2025 Budget using the District's budget module tool in the ERP system (Alio), which reflected a budget deficit of approximately $19.9 million for General Funds. Based on our review of Mr. Robledo's email communications and interviews of District personnel, it appeared that Mr. Robledo disregarded the information from Mr. Ruiz and prepared an adjusted version of the FY2025 Budget outside of the Alio system using an Excel workbook. Adjustments made by Mr. Robledo included an increase of revenues by $7.5 million related to

---

[5] Mr. Robledo declined Weaver's request to be interviewed as part of the forensic audit.

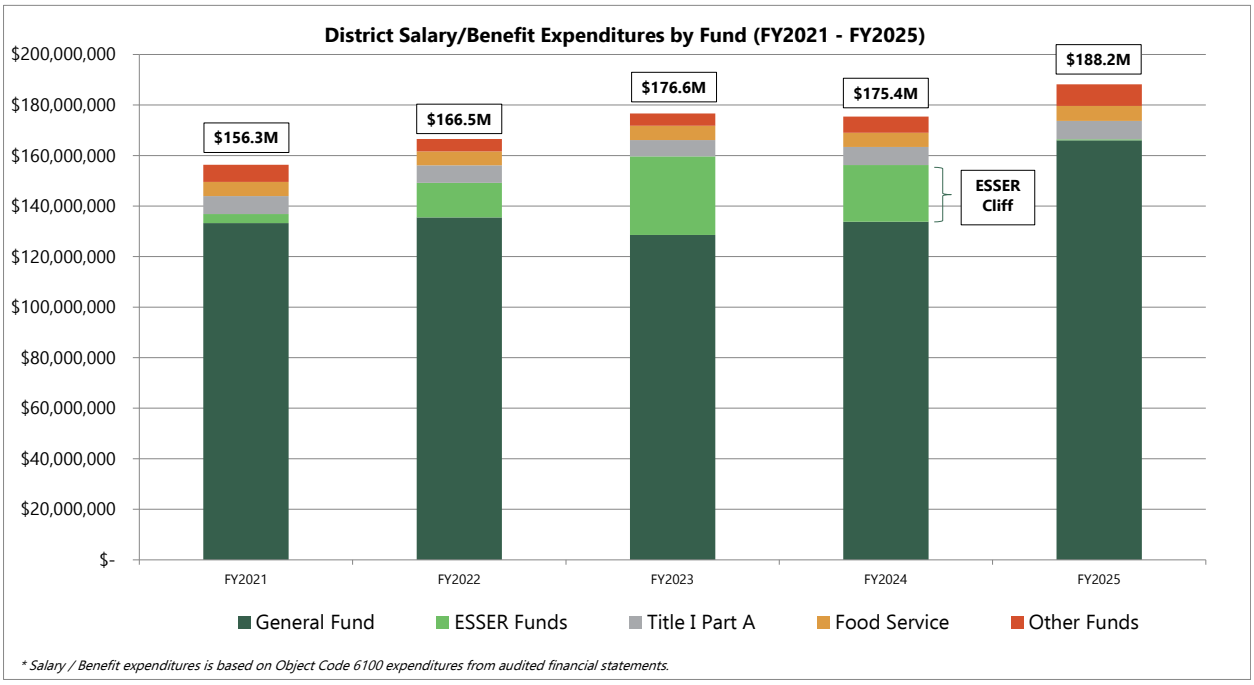
[6] Based on our interviews of Mr. Aguilar and other Cabinet members, the written reprimand was the result of Mr. Robledo not being prepared to provide the financial estimates during the Cabinet meeting in advance of the Board meeting on May 21, 2024. According to Cabinet members, at the time they were unaware that the ADA information provided by Mr. Robledo was inaccurate.

the purported increase in ADA discussed previously in this Report, as well as adjustments to decrease salary-related expenditures by $12.4 million.[7]

The adjustments made by Mr. Robledo resulted in a balanced budget with a budget deficit of $0 in General Funds. Based on our review, Weaver was unable to identify any basis or support for the budget adjustments made by Mr. Robledo, which appeared to be made for purposes of presenting a balanced budget to the Board. The Board relied upon the "balanced budget" presented by Mr. Robledo in its adoption of the FY2025 Budget, including the approval of substantive pay increases for all District employees. The Board, along with the Superintendent and Cabinet, did not appear to be made aware of the adjustments made by Mr. Robledo as only the adjusted budget was presented.

d. Financial Impact of Pay Raises and "ESSER Cliff" in FY2025

As a result of the pay increases approved by the Board for the FY2025 Budget based on the "new revenues" presented by Mr. Robledo, the District's payroll expenditures related to employee salaries and benefits increased by $12.8 million in FY2025, as summarized in the chart below.



[7] Mr. Robledo included a comment next to his adjustments to decrease salary expenditures by $12.4 million that said "ESSER Review." Presumably, his comment implied that ESSER funds would be used for $12.4 million in salaries rather than General Funds.

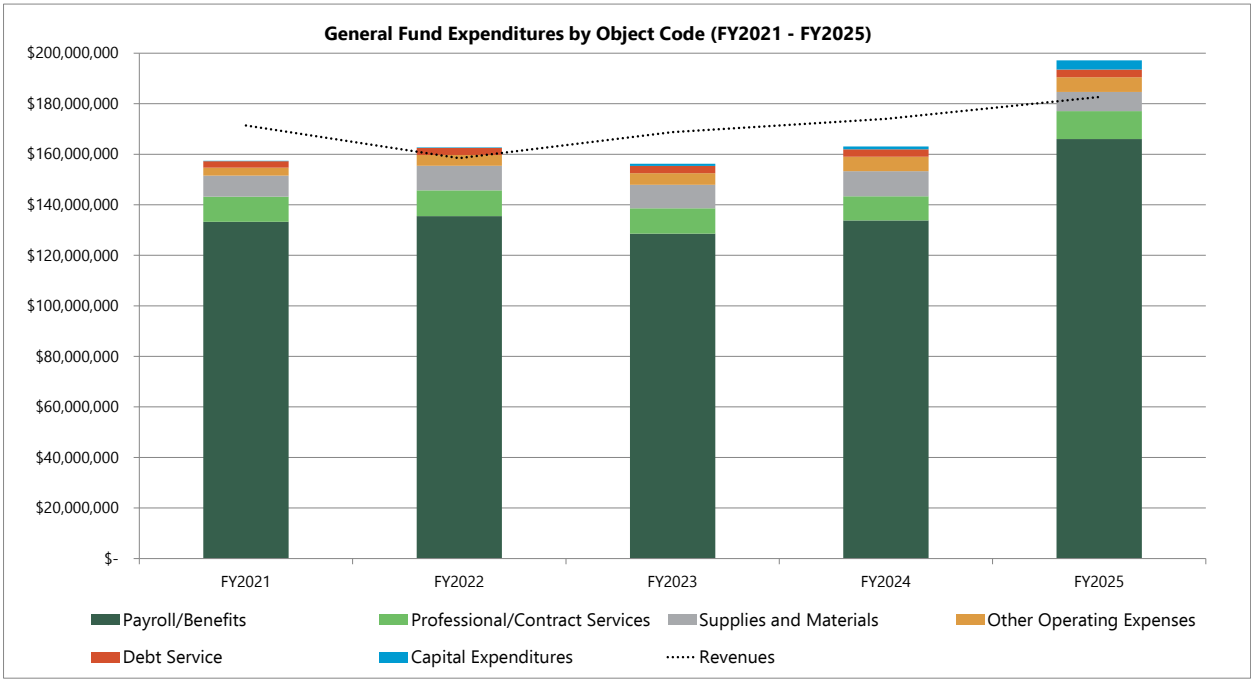
In addition to the pay raises, ESSER funds were no longer available as a funding source for employee salaries starting in FY2025 (referred to as the "ESSER Cliff"). As a result, District salaries and benefits paid out of the General Fund increased by $32.2 million in FY2025 to $166.0 million, as compared to $133.8 million in FY2024. General Fund expenditures by Object Code for FY2021 – FY2025 are summarized in the table below.

General Fund Expenditures by Object Code (FY2021 - FY2025)

Object Code	Object Code Description	FY2021	FY2022	FY2023	FY2024	FY2025
6100	Payroll/Benefits	$ 133,257,625	$ 135,525,608	$ 128,541,140	$ 133,808,715	$ 166,008,246
6200	Professional/Contract Services	9,927,519	10,170,692	10,062,922	9,534,256	11,066,193
6300	Supplies and Materials	8,344,516	9,729,563	9,273,530	9,960,265	7,553,770
6400	Other Operating Expenses	3,177,204	4,277,663	4,617,898	5,717,002	5,869,308
6500	Debt Service	2,536,322	2,793,751	2,872,110	2,940,476	3,004,632
6600	Capital Expenditures	177,490	190,086	877,007	1,109,237	3,629,816
	Total	**$ 157,420,676**	**$ 162,687,363**	**$ 156,244,607**	**$ 163,069,951**	**$ 197,131,965**
	% Change		*3.3%*	*-4.0%*	*4.4%*	*20.9%*

**Expenditures do not include Food Services (Fund 101).*

While General Fund expenditures increased by 21% in FY2025 due to increased salaries and expenditures as a result of pay increases included in the FY2025 Budget and the ESSER Cliff, revenues into the General Fund only increased by 5% in FY2025, which resulted in a General Fund deficit of $14.5 million in FY2025, as depicted below.



e. Mr. Robledo Attributed Reported Budget Deficits for FY2025 Budget to Construction Expenditures

Following the adoption of the FY2025 Budget in June 2024, interim financial reports and budget amendments were presented to the Board by Mr. Robledo each month that reflected an increasing deficit in the FY2025 Budget from $0 as of July 2024 to $30.9 million as of June 2025. It is our understanding that Mr. Robledo repeatedly presented explanations to the Board, Superintendent and Cabinet that attributed the budget deficit to one-time construction expenditures and denied the notion that the deficit was attributed to salary expenditures. While a portion of the deficit for FY2025 depicted in the interim financial reports was related to construction expenditures, these expenditures were ultimately transferred out of the General Fund to be paid from the Construction Fund and did not ultimately impact the deficit in the General Fund. Based on our review and analysis of the audited financial information, the year-end deficit in the General Fund totaled approximately $14.5 million for FY2025, which was almost entirely attributable to salary expenditures as a result of pay increases, stipends and the ESSER Cliff.

f. FY2026 Budget Included Unsupported Revenues Related to State Funding

The FY2026 Budget presented by Mr. Robledo and adopted by the Board in June 2025 reflected state funding of $159.9 million, which was $14.7 million higher than what was calculated in the supporting Summary of Finances Template included in the budget documentation.[8] While we were unable to speak with Mr. Robledo as he denied our request to be interviewed, it appeared that Mr. Robledo made adjustments using "plug" numbers for purposes of presenting a balanced budget, similar to what was observed for the FY2025 Budget. The Region One Budget Review, which was completed in January 2026 after Mr. Robledo's resignation, further confirmed that the FY2026 Budget included revenues that were unsupported by the SOF Template and GL data. Our analysis of the FY2026 Budget is provided in more detail in **Section C** of this Report.

g. Pay Raises for FY2026 Budget Approved Based on Unsupported Information Presented by Mr. Robledo

During the final Budget Workshop on June 23, 2025, Mr. Robledo presented recommended pay increases for the FY2026 Budget, which totaled approximately $10.5 million. While certain of the pay increases were required under HB 2 for districts with more than 5,000 students, the majority of the recommended pay

---

[8] The Summary of Finances Template is provided by the TEA as an aid to help school districts develop their annual budgets.

increases were approved by the Board based on unsupported information presented by Mr. Robledo showing a balanced budget and "new revenues" for FY2026 totaling $16.2 million. Our analysis of the FY2026 Budget is provided in more detail in **Section C** of this Report.

IV. Conclusion

Based on our observations and findings described above and detailed in the subsequent sections of this Report, Weaver determined that there were multiple causal factors that can be attributed to the discrepancies and inaccuracies in information presented to the Board concerning budget information and interim financial reporting, most of which were centered around the actions of the former CFO, Mr. Robledo. A summary of the causal factors identified by Weaver are outlined below.

- Adjustments to the FY2025 Budget and FY2026 Budget by Mr. Robledo for purposes of presenting a "balanced budget" to the Board;
- Mr. Robledo was reprimanded on multiple occasions by District leadership for being unprepared to provide accurate and timely financial information;
- Lack of effective communication between Mr. Robledo and the budget team;[9]
- Budget Director, Mr. Ruiz, was excluded from the development of the FY2026 Budget at the direction of Mr. Robledo;
- Mr. Robledo did not appear to utilize the District's budget and accounting system (Alio) and maintained separate Excel workbooks in preparing budget information;
- Misinformation and confusion related to ADA calculations concerning the FY2024 Budget and FY2025 Budget, especially related to attendance recorded under the SASI Program;
- Impact of the "ESSER Cliff" in FY2025, which resulted in increased salary expenditures of $32.2 million paid out of the General Fund in FY2025 compared to FY2024 (combined with pay increases included in the FY2025 Budget);
- Outsourcing of salary calculations to TASB which resulted in expenditure data not being available until after the adoption of the budget.

[9] During the forensic audit, we were made aware of a history of personal issues between Mr. Robledo and the Budget Director, Mr. Ruiz, including issues involving grievances. While a review of the grievances was outside of Weaver's scope of work, they appeared to demonstrate a history that impacted their communication on issues related to the budget.

V. Recommendations

Weaver has prepared recommendations for the District's consideration, which are based on the findings and conclusions identified during the forensic audit.

No.	Recommendation
Recommendation 1	Consider cross-training of Business Office personnel related to various aspects of the budget development process, including ADA calculations, use of the Alio budget module, and SOF Template.
Recommendation 2	Consider performing annual salary calculations in-house to ensure that estimated salary expenditures for the upcoming fiscal year are able to be incorporated during the budget development process.
Recommendation 3	Consider presenting financial and budget information by Object Code when presented to the Cabinet and Board (in addition to the current Function-level reporting). Reporting based on Object Code will provide more visibility and granularity into the nature of expenditures (e.g., payroll/benefits). It's also important that reporting is on an apples-to-apples basis (certain reports showed General Fund with Food Services and others without Food Services).
Recommendation 4	Consider providing more detail regarding ADA calculations and projections during Board Workshops, including information about the methodology, historical ADA calculations, and breakout of ADA by component (e.g., enrollment, Regular ADA, ADA from SASI Program, etc.).
Recommendation 5	Consider modifying the budget development process to ensure coordination between the CFO and the budget team, such as requiring the Budget Director to sign off that they agree with budget information being presented to the Board.
Recommendation 6	Consider the development of a standardized dashboard for purposes of reporting financial metrics to the Board, showing monthly and annual trends related to revenues, expenditures, enrollment, ADA, FTEs, among other relevant metrics.

A. FY2024 Budget (7/2023 – 6/2024)

I. Background

While our scope of work for the forensic audit included a review of the budget development and monthly financial reporting for the fiscal years ended June 30, 2025 (FY2025) and June 30, 2026 (FY2026), we determined that certain budget items for fiscal year ended June 30, 2024 ("FY2024 Budget") impacted the FY2025 Budget. As such, our review included certain aspects of the FY2024 Budget, including Average Daily Attendance ("ADA") inputs for purposes of budgeting revenues and funding from the State.

II. ADA Enrollment for FY2024 Budget

We determined that revenue for the FY2024 Budget adopted by the Board in June 2024 was based on ADA of 14,485. However, Mr. Robledo consistently presented information to the Board, Superintendent, and Cabinet indicating that the FY2024 Budget was based on ADA of 14,000. A summary of our review of the discrepancy related to ADA for the FY2024 Budget is outlined below, and further detailed in **Appendix A**.

a. Budget Workshop on April 18, 2023

During the Budget Workshop #2 held on April 18, 2023, Mr. Robledo informed the Board that the current year's budget for 2022-2023 was based on ADA of 15,700, instead of 13,800. Mr. Robledo also informed the Board that the FY2024 Budget was to be based on ADA of 14,000, based on growth in enrollment of approximately 0.4%.

b. Email from Mr. Robledo to Mr. Ruiz on May 15, 2023

On May 15, 2023, Mr. Robledo sent an email to Mr. Ruiz and other members of the Budget team regarding projected ADA for the FY2024 Budget, and attached an Excel spreadsheet calculating enrollment and ADA by grade level for the four (4) prior fiscal years.[10] In his email, Mr. Robledo indicated the "*District Budget for ADA (For Funding)*" was 14,485 based on the calculated ADA for FY2024 in the attached spreadsheet. A copy of the email from Mr. Robledo and information from the attached spreadsheet is shown below.

[10] The District's Budget team included Mr. Ruiz (Budget Director), Manny Martinez (Programmer Analyst/Budget Specialist) and Rene Cavazos (Accountant).

From: **CFO** <darobledo@wisd.us>
Date: Mon, May 15, 2023 at 1:50 'a0PM
Subject: RE: FW: [UPDATE] Help us project legislative impacts more accurately by sharing your data!
To: RUIZ, JAVIEL <jruiz@wisd.us>
Cc: CAVAZOS, RENE <rjcavazos@wisd.us>, mmartine@wisd.us <mmartine@wisd.us>

Mr. Javiel,

In reviewing the file for Enrollment and ADA, it is for use for allocating Expenditures/budget allocation.

For Funding, we had to take into account for Pre-K3 & Pre-K4 being only funded at 50%. I added a calculation for funding on the bottom of the Enrollment tab.

District Budget For ADA (For Funding) 14,485.48.

For special populations, please use, 0.5% increase or half a percent from current levels.

Thank you,

Weslaco I.S.D.
Enrollment By Grade Level At Snap Shot Dates
Budget Year 2023-2024 Vs. 4 Prior Actual Years

GRADE LEVEL

SCHOOL	EE	PK3	PK4	K	1ST	2ND	3RD	4TH	5TH	6TH	7TH	8TH	9TH	10TH	11TH	12TH	Total	Change
2019-2020	4	0	1,313	1,044	1,084	1,098	1,110	1,138	1,106	1,300	1,252	1,270	1,506	1,258	1,019	1,034	16,536	-4.2%
2020-2021	8	197	853	1,040	1,185	1,112	1,132	1,193	1,193	1,204	1,281	1,248	1,481	1,324	1,122	967	16,540	0.0%
2021-2022	9	273	704	876	1,088	1,073	1,045	1,092	1,114	1,130	1,138	1,221	1,607	1,156	1,110	945	15,581	-5.8%
2022-2023	1	0	1,379	962	1,133	1,161	1,115	1,090	1,169	1,175	1,166	1,184	1,647	1,301	1,074	934	16,491	5.8%
2023-2024	0	556	835	969	969	1,148	1,171	1,113	1,088	1,170	1,177	1,171	1,193	1,647	1,279	1,070	16,556	0.4%
Current Year Enrollment			1,380						6,630			3,525				4,956		16,491
Next Year Budget Enrollment			1,391						6,458			3,518				5,189		16,556
Change			11						(172)			(7)				233		65
Percent Change			0.8%						-2.6%			-0.2%				4.7%		0.4%
Reduce for Funding ADA			50%															
ADA Rate			90%	90%	90%	90%	90%	90%	90%	91%	91%	91%	92%	92%	92%	92%	Budget Total	
			626	872	872	1,033	1,054	1,002	979	1,065	1,071	1,066	1,098	1,515	1,177	984	**14,413**	
																Increase	0.50%	**14,485.48**

c. Draft Budget Reflected ADA Enrollment of 14,485 for FY2024 Budget

On June 15, 2023, Mr. Ruiz emailed Mr. Robledo an Excel file containing the information for the web posting of the proposed FY2024 Budget. The worksheet within the Excel workbook titled "*Data Entry_Web Posting*" provided a summary of the proposed FY2024 Budget, which was based on an inputted ADA of 14,485 as requested by Mr. Robledo in his email dated May 15, 2023, as shown below.

		2022 23 Final Amend Budget	2023 24 Proposed Budget
	Enrollment Count	14,443.784	14,485.477
Function	Expenditures		
11	Instruction	$85,308,697	$85,713,312
12	Instructional Resources & Media Services	$2,235,162	$2,167,449
13	Curriculum & Instructional Staff Development	$2,721,745	$2,256,234
21	Instructional Leadership	$2,684,338	$2,507,142
23	School Leadership	$11,096,032	$11,304,039
31	Guidance, Counseling & Evaluation Services	$7,500,457	$7,259,733
32	Social Work Services	$1,128,162	$1,123,317
33	Health Services	$1,745,070	$1,532,290
34	Student (Pupil) Transportation	$6,371,175	$5,797,031
35	Food Services	$14,123,247	$14,182,035
36	Cocurricular/Extracurricular Activities	$8,286,779	$7,459,771
41	General Administration	$6,570,731	$5,500,170
51	Plant Maintenance & Operation	$19,530,702	$18,827,462
52	Security and Monitoring Services	$4,088,245	$3,143,555
53	Data Processing Services	$3,418,315	$2,974,865
61	Community Services	$2,008,100	$1,543,143
71	Debt Service - Principal on long-term debt	$4,003,742	$4,161,931
	Debt Service - Principal on capital lease	$710,933	$471,454
	Debt Service - Interest on long-term debt	$2,220,090	$2,091,988
	Debt Service - Interest on capital lease	$5,950	$503
	Debt Service - Bond Issuance Cost and Fees	$6,000	$6,000
81	Facilities Acquisition and Construction	$0	$0
91	Contracted Instructional Services Between Schools	$0	$0
92	Incremental Costs Associated With Chapter 41	$0	$0
93	Payments to Fiscal Agent/Member District	$0	$0
94	Payments to Other Schools	$0	$0
95	Payments to Juvenile Justice Alternative Ed. Prg.	$170,000	$125,000
96	Payments to Charter Schools	$0	$0
97	Payments to TIF	$0	$0
99	Inter-governmental Charges not in Other Data Codes	$316,725	$296,725
		$186,250,397	$180,445,149

d. Board Adoption of FY2024 Budget on June 20, 2023

On June 20, 2023, the final FY2024 Budget was presented by Mr. Robledo and approved by the Board. During the presentation to the Board, Mr. Robledo informed the Board that the FY2024 Budget was based on ADA of 14,000, as shown below.

The following are highlights of other items included in the proposed 2023-2024 Budget:

- Preliminary Taxable Values as of June 6, 2023, of $ 3,814,997,318.
- Total Tax Rate of $0.9411 (M&O $0.8433 and I&S $0.0978) – **Subject to change**
- **Our ten (10) elementary campuses will be offering full-day Pre-K for 3-year and 4-year-old students.**
- **The attendance of full-day Pre-K 3 and Pre-K 4 students will generate one-half (½) ADA funding only.**
- **We budgeted an Average Daily Attendance (ADA) of 14,000.**
- The self-funded employee benefits program has no increase to the employer and employee contribution

The final FY2024 Budget approved by the Board on June 20, 2023 matched the spreadsheet emailed by Mr. Ruiz to Mr. Robledo on June 15, 2023 (i.e., expenditures totaled $180,445,149). However, it is unclear why Mr. Robledo informed the Board that the FY2024 Budget was based on ADA of 14,000 as opposed to 14,485, as this was the basis for the budget amounts provided by the Budget team.

Weslaco Independent School District
2023-2024 Official Budget Presentation
Summary by Fund

Fund	Fund Name	Budget Revenues	Budget Expenditures	Difference
101	Food Services	$14,844,108	$14,844,108	$0
161	State Gifted & Talented	312,307	607,681	(295,374)
162	State Vocational Education	6,057,514	6,340,383	(282,869)
163	State Special Education	6,184,154	11,667,305	(5,483,151)
164	State Compensatory Education	11,727,525	11,727,525	-
165	State Bilingual	1,154,659	1,154,659	-
166	High School Allotment	-	1,075,684	(1,075,684)
167	KWES Fund	-	35,000	(35,000)
168	State Dyslexia Fund	460,596	486,351	(25,755)
169	Early Education Allotment	2,654,985	2,654,985	-
170	College, Career, or Military Readiness	286,000	286,000	-
191	Co-Curricular Fund	305,065	5,995,515	(5,690,450)
193	Technology Fund	-	678,000	(678,000)
199	General Fund	132,723,705	119,157,422	13,566,283
	GENERAL FUNDS SUBTOTAL	**$176,710,618**	**$176,710,618**	**$0**
599	Debt Service	4,387,896	3,734,531	653,365
	DEBT SERVICE FUND SUBTOTAL	**$4,387,896**	**$3,734,531**	**$653,365**
	TOTAL OFFICIAL 2023-2024 BUDGET	**$181,098,514**	**$180,445,149**	**$653,365**

"Weslaco ISD…The Right Choice"

e. Review of ADA Discrepancies in February 2024

In February 2024, Mr. Ruiz expressed concerns to Dr. Rivera regarding the FY2024 Budget, specifically about his concerns that revenues for the FY2024 Budget were derived by the Budget team based on ADA of 14,485, which was inconsistent with the representations by Mr. Robledo to the Board that the FY2024 Budget was based on ADA of 14,000. The email from Mr. Ruiz to Dr. Rivera is provided below.

> From: **RUIZ, JAVIEL** <jruiz@wisd.us>
> Date: Mon, Feb 26, 2024 at 4:19 PM
> Subject: ADA
> To: RICHARD RIVERA <rrivera@wisd.us>
>
> Good afternoon sir. I know Gracie had let you know that I had a concern over ADA. I just wanted to make sure you were aware that the beginning budget was based on 14,485.48, not 14,000. That was the figure given to me to use on the old template to come up with estimated state revenues. If you have any questions, please let me know. Thank you.

In response to the email from Mr. Ruiz, Dr. Rivera forwarded the email to Mr. Robledo and asked Mr. Robledo whether the District was receiving revenues based on ADA of 14,485 or 14,000 for FY2024. In response to the concerns raised to Dr. Rivera by Mr. Ruiz, Mr. Robledo prepared a memorandum outlining a timeline of events from March 2023 through February 2024 related to the determination of ADA for the FY2024 Budget.[11] Based on our review of the memorandum prepared by Mr. Robledo, the memorandum it did not appear to have answered Dr. Rivera's question about whether revenues for the FY2024 Budget were based on ADA of 14,485 or 14,000.

III. Summary of Findings

A summary of Weaver's findings from our review and analysis of the FY2024 Budget is provided below, including our review of the budget development process and ADA enrollment.

a. ADA Discrepancy Appeared to Relate to Attendance Under SASI Program

Weaver determined that the ADA figure of 14,000 represented by Mr. Robledo did not account for additional ADA under the District's Student Attendance Success Initiative program ("SASI Program"), which is eligible for inclusion in calculating ADA under the State's Optional Flexible School Day Program ("Flex

[11] See **Exhibit 1**.

Program").[12] However, in an email on June 14, 2023, Mr. Robledo appeared to acknowledge that the ADA calculation of 14,000 did not include additional attendance recorded under the SASI Program, as shown below.

darobledo@wisd.us CFO Wednesday, June 14, 2023 at 1:15:20 PM Central Daylight Time
To: jruiz@wisd.us RUIZ, JAVIEL, mmartine@wisd.us MANNY MARTINEZ, rjcavazos@wisd.us RENE CAVAZOS

All,

For Fund 169, additional teacher or educational aides (whichever is allowable) would need to be reclassed from Fund 199.

We would also need to ensure that all costs related to the Pre-K 3, Pre-K-4, kindergarten and possibly 1st grade are being coded correctly to Early Childhood Allotment fund.

Another item that has changed for Regular ADA the Budgeted amount is 14,000 instead of 13,900. I believe this does not include what SASI brings in. Would this assist.

Mr. David Robledo, MACC, RTSBA

In his earlier email to Mr. Ruiz on May 15, 2023, the request from Mr. Robledo to use ADA of 14,485 for funding for the FY2024 Budget appeared to be inclusive of the additional attendance under the SASI Program. As such, Weaver determined that the representations by Mr. Robledo to the Board, Superintendent and Cabinet that the FY2024 Budget was based on ADA of 14,000 were inaccurate and did not account for attendance recorded under the SASI Program.

b. Communications Between Mr. Robledo and Cabinet

We determined that the Superintendent and Cabinet questioned Mr. Robledo about the ADA discrepancy for the FY2024 Budget (i.e., 14,000 vs. 14,485), however, Mr. Robledo insisted that 14,000 was the appropriate ADA amount. It is our understanding that Mr. Robledo discredited the information provided by Mr. Ruiz to the Superintendent and the Cabinet concerning ADA, indicating that Mr. Ruiz "*did not have all of the facts.*" Based on the response provided by Mr. Robledo, including his memorandum prepared in February 2024, the Superintendent and Cabinet trusted that the information being provided by Mr. Robledo was accurate given his role as CFO.

---

[12] Pursuant to the TEA Student Attendance Accounting Handbook, attendance for eligible Flex Programs such as the District's SASI Program is recorded in contact minutes instead of days present.

B. FY2025 Budget (7/2024 – 6/2025)

I. Budget Development Review

a. Overview

The District's budget for the fiscal year beginning July 1, 2024 through June 30, 2025 ("FY2025 Budget") was adopted by the Board on June 25, 2024. The adopted FY2025 Budget reflected a surplus of $1.2 million, including a balanced budget for the general fund (i.e., surplus/deficit of $0), as shown below.

Weslaco Independent School District
2024-2025 Official Budget Presentation
Summary by Fund

Fund	Fund Name	Budget Revenues	Budget Expenditures	Difference
101	Food Services	$15,263,340	$15,263,340	$0
161	State Gifted & Talented	310,652	792,216	(481,564)
162	State Vocational Education	7,102,930	7,102,930	-
163	State Special Education	7,013,296	14,227,502	(7,214,206)
164	State Compensatory Education	11,569,954	11,569,954	-
165	State Bilingual	1,164,329	1,164,329	-
166	High School Allotment	-	1,111,967	(1,111,967)
167	KWES Fund	-	35,000	(35,000)
168	State Dyslexia Fund	516,932	516,932	-
169	Early Education Allotment	2,660,224	2,660,224	-
170	College, Career, or Military Readiness	191,400	191,400	-
191	Co-Curricular Fund	310,000	6,314,042	(6,004,042)
193	Technology Fund	-	678,000	(678,000)
199	General Fund	147,013,887	131,489,108	15,524,779
GENERAL FUNDS SUBTOTAL		**$193,116,944**	**$193,116,944**	**$0**
599	Debt Service	8,744,493	7,539,232	1,205,261
DEBT SERVICE FUND SUBTOTAL		**$8,744,493**	**$7,539,232**	**$1,205,261**
TOTAL OFFICIAL 2024-2025 BUDGET		**$201,861,437**	**$200,656,176**	**$1,205,261**

b. Budget Development Timeline

The District began preparing the FY2025 Budget in February 2024, with four (4) budget workshops, during which Mr. Robledo presented budget information to the Board in advance of the budget being adopted in June 2024. Based on our review of Board meeting records, email communications, as well as interviews with District employees, Weaver prepared a chronology of events detailing the development of the FY2025 Budget as summarized below, with the entire chronology for the FY2025 Budget provided in **Appendix A**.

Date	Description of Event
2/26/2024	An email from Mr. Robledo to the budget team and other District department leadership indicated that the ADA enrollment for FY2025 was projected at 14,500, which was based on discussions with the Superintendent and Cabinet and an estimated enrollment increase of 1% from FY2024.
3/21/2024	**Budget Workshop** – Mr. Robledo presented to the Board projected ADA for the FY2025 budget of 14,500, which was a 0.4% increase from the prior year's actual ADA.
4/16/2024	**Budget Workshop** – Mr. Robledo presented the "major changes" to the FY2025 budget, which projected that increases for pay raises and incentive/retention stipends of $8.4 million would be offset by additional revenues of $4 million due to ADA increasing from 14,000 to 14,500, and $3 million of additional revenues due to new State legislation.
5/21/2024	**Board Meeting** – Superintendent's Report to the Board (slide 1) highlighted $12.1 million in new revenues for the FY2025 budget, including $9.1 million related to increased ADA from 14,000 to 14,500 ($4.8 million for FY2024 and $4.3 million for FY2025) and $3 million for anticipated interest in FY2024 unrelated to the bond election. The next slide in the Superintendent's Report (slide 2) showed how the additional revenue of $12.1 million would be used, including $9.2 million in expenditures for pay raises and stipends, $1.2 million for health insurance cost increases, $1.4 million for increases to Co-Curricular, Fine Arts and Safety & Security, as well as $300,000 for the addition of four (4) teachers for Dropout Recovery Program.
5/31/2024	The Budget Director, Mr. Ruiz, emailed Mr. Robledo the budget team's analysis of the current version of the FY2025 Budget after incorporating the pay raises and other items from the Superintendent's Report presented to the Board on May 21, 2024. The analysis provided by Mr. Ruiz reflected a **projected budget deficit of approximately $19.4 million** in the General Fund for the FY2025 Budget.
6/13/2024	Mr. Robledo emailed the budget team an updated version of the draft FY2025 Budget with his adjustments to the version previously provided by Mr. Ruiz and the budget team. The revised draft budget provided by Mr. Robledo now reflected a **budget surplus of $1.2 million** in the General Fund, primarily as a result of adjustments to add $7 million in revenues associated with potential new TEA legislation, and a reduction of salary expenditures by $9.8 million for reduced substitute costs, as well as a $8.4 million reduction in contingency for salaries for Instructional Resources & Media Services.
6/18/2024	**Budget Workshop** – Mr. Robledo presented the draft FY2025 Budget to the Board (inclusive of his adjustments from 6/13/2024) showing a balanced budget in the General Fund and surplus of over $1 million across all funds. Mr. Robledo represented to the Board that the additional costs for pay increases and stipends would be offset by the additional revenues from increased ADA from 14,000 to 14,500.
6/19/2024	Mr. Ruiz emailed Mr. Robledo and informed him that his numbers still showed a projected budget deficit of $20 million in the General Fund for FY2025 based on the budget model generated in the system (Alio). Mr. Ruiz requested that Mr. Robledo let him know which revenues he was going to increase and which expenses he was going to decrease to balance the budget.
6/25/2024	**Budget Adoption –** Mr. Robledo presented the final FY2025 Budget to the Board showing a balanced budget for General Funds based on revenues of $193.1 million and expenditures of $193.1 million. The overall budget across all funds (including Debt Service) reflected a surplus of $1.2 million. The FY2025 Budget was adopted by the Board.
6/26/2024	Mr. Ruiz emailed Mr. Robledo about the need to post the final budget to the District's website and requested the detail for the adjustments made by Mr. Robledo, which effectively adjusted the budget from a $20 million deficit to a $0 deficit.[13]

[13] In his email to Mr. Robledo on June 26, 2024, Mr. Ruiz stated: *"David, I need to post the budget. I need to know what accounts to cut and what revenues to increase to match what was presented. Are you going to give me the accounts or do I just adjust accounts so it can match what was approved?"*

Date	Description of Event
6/27/2024	Mr. Robledo responded to Mr. Ruiz and provided the adjustments to the "*current imputed budget*" that resulted in the budget presented to the Board on June 25, 2024. The spreadsheet with Mr. Robledo's adjustments reflected an adjustment to increase revenue in the General Fund by $7.5 million for "Carryover Revenue" in the Foundation-Entitlement account. The spreadsheet also reflected adjustments to decrease expenditures by $12.4 million due to the use of ESSER funds for teacher salaries and reduction of substitute costs. **The adjustments made by Mr. Robledo to increase revenue by $7.5 million and decrease expenditures by $12.4 million represented a combined impact of $20 million to the General Funds budget.** As a result, the budget presented to the Board on June 25, 2024 and ultimately adopted showed a General Funds deficit of $0 (i.e., a balanced budget), whereas the imputed budget previously prepared by the budget team reflected a budget deficit of $20 million for General Funds.

c. ADA Enrollment Projections

Email communications during the February 2024 – March 2024 time period reflected that ADA enrollment for FY2025 was projected at 14,500 based on the analysis of enrollment from the previous four (4) years using campus data from TEA's PEIMS database. The below email from Mr. Robledo on February 26, 2024 outlined the process for deriving the projected enrollment of 14,500.

From: ROBLEDO, DAVID <darobledo@wisd.us> <darobledo@wisd.us>
Sent time: 02/26/2024 11:49:47 AM
To: GUERRA, SANDRA <saguerra@wisd.us>; MBERRONE <mberrone@wisd.us>; CARLOS MARTINEZ <cmartine@wisd.us>
Cc: RUIZ, JAVIEL <jruiz@wisd.us>; MANNY MARTINEZ <mmartine@wisd.us>; CAVAZOS, RENE <rjcavazos@wisd.us>; JOHNNY GARLIC <jgarlic@wisd.us>; ESCAMILLA, BELINDA <bescamilla@wisd.us>
Subject: Re: Projection of Enrollment/ADA Student for 2024-2025
Attachments: Enrollment Projections 2024-2025 Revised.xlsx

All,

In speaking with the Superintendent and Cabinet, the initial Budget Estimations (Conservative Numbers) for Enrollment, SASI, and ADA for the First Board Workshop FY2024-2025 (3-21-24) is as follows:

Enrollment Increase of 1% from Last Year (School Year 2023-2024) = 16,578
ADA without SASI = 14,245
SASI = 255
Total Refined ADA (ADA+SASI) = 14,500

I have attached my latest Enrollment Projections and ADA for Funding Purposes.

d. Superintendent's Report to the Board on May 21, 2024

During the Superintendent's Report to the Board on May 21, 2024, Dr. Rivera presented information to the Board showing estimated "new revenues" of $12.1 million in General Funds for the FY2025 Budget. Based on our interviews of the Superintendent and Cabinet members, it is our understanding that the financial

information included on the slides presented by Dr. Rivera was prepared by Mr. Robledo.[14] The "new revenues" of $12.1 million were primarily based on the assumption that ADA for FY2024 came in above the budgeted ADA of 14,000, which would result in additional carryover revenue of $4.8 million for the FY2025 Budget, as well as an additional $4.3 million in revenue due to budgeted ADA increasing to 14,500 in the FY2025 Budget (from 14,000 in the FY2024 Budget). The slide presented to the Board is shown below:[15]

2024-2025 BUDGET GENERAL FUNDS
NEW REVENUES - $12,100,000

A.	2023-2024 ADA over 14,000 with SASI	$ 4,800,000
B.	2024-2025 ADA from 14,000-14,500	$ 4,300,000
C.	2023-2024 Anticipated Interest Unrelated to the Bond Election	$ 3,000,000
	TOTAL	**$12,100,000**
	New Law	
D.	New Law Funding (if passed in June 2025)	$ 3,000,000

1

On the subsequent slide, Dr. Rivera presented to the Board a summary of how the new revenues of $12.1 million would be used in the FY2025 Budget, which primarily consisted of $9.2 million in pay raises, including $2,500 raises for all teachers, nurses and librarians (4% raises for all other staff), and incentive/retention stipends of $2,000 for all staff. A copy of the slide showing new expenditures of $12.1 million for the FY2025 Budget is provided below.

---

[14] A copy of the slides presented by Dr. Rivera for the Superintendent's Report to the Board on May 21, 2024 is attached to this Report as **Exhibit 2**. The items in red were added by the Business Office sometime after the presentation to show the source of information included on each slide. Additionally, the Business Office included a log showing revisions to the slides by user as the slides were updated as a shared Google document by various members of the Cabinet.

[15] In addition to the new revenues for FY2025 totaling $12.1 million (Items A-C), the slide showed new revenue of $3 million related to "New Law Funding" which appeared to be in relation to Texas House Bill 2 ("HB 2") which was ultimately passed in or around June 2025.

2024-2025 BUDGET GENERAL FUNDS
NEW EXPENDITURES - $12,100,000 AVAILABLE

A.	Pay Raises (Calculated by TASB) ○ Teachers, Nurses, and Librarians: $2,500 ○ Stipends for All Staff: $2,000 ○ All Other Staff: 4%	$ 9,200,000
B.	Additional Teachers for Dropout Recovery Program (ADA will cover costs)	$ 300,000
C.	Health Insurance Cost Increase	$ 1,200,000
D.	Increases to Co-Curricular, Fine Arts and Safety & Security	$1,400,000
	TOTAL	**$12,100,000**

In addition to the $12.1 million in new expenditures out of General Funds for pay raises and other costs, additional one-time expenses were proposed as part of the Superintendent's Report on May 21, 2024, including various facility improvements estimated to cost $6.9 million. These one-time expenditures were to be funded through the District's excess fund balance, which was shown as being $20 million above the reserve level recommended by the TEA, as shown below.

FUND BALANCE

A.	Annual Audit (6-30-23)	$62,000,000
B.	Three Month Reserve as Recommended by TEA	$42,000,000
C.	**$20,000,000** Available for one Time Expenses	
	1. Stadium LED Light Upgrades	$ 500,000
	2. Sensory Rooms (Elementary)	$ 200,000
	3. (3) New School Buses	$ 400,000
	4. Maintenance Vehicles / Equipment (Exceeded Life Span)	$ 300,000
	5. Portable A/C Units	$ 250,000
	6. Bleachers (Central MS)	$ 116,000
	7. Baseball and Softball Turfs at WHS & WEHS	$ 4,000,000
	8. Electric Gates (Phase 1:(4) Elementary Campuses- will continue to study state funding initiatives)	$ 1,000,000
	9. Extra Curricular Needs such as Portable Hydration Systems and Heavy Duty Tents	$ 150,000
	TOTAL	**$ 6,916,000**
D.	New Monies After Annual Audit Allocated to Fund Balance	
	1. Reduction of Payroll Costs through Staff Attrition (Resignations & Retirements)	$ 2,000,000
	2. Anticipated Interest Unrelated to the Bond Election 2024-2025	$ 3,000,000
	TOTAL	**$ 5,000,000**

5

e. Budget Team Projected a Deficit of $19-$20 Million for FY2025 Budget

Following the Superintendent's Report during the Board meeting on May 21, 2024, the District's Budget Director, Mr. Ruiz, emailed Mr. Robledo on May 31, 2024 and provided an analysis of the draft FY2025 Budget after incorporating the proposed pay raises and other new expenditures into the budget module within the ERP system (Alio).[16]

From: RUIZ, JAVIEL <jruiz@wisd.us> <jruiz@wisd.us>
Sent time: 05/31/2024 08:48:30 AM
To: DAVID ROBLEDO <darobledo@wisd.us>; DEBORAH RODRIGUEZ <ddrodriguez@wisd.us>; MANNY MARTINEZ <mmartine@wisd.us>; RENE CAVAZOS <rjcavazos@wisd.us>; JESUS FONSECA <jfonseca@wisd.us>
Subject: Budget
Attachments: All Contracts 2025.xlsx 1xx BPS Summary 2024 25.xlsx

Good morning. Here's an analysis on the 24/25 budget as of right now.I ran queries on the contracts and hourly employees and made an estimated raise based on the Sup's recommendations. Jesse helped me out on the hourly. I know the raises are going to be overstated since we're going by current salaries for employees. I noticed that insurance rates seem high based on last year's original budget. However, if I take the total number of employees (cell O1942) and multiply it by the annual rate per employee, this is the number that I come up with. Let me know if y'all have any questions.

The initial budget analysis submitted by Mr. Ruiz to Mr. Robledo on May 31, 2024 reflected an estimated budget deficit of $19.4 million for General Funds (i.e., 1xx accounts), as summarized below.

Summary of Draft Budget Prepared by Budget Team on May 31, 2024

Fund (General Funds Only)	Estimated Revenues	Estimated Expenditures	Difference
101 - Food Services	$ 15,263,340	$ 15,263,340	$ -
161 - State Gifted & Talented	310,652	792,216	(481,564)
162 - State Vocational Education	7,102,930	7,102,930	-
163 - State Special Education	7,013,296	13,484,372	(6,471,076)
164 - State Compensatory Education	11,569,954	11,569,954	-
165 - State Bilingual	1,164,329	1,164,329	-
166 - High School Allotment	-	1,111,967	(1,111,967)
167 - KWES Fund	-	35,000	(35,000)
168 - State Dyslexia Fund	516,932	516,932	-
169 - Early Education Allotment	2,660,224	2,772,089	(111,865)
170 - College, Career, or Military Readiness	191,400	191,400	-
191 - Co-Curricular Fund	310,000	6,314,042	(6,004,042)
193 - Technology Fund	-	678,000	(678,000)
199 - General Fund	139,513,887	144,019,757	(4,505,870)
General Funds Total	**$ 185,616,944**	**$ 205,016,328**	**$ (19,399,384)**

[16] It is our understanding that the District utilized the Alio Financial Management System ("Alio") as its primary software for financial operations and human resources, which has a budgeting module used for preparing the budget.

On June 19, 2024, Mr. Ruiz and other members of the budget team provided an updated analysis of the FY2025 Budget to Mr. Robledo, which now reflected a budget deficit of $19.9 million for General Funds, as summarized in the table below.

Summary of Draft Budget Prepared by Budget Team on June 19, 2024			
Fund (General Funds Only)	**Estimated Revenues**	**Estimated Expenditures**	**Difference**
101 - Food Services	$ 15,263,340	$ 15,263,340	$ -
161 - State Gifted & Talented	310,652	792,216	(481,564)
162 - State Vocational Education	7,102,930	7,102,930	-
163 - State Special Education	7,013,296	14,227,502	(7,214,206)
164 - State Compensatory Education	11,569,954	11,569,954	-
165 - State Bilingual	1,164,329	1,164,329	-
166 - High School Allotment	-	1,111,967	(1,111,967)
167 - KWES Fund	-	35,000	(35,000)
168 - State Dyslexia Fund	516,932	516,932	-
169 - Early Education Allotment	2,660,224	2,660,224	-
170 - College, Career, or Military Readiness	191,400	191,400	-
191 - Co-Curricular Fund	310,000	6,314,042	(6,004,042)
193 - Technology Fund	-	678,000	(678,000)
199 - General Fund	139,513,887	143,916,835	(4,402,948)
General Funds Total	**$ 185,616,944**	**$ 205,544,671**	**$ (19,927,727)**

f. Adjustments to FY2025 Budget by Mr. Robledo

Based on our review of email communications and interviews with District employees, Mr. Robledo made adjustments to the draft budget prepared by the budget team, which were made in a separate Excel workbook rather than in the Alio budget module. It is our understanding that the adjustments by Mr. Robledo were made for purposes of balancing the budget to show a $0 deficit, instead of a $19.9 million deficit. As indicated in the email below, on June 19, 2024, Mr. Ruiz asked Mr. Robledo to inform the budget team of the adjustments he intended to make "*to balance*" the budget.

From: RUIZ, JAVIEL <jruiz@wisd.us> <jruiz@wisd.us>
Sent time: 06/19/2024 11:10:32 AM
To: DAVID ROBLEDO <darobledo@wisd.us>; DEBORAH RODRIGUEZ <ddrodriguez@wisd.us>; MANNY MARTINEZ <mmartine@wisd.us>; RENE CAVAZOS <rjcavazos@wisd.us>; JESUS FONSECA <jfonseca@wisd.us>
Subject: 1xx 24/25 Budget
Attachments: 1xx BPS Summary 2024 25.xlsx 1xx Budget.xlsx

Okay, everything has been keyed in for 1xx.My numbers show a $19.927 million deficit. Here's the whole file. Let me know what accounts you're going to reduce and what estimated revenues you're going to increase to balance.

On June 25, 2024, Mr. Robledo presented the FY2025 Budget to the Board showing a balanced budget with a $0 deficit for General Funds, compared to the original $19.9 million deficit prepared by the budget team. On June 27, 2024, Mr. Robledo provided a spreadsheet to the budget team detailing his adjustments.

From: ROBLEDO, DAVID <darobledo@wisd.us> <darobledo@wisd.us>
Sent time: 06/27/2024 09:27:18 AM
To: RUIZ, JAVIEL <jruiz@wisd.us>; MANNY MARTINEZ <mmartine@wisd.us>; CAVAZOS, RENE <rjcavazos@wisd.us>; DEBORAH RODRIGUEZ <ddrodriguez@wisd.us>
Cc: ESCAMILLA, BELINDA <bescamilla@wisd.us>
Subject: Re: budget
Attachments: 1xx Budget B.xlsx

All,

Please see the adjustments to the current imputed budget for FY 2024-2025.

I will shortly be sending the Official Budget report so we can update the website.

Based on our review and analysis of the budget adjustments included in the spreadsheet provided by Mr. Robledo, budgeted revenue was increased by $7.5 million for additional carryover revenues, and expenditures decreased by $12.4 million (primarily in salaries), as summarized in the table below.

Summary of Adjustments to FY2025 Budget by Mr. Robledo

Account Code	Account Description	Adjustment	Description (Robledo Spreadsheet)
Revenue Adjustments			
199-00-5812	Foundation - Entitlement	$ 7,500,000	Additional for Carryover Revenues
Total Revenue Adjustments		**$ 7,500,000**	
Expenditure Adjustments			
199-11-6112	Salaries for Substitute Teachers	$ (1,235,413)	Reduction of Substitute Costs
199-11-6119	Salaries for Teachers/Professionals	(11,315,000)	ESSER Review
199-11-6142	Group Health & Life Insurance	(414,314)	ESSER Review
199-11-6146	TRS CARE	(115,000)	ESSER Review
199-36-6399	General Supplies	152,000	Additional Allotment
199-41-6146	TRS CARE	(25,000)	Reduction for LSG Consulting
199-41-6239	Professional Services	25,000	LSG Consulting
199-52-6121	Extra Duty Pay - Support	(5,000)	Additional Allotment
199-52-6129	Salaries for Support Personnel	427,000	Additional Allotment
199-52-6141	Social Security/Medicare	15,000	Additional Allotment
199-52-6142	Group Health & Life Insurance	50,000	Additional Allotment
199-52-6143	Worker's Compensation	2,000	Additional Allotment
199-52-6145	Unemployment Compensation	500	Additional Allotment
199-52-6146	TRS CARE	10,500	Additional Allotment
Total Expenditure Adjustments		**$ (12,427,727)**	

The adjustments made by Mr. Robledo had a combined impact of $19.9 million on the overall fund balance in the budget, and resulted in a budget deficit of $0 compared to the budget deficit of $19.9 million prepared by the budget team.

g. Board Approval of FY2025 Budget

During the Budget Workshop held on June 18, 2024, Mr. Robledo informed the Board that the District will have a balanced budget for FY2025 "*after additional refinement and review*" of the revenues and expenditures.[17]

Clarification of Balanced Budget for Budget Year 2024-2025

	199 General Fund	101 Food Service Fund	599 Debt Service Fund	2024-2025 Memo Totals	2023-2024 Memo (Budget) Totals
ESTIMATED REVENUES:					
5700-Local Revenue	$ 28,796,317	$ 211,952	$ 7,325,458	$ 36,333,727	$ 34,644,734
5800- State Revenue	$ 146,952,287	$ 50,000	$ 1,419,035	$ 148,421,322	$ 139,534,078
5900 -Federal Revenue	$ 1,605,000	$ 15,001,388	$ -	$ 16,606,388	$ 17,019,971
5000 TOTAL ESTIMATED REVENUES	$ 177,353,604	$ 15,263,340	$ 8,744,493	$ 201,361,437	$ 191,198,783
APPROPRIATED EXPENDITURES					
6100 Payroll Costs	150,025,421	6,592,589	-	156,618,010	145,541,129
6200 Professional & Contracted Services	10,875,277	855,200	-	11,730,477	12,146,633
6300 Supplies and Materials	7,032,037	7,784,551	-	14,816,588	23,139,433
6400 Other Operating Expenses	6,301,520	31,000	-	6,332,520	6,839,635
6500 Debt Service	2,988,205	-	7,539,232	10,527,437	6,791,541
6600 Capital Outlay	131,144	-	-	131,144	4,009,438
Total	$ 177,353,604	$ 15,263,340	$ 7,539,232	$ 200,156,176	$ 198,467,809
Surplus/(Deficit) Total Budget	-	-	1,205,261	1,205,261	

- After additional refinement and review of the Budget Revenues and Expenditures, the District will have a Balanced Budget as shared by the Budget Book for FY 2024-2025.

9

During the Public Hearing preceding the Board meeting on June 25, 2024, Mr. Robledo again presented a balanced budget for FY2025 with a $0 deficit in General Funds and $1.2 million surplus across all funds. The FY2025 Budget presented by Mr. Robledo was adopted by the Board on June 25, 2024.

---

[17] During the Board Workshop on June 18, 2024, Mr. Robledo indicated that the Superintendent would discuss what the District could do with the surplus funds at the next Board meeting. Mr. Robledo emphasized to the Board that the District's goal was to cut costs in certain areas in order to pay staff well, as well as spend money on "big projects." During his presentation, Mr. Robledo also thanked campus and department leadership teams for balancing the budget.

II. Monthly Financial Reporting to the Board

We performed a review and analysis of the interim monthly financial reports presented to the Board by Mr. Robledo for the FY2025 Budget, including budget amendments and revenues and expenditures incurred year-to-date. A summary of our analysis of interim financial reports for FY2025 is provided in **Appendix D**.

a. Budget Amendments

Budget amendments were presented to the Board each month by Mr. Robledo during FY2025. Based on our review of budget amendments, we determined that the FY2025 Budget for General Funds was amended throughout the fiscal year from a $0 deficit in July 2024 to a deficit of $30.9 million as of June 2025. We determined that budgeted expenditures increased by $22.4 million from the original budget, which was primarily related to expenditures for salaries and payroll. Beginning in January 2025, budget amendments were presented by Mr. Robledo for "Other Uses" of funds, which included approximately $16 million in construction expenditures for various facilities upgrades. A summary of the impact of budget amendments to the FY2025 Budget is provided in the table below.

Summary of Adjustments to FY2025 Budget (General Funds)

Board Meeting Date	Revenues	Expenditures	Other Resources and Uses*	Excess (Deficiency)
July 2024	$ 193,116,944	$ 193,116,944	$ -	$ -
August 2024	193,116,944	195,759,638	-	(2,642,694)
September 2024	193,116,944	199,571,928	-	(6,454,984)
October 2024	193,484,160	200,313,887	-	(6,829,727)
November 2024	193,484,160	200,536,387	-	(7,052,227)
December 2024	192,668,031	201,491,113	-	(8,823,082)
January 2025	192,668,031	201,640,455	(13,258,000)	(22,230,424)
February 2025	192,668,031	202,125,773	(12,929,898)	(22,387,640)
March 2025	192,668,031	203,461,840	(14,154,898)	(24,948,707)
April 2025	192,693,031	203,940,784	(15,652,592)	(26,900,345)
May 2025	192,693,031	203,959,874	(15,633,502)	(26,900,345)
June 2025	200,340,604	215,557,276	(15,633,502)	(30,850,174)
Change from Original Budget	*$ 7,223,660*	*$ 22,440,332*	*$ (15,633,502)*	*$ (30,850,174)*

**Other uses of funds primarily includes construction expenditures for various facilities upgrades.*

b. Budget Amendments for Salaries

In the last month of the fiscal year, Mr. Robledo presented a budget amendment to the Board to increase salary expenditures by $10 million in the FY2025 Budget, as shown below.

FUND: (1XX) General Fund
REQUESTED BY: David Robledo, CFO
APPROVED BY: David Robledo, CFO
DATE: June 23, 2025

REASON: To adjust budget to reflect estimated final figures.

ACCOUNT NUMBER	DESCRIPTION	Current Budget	Increase	Decrease	Amended Budget
199-00-5711-57-000-5-00	Taxes-Current Year Levy	22,990,275	195,000		23,185,275
199-00-5811-00-000-5-00	Available School Fund	5,820,884	3,216,155		9,037,039
199-00-5812-00-000-5-11	Foundation Revenues	58,049,936		1,461,415	56,588,521
164-00-5812-00-000-5-24	Foundation Revenues	21,036,280	3,500,000		24,536,280
199-00-5812-04-000-5-11	Foundation Revenues-TIA	-	2,160,000		2,160,000
199-00-5949-00-000-5-00	Direct Federal Revenues	105,000	37,833		142,833
		$ 108,002,375	$ 9,108,988	$ 1,461,415	$ 115,649,948
199-11-6119-04-999-5-99	Teacher/Professional Salary-TIA	-	1,945,740		1,945,740
199-11-6119-00-999-5-99	Teacher/Professional Salary	-	4,054,233		4,054,233
164-11-6119-00-999-5-30	Teacher/Professional Salary		3,500,000		3,500,000
164-11-6118-22-999-5-30	Extra Duty Pay - Professionals	535,052	500,027	60,000	975,079
164-12-6329-00-112-5-30	Reading Materials	1,000		1,000	-

As described previously in this Report, in June 2024, prior to the adoption of the FY2025 Budget, Mr. Robledo made adjustments to the draft budget prepared by the budget team, which reduced budgeted expenditures for salaries and stipends by approximately $12.4 million. In June 2025, at the end of the fiscal year, Mr. Robledo amended the budget to add back $10 million in salary-related expenditures.

c. Budget Amendments for Construction Expenditures

During the January 2025 – April 2025 time period, Mr. Robledo presented three (3) budget amendments to the Board to increase expenditures in the FY2025 Budget (General Funds) by approximately $16.1 million for construction related expenditures. The budget amendments were recorded as operating transfers of General Funds to the Construction Fund and reported in the interim monthly financial reports as "Other Uses" of funds. The budget amendments presented to the Board by Mr. Robledo related to construction expenditures out of General Funds are shown below.

Date Requested	Amount	Projects Listed
1/20/2025	$ 13,258,000	• HVAC upgrades at Memorial, Airport, & North Bridge Elementary • Classroom & library furniture for all campuses • Band practice field upgrades • Gym bleachers • Water fountain upgrades • Canopies • Barbee Field bleachers
3/10/2025	1,255,000	• Replacement of artificial turf at Bobby Lackey Stadium • Mary Hoge Middle School Driveway Project • Carpet installation in the Technology and Human Resources Departments.
4/14/2025	1,540,793	• Change orders for the baseball and softball fields at WHS and WEHS • Change order for the digital billboard at Bobby Lackey Stadium • Marquee at Margo Elementary
Totals:	**$ 16,053,793**	

III. Summary of Findings

A summary of Weaver's findings from our review and analysis of the FY2025 Budget is provided below, including our review of the budget development process and subsequent financial reporting to the Board.

a. Projected "New Revenues" for FY2025 Budget Based on Inaccurate Information

During the Budget Workshops presented to the Board by Mr. Robledo during the development of the FY2025 Budget, as well as the Superintendent's Report to the Board on May 21, 2024, it was indicated to the Board that the District would have "new revenues" of approximately $12.1 million in the FY2025 Budget. The new revenues were the basis for the decision to approve substantial pay increases and stipends for all District employees, which was estimated to add $9.2 million in expenditures to the FY2025 Budget.

However, the majority of the "new revenues" projected for the FY2025 Budget were based on inaccurate information and assumptions prepared by Mr. Robledo concerning ADA for the prior year (FY2024). Specifically, Mr. Robledo projected additional carryover revenue from FY2024 of $4.8 million due to actual ADA from FY2024 of 14,522 coming in higher than budgeted ADA of 14,000. As described in **Section A** of this Report, the FY2024 Budget was based on ADA of 14,485, not 14,000 and therefore actual ADA for FY2024 was only slightly higher than budgeted (i.e., the different between actual ADA and budgeted ADA for FY2024 was 37 as opposed to 522). The "new revenues" projected by Mr. Robledo included an additional $4.3 million due to increased ADA for the FY2025 Budget of 14,500 compared to 14,000 in the FY2024 Budget. This projection was also based on inaccurate information as the FY2024 Budget was based on ADA of 14,485, not 14,000, and therefore the increased ADA in the FY2025 Budget was 15, not 500.

b. Mr. Robledo Reprimanded on May 20, 2024

We determined that the day before the Budget Workshop and Superintendent's Report to the Board on May 21, 2024, Mr. Robledo received a written reprimand from the Deputy Superintendent, Mr. Aguilar. The notice of reprimand to Mr. Robledo dated May 20, 2024 stated that Mr. Robledo failed to "*plan accordingly for accurate budget and cost estimates needed for the board workshop and regular school board meeting scheduled for May 21, 2024*." The reprimand further stated: "*By not verifying the presentation slides thoroughly ahead of time, it has caused confusion and a misunderstanding of the information*."

As described previously in this Report, the information presented to the Board on May 21, 2024 regarding "new revenues" of $12.1 million for the FY2025 Budget was based on inaccurate information, specifically as it related to increased ADA from the prior year.

c. Adjustments Made by Mr. Robledo toFY2025 Budget Had No Basis

As described previously in this Report, Mr. Ruiz and other members of the budget team prepared the "imputed" draft FY2025 Budget in May 2024 using the District's budget module tool in the ERP system (Alio), which reflected a budget deficit of approximately $19.9 million for General Funds in the FY2025 Budget. Based on our review of Mr. Robledo's email communications and interviews of District personnel, it appeared that Mr. Robledo prepared an adjusted version of the FY2025 Budget, which he made in an Excel workbook outside of the Alio budget module. Adjustments made by Mr. Robledo included an increase to revenues of $7.5 million due to "carryover revenues" in connection with increased ADA, as well as decreases in salary-related expenditures of $12.4 million related to ESSER funding.[18]

The adjustments made by Mr. Robledo resulted in the FY2025 Budget appearing to be a balanced budget with a budget deficit of $0 in General Funds. Based on our review, Weaver was unable to identify any basis or support for the adjustments to the budget made by Mr. Robledo, which appeared to be made for solely for the purpose of presenting a balanced budget to the Board. The Board relied upon the "balanced budget" presented by Mr. Robledo in its adoption of the FY2025 Budget, including the approval of substantive pay

---

[18] On March 27, 2020, Congress set aside approximately $13.2 billion of the $30.75 billion allotted to the Education Stabilization Fund through the Coronavirus Aid Relief, and Economic Security (CARES) Act for the ESSER Fund. ESSER funding was authorized through three federal statutes and is administered by the Texas Education Agency (TEA) as three separate grant programs. These include ESSER I, CRRSA ESSER II, and ARP ESSER III. The Period of availability for the ESSER I program was March 13, 2020 (with pre-award), to September 30, 2022 (with carryover). The Period of availability for the CRRSA ESSER II program was March 13, 2020 (with pre-award), to September 30, 2023 (with carryover). The Period of availability for the ARP ESSER III program was March 13, 2020 (with pre-award), to September 30, 2024 (with carryover).

increases for all District employees. It did not appear that the Board, Superintendent or Cabinet were aware of the adjustments made by Mr. Robledo to the FY2025 Budget at the time it was adopted by the Board.

d. Mr. Robledo Attributed Reported Budget Deficits to Construction Expenditures

We identified multiple emails sent by Mr. Ruiz to Mr. Robledo expressing concerns that the District would end up with a budget deficit for FY2025 due to salary expenditures being higher than what was reflected in the FY2025 Budget. On January 14, 2025, Mr. Ruiz sent an email to Mr. Robledo stating that the FY2025 Budget "*doesn't look good*" and that his calculations showed an estimated budget deficit of $13.4 million. Mr. Ruiz sent similar emails to Mr. Robledo and other members of the budget team in February and March 2025. In late March 2025, Mr. Ruiz also included the Deputy Superintendent, Mr. Aguilar, in his emails to Mr. Robledo expressing his concerns about salary expenditures and a budget deficit.

Based on our interviews of Mr. Aguilar, as well as other members of the Cabinet and the Superintendent, it is our understanding that Mr. Robledo repeatedly informed the Cabinet and Superintendent during the Spring of 2025 that the estimated budget deficit was due to one-time construction expenditures as opposed to salaries.[19] It is also our understanding that Mr. Robledo discredited the information being provided by Mr. Ruiz by informing the Cabinet that Mr. Ruiz did not have all of the information.[20] According to the Superintendent and the Cabinet members, they trusted that the information they were receiving from Mr. Robledo was accurate given that he was the CFO. Ultimately, the audited financial statements for FY2025 reflected a deficit of approximately $13.7 million in General Funds ($14.5 million excluding Food Services), which was attributable to salary expenditures rather than one-time construction expenditures.

e. Salary Calculations Received from TASB After Adoption of FY2025 Budget

Based on our interviews of employees in the District's Business Office, as well as our review of email communications, it is our understanding that the District transitioned away from performing in-house calculations of projected salaries and payroll costs for budget development during FY2024. It is also our understanding that the District's Human Resources Department outsourced the computation of projected

---

[19] We also noted that the Budget Amendment presented to the Board on January 20, 2025 to transfer out $13.3 million from General Funds to the Construction Fund occurred less than a week after the email from Mr. Ruiz to Mr. Robledo about an estimated budget deficit of $13.4 million.

[20] Based on information obtained through interviews, it is our understanding that Mr. Robledo also informed the Cabinet that he felt that Mr. Ruiz was trying to "sabotage his budget" to make him look bad by telling his supervisors that there would be a significant budget deficit.

salary increases to the Texas Association of School Boards ("TASB"). During the budget development process for the FY2025 Budget, the District started the initial planning and data submission with TASB for salary increases in or around February 2024, with TASB's final report and salary calculations to be provided in late June 2024, around the same time the Board was scheduled to adopt the FY2025 Budget. It is our understanding that the District did not receive the final projected salary expenditures calculated by TASB for FY2025 until after the adoption of the FY2025 Budget.

C. FY2026 Budget (7/2025 – 6/2026)

I. Budget Development Review

a. Overview

The District's budget for the fiscal year beginning July 1, 2025 through June 30, 2026 ("FY2026 Budget") was adopted by the Board on June 23, 2025. The adopted FY2026 Budget reflected a balanced budget for the General Funds (includes Food Services) based on revenues and expenditures of $212.3 million.

b. Budget Development Timeline

The District began preparing the FY2026 Budget in February 2025, holding three (3) Budget Workshops, during which Mr. Robledo presented budget information to the Board in advance of the budget being adopted in June 2025. Based on our review of Board meeting records, email communications, as well as interviews with District employees, Weaver prepared a chronology of events detailing the development of the FY2026 Budget as summarized below, with the entire chronology for the FY2026 Budget provided in **Appendix C**.

Date	Description of Event
2/25/2025	An email from Mr. Robledo to the budget team and other District department leadership indicated that the initial estimate for ADA for FY2026 was projected to be 14,600, which was based on estimated Regular ADA of 14,276 plus additional SASI/Flex ADA of 324.
4/14/2025	**Budget Workshop #1** – Mr. Robledo presented to the Board the projected ADA for the FY2026 Budget of 14,600, which was based on total student enrollment of 16,302 (0.2% increase from the prior year). ADA of 14,600 was estimated to be 90% of total student enrollment.
5/12/2025	**Budget Workshop #2** – Mr. Robledo presented "projected potential revenue increases" for FY2026 Budget of approximately $16.2 million, as outlined below: 1. HB 2 (if becomes law): **$9,458,000** 2. Additional ADA of 200 (ADA of 14,700 compared to 14,500 for FY2025): **$2,000,000** 3. SB260 (if becomes law): **$804,000** 4. Savings from FY2025 to pay for Incentive Stipend of $2,000: **$4,000,000**
6/23/2025	**Budget Workshop #3** – During the Superintendent's Report to the Board, Dr. Rivera presented a slide showing that ADA was reduced from 14,700 to 14,500 for the FY2026 Budget.
6/23/2025	**Budget Adoption –** The Board approved the motion to adopt the FY2026 Budget based on a balanced budget for the General Funds (includes Food Services) based on revenues and expenditures of $212.3 million.
12/2025	Mr. Robledo resigned as the District's CFO. It is our understanding that Dr. Rivera asked Mr. Robledo to resign as a result of the discrepancies related to the FY2025 Budget.

c. ADA Enrollment Projections

The initial estimates for the FY2026 Budget were based on ADA of 14,600, which was presented to the Board by Mr. Robledo during the first Budget Workshop on April 14, 2025. The initial ADA estimate was based on an projected growth in enrollment of 0.2% from 16,275 for FY2025 to 16,302 for FY2026, which was based on the enrollment trends for the previous four (4) fiscal years.[21] Estimated ADA of 14,600 was also based on the assumption that Regular ADA would be 14,360 based on 92% of enrollment (i.e., 92% of 16,302), with additional ADA from the SASI Program of 240 (SASI ADA). The initial ADA projections were detailed in the spreadsheet shown below.

Weslaco I.S.D.
Enrollment By Grade Level At Snap Shot Dates
Budget Year 2025-2026 Vs. 4 Prior Actual Years

WESLACO INDEPENDENT SCHOOL DISTRICT — GRADE LEVEL — WESLACO INDEPENDENT SCHOOL DISTRICT

SCHOOL	EE	PK3	PK4	K	1ST	2ND	3RD	4TH	5TH	6TH	7TH	8TH	9TH	10TH	11TH	12TH	Total	Change
2021-2022	9	273	704	876	1,088	1,073	1,045	1,092	1,114	1,130	1,138	1,221	1,607	1,156	1,110	945	15,581	-5.8%
2022-2023	1	0	1,378	962	1,133	1,161	1,115	1,090	1,169	1,175	1,166	1,184	1,649	1,300	1,073	934	16,490	5.8%
2023-2024	4	524	911	970	1,094	1,146	1,104	1,120	1,095	1,158	1,211	1,179	1,517	1,317	1,129	938	16,417	-0.4%
2024-2025	13	477	912	1,018	1,063	1,080	1,166	1,127	1,142	1,097	1,170	1,208	1,345	1,201	1,163	1,093	16,275	-0.9%
2025-2026	0	473	912	1,016	1,016	1,049	1,082	1,159	1,131	1,137	1,098	1,158	1,226	1,419	1,261	1,165	16,302	0.2%
Current Year Enrollment			1,439						6,529			3,548				4,901		16,417
Next Year Budget Enrollment			1,385						6,453			3,393				5,071		16,302
Change			(54)						(76)			(155)				170		(115)
Percent Change			-3.8%						-1.2%			-4.4%				3.5%		-0.7%
Funding ADA			50%															
ADA Rate for Budget Revenue Purposes - Only			92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	Budget Total	
Regular ADA			637	935	935	965	995	1,066	1,041	1,046	1,010	1,065	1,128	1,305	1,160	1,071	**14,360**	
SASI ADA			0	12	15	15	20	20	20	20	20	20	20	20	20	18	**240**	
Total ADA			637	947	950	980	1,015	1,086	1,061	1,066	1,030	1,085	1,148	1,325	1,180	1,089	**14,600**	

During Budget Workshop #2 held on May 12, 2025, Mr. Robledo presented information to the Board that reflected a projected ADA of 14,700 for the FY2026 Budget, which was increased from 14,600 from Budget Workshop #1. In the slide presented by Mr. Robledo, the projected ADA of 14,700 for the FY2026 Budget represented an increase of 200 from the FY2025 Budget (ADA of 14,500), which he estimated would result in an additional $2 million in revenues for the District.

During Budget Workshop #3 held on June 23, 2025, the information presented to the Board reflected a lower ADA of 14,500 for the FY2026 Budget. It is our understanding that since the previous Budget Workshop in May 2025, the District continued to refine its ADA calculations related to Pre-K enrollment, as well as enrollment for Special Education. It is also our understanding that the District was working with the consulting firm MoakCasey, who was providing information to the District on the impact to revenues for HB 2, which was passed by the Texas Senate on May 23, 2025 during the 89th State Legislature, and signed into law by Governor Abbott on June 4, 2025. The information provided by MoakCasey reflected a projected

[21] The total ADA amount of 14,600 included 14,276 for Regular ADA and 324 for SASI ADA.

ADA of 14,500 under the "current law" and 14,515 under HB 2. Ultimately, the District projected ADA of 14,500 in the final FY2026 Budget adopted by the Board on June 23, 2025, as shown below.

AVERAGE DAILY ATTENDANCE

SCHOOL YEAR	BUDGETED ADA	ACTUAL ADA
2023-2024	14,000	14,522
2024-2025	14,500	14,450 (Estimated)
2025-2026	14,500	

Reasons for not attaining budgeted 14,500 ADA for 2024-2025

A. Campuses Not Meeting Standard
B. Constant Pattern of Lower Enrollment throughout the 2024-2025

d. Projected Revenue Increases

During the second Budget Workshop held on May 12, 2025, Mr. Robledo presented a slide to the Board showing "*projected potential revenues increases*" for the FY2026 Budget totaling over $16.2 million, as shown below.

Projected Potential Revenue Increases 5

1. HB 2, **if becomes Law**, will provide a total of **$9,458,000 (Projected)**
   a. 40% is tied to Pay Increases
   b. Pending Senate Approval and Governor Signing
   c. Possible Changes can occur at each level
2. Additional Student ADA of 200 to a Grand Total 14,700 = **$2,000,000**
3. SB 260, **if becomes Law**, will provide additional funding for the School Safety Allotment of **$804,000 (Projected)**
   a. From $10 per student to $20
      i. ($20*14,700) = $294,000
   b. From $15,000 per campus to $30,000
      i. ($30,000*17) = $510,000
4. Savings from the Prior Fiscal Year to pay for Incentive Stipend of $2,000
   a. Grand Total **$4,000,000**

e. Recommended Pay Increases for FY2026 Budget

During the final Budget Workshop on June 23, 2025, Mr. Robledo presented the recommended pay increases for the FY2026 Budget, which totaled approximately $10.5 million. The recommended pay increases included $7 million in pay raises, $1 million in benefits, and $2.5 million in incentive stipends of $1,000 for all employees, as shown below.

Recommended Pay Increases for School Year 2025-2026

9

1. Teachers Pay Group (Includes Librarians & Nurses)
   a. 5+ Years of Experience^ = **$5,000**
   b. 3-4 Years of Experience^ = **$2,500**
   c. 0-2 Years of Experience* = **$2,500**
2. All other Professionals* = **4% of Mid-Point**
3. Paraprofessionals* = **4% of Mid-Point**
4. Hourly Staff* = **4% of Mid-Point**
5. Incentive Stipend* = **$1,000 December 2025**
   a. *May 2026 Stipend is Contingent on Meeting ADA Goals*

Pay Raise = $7.0 M Benefits = $1.0 M
Incentive Stipend = $2.5 M
Total Payroll Increase = $10.5 M

^ As directed by HB2/TEA for districts with more than 5,000 students

** Local Decision made by WISD Administration*

II. Region One Budget Review

Following the resignation of Mr. Robledo in December 2025 due to the various issues and discrepancies pertaining to the District's budget and financial reporting, the District engaged Region One Education Service Center ("Region One") to conduct a review of the District's FY2026 Budget. Region One's Budget Review was completed in January 2026, which recommended adjustments to decrease revenues for the FY2026 Budget by approximately $18 million.

a. Adjustments for Revenues Not Supported in the General Ledger

The Region One Budget Review identified approximately $12.8 million in revenues from the FY2026 Budget that were not accounted for in the General Ledger ("GL"), resulting in net unsupported revenues of approximately $8.6 million, as shown in the table below.[22]

[22] Table is copied from the Region One Budget Review.

Weslaco ISD
FY26 Revenue Budget Review
By Object
Fund 1xx (excludes Fund 101)

	Board Approved Budget	GL - Original Budget*	Variance with GL Original Budget	GL - Adjusted Budget*	Variance with GL Adjusted Budget
5711 - Current Taxes	$ 20,693,385.00	$ -	$ (20,693,385.00)	$ 25,070,201.00	$ 4,376,816.00
5712 - Delinquent Taxes	930,000.00	850,000.00	(80,000.00)	930,000.00	-
5713 - Rollback Taxes	60,000.00	-	(60,000.00)	60,000.00	-
5715 - Payment in Lieu of Taxes	20,000.00	-	(20,000.00)	20,000.00	-
5716 - Taxes - Supplemental	20,000.00	-	(20,000.00)	20,000.00	-
5719 - Penalties & Interest	715,000.00	700,000.00	(15,000.00)	715,000.00	-
5739 - Tuition & Fees	5,000.00	-	(5,000.00)	5,000.00	-
5742 - Interest	3,200,000.00	2,700,000.00	(500,000.00)	3,200,000.00	-
5743 - Rent	185,000.00	184,000.00	(1,000.00)	184,000.00	(1,000.00)
5744 - Gifts & Bequest	55,000.00	-	(55,000.00)	57,500.00	2,500.00
5749 - Other Revenues	285,000.00	280,000.00	(5,000.00)	280,000.00	(5,000.00)
5752 - Athletic Activities	280,000.00	230,000.00	(50,000.00)	230,000.00	(50,000.00)
5756 - Athletic Summer Program	30,000.00	50,000.00	20,000.00	50,000.00	20,000.00
5811 - Per Capita	9,000,000.00	6,497,264.00	(2,502,736.00)	6,191,315.00	(2,808,685.00)
5812 - Foundation School Program	146,908,474.00	138,735,210.00	(8,173,264.00)	141,746,608.00	(5,161,866.00)
5829 - Misc. State Revenue	4,000,000.00	-	(4,000,000.00)	-	(4,000,000.00)
5831 - TRS On-Behalf	8,700,000.00	8,523,349.00	(176,651.00)	8,523,349.00	(176,651.00)
5929 - Federal Revenues TEA	540,000.00	550,000.00	10,000.00	550,000.00	10,000.00
5931 - SHARS	1,000,000.00	200,000.00	(800,000.00)	200,000.00	(800,000.00)
5949 - Direct Federal Revenues	150,000.00	150,000.00	-	150,000.00	-
TOTAL	**$ 196,776,859.00**	**$ 159,649,823.00**	**$ (37,127,036.00)**	**$ 188,182,973.00**	**$ (8,593,886.00)**

* Based on GL Repor provided on 01/05/26

b. Adjustment for ADA Enrollment

The Region One Budget Review also recommended a reduction of revenues in the FY2026 Budget of approximately $9.2 million based on actual student counts for the first semester of FY2026, which reflected ADA projections of 14,232, compared to the budgeted ADA of 14,500. The table included in the Region One Budget Review is provided below.

Weslaco ISD
Preliminary Statement of Revenues & Expenditures
Fund 1xx (excludes Fund 101)

	2024-25 Actuals	2025-26 Board Approved Budget	2025-26 GL - Adjusted Budget*	2025-26 Recommended Adjustments	2025-26 Recommended Current Budget
ADA	*14,434.217*	*14,500.000*	*14,500.000*	*14,231.700*	
57XX - Local Revenues	$ 29,123,543.31	$ 26,478,385.00	$ 30,821,701.00	$ (141,492.00)	$ 30,680,209.00
58XX - State Revenues	152,394,854.65	168,608,474.00	156,461,272.00	(9,018,769.00)	147,442,503.00
59XX - Federal Revenues	1,113,067.99	1,690,000.00	900,000.00		900,000.00
Revenues Total	**$ 182,631,465.95**	**$ 196,776,859.00**	**$ 188,182,973.00**	**$ (9,160,261.00)**	**$ 179,022,712.00**
61XX - Payroll Costs	$ 166,008,191.84	$ 168,318,731.00	$ 164,942,443.25		$ 164,942,443.25
62XX - Professional & Contracted Services	11,066,194.18	11,803,277.00	13,829,620.60		13,829,620.60
63XX - Supplies and Materials	7,553,762.69	7,399,037.00	8,220,774.00		8,220,774.00
64XX - Other Operating Expenses	5,869,289.58	6,316,520.00	6,282,692.00		6,282,692.00
65XX - Debt Service	2,829,233.62	2,808,150.00	2,975,753.00		2,975,753.00
66XX - Capital Outlay	3,629,816.40	131,144.00	218,291.00		218,291.00
Expenditures Total	**$ 196,956,488.31**	**$ 196,776,859.00**	**$ 196,469,573.85**	**$ -**	**$ 196,469,573.85**
Net (Revenues - Expenditures)	**$ (14,325,022.36)**	**$ -**	**$ (8,286,600.85)**	**$ (9,160,261.00)**	**$ (17,446,861.85)**

III. Monthly Financial Reporting to the Board

We performed a review and analysis of the interim monthly financial reports presented to the Board for the FY2026 Budget, including budget amendments and revenues and expenditures incurred year-to-date. A summary of our analysis of adjustments to the FY2026 Budget is provided in the table below.[23]

Summary of Adjustments to FY2026 Budget (General Funds)

Board Meeting Date	Revenues	Expenditures	Other Resources and Uses*	Excess (Deficiency)
July 2025	$ 215,114,455	$ 215,114,455	$ -	$ -
August 2025	215,114,455	215,114,455	-	-
September 2025	215,114,455	215,114,455	(2,270,950)	(2,270,950)
October 2025	215,114,455	215,114,455	(2,270,950)	(2,270,950)
November 2025	202,530,783	211,116,145	(2,270,950)	(10,856,312)
January 2026	206,112,168	213,098,569	(2,270,950)	(9,257,351)
March 2026	206,113,168	214,155,069	(2,270,950)	(10,312,851)
Change from Original Budget	*$ (9,001,287)*	*$ (959,386)*	*$ (2,270,950)*	*$ (10,312,851)*

**Other uses of funds primarily includes construction expenditures for various facilities upgrades.*

IV. Summary of Findings

A summary of Weaver's findings from our review and analysis of the FY2026 Budget is provided below, including our review of the budget development process and subsequent financial reporting to the Board.

a. Budget Director Excluded from FY2026 Budget Development Process

Based on interviews with the District's Budget Director, Mr. Ruiz, it is our understanding that Mr. Ruiz was excluded from the budget development process for the FY2026 Budget after raising concerns directly to the Superintendent concerning the FY2024 Budget and FY2025 Budget. It is our understanding that Mr. Robledo prepared the FY2026 Budget with little input from the budget team, and without utilizing the budget module in the Alio system.

---

[23] It is our understanding that the District did not present monthly interim reports to the Board for December 2025 or February 2026. Financial activity for those months was incorporated into the year-to-date figures presented with the January 2026 and March 2026 interim reports. It is also our understanding that Region One recommended that the monthly financial reports be presented for informational purposes only due to ongoing efforts to reconcile financial reports with the GL after Mr. Robledo's resignation.

b. Unsupported State Revenues Included in FY2026 Budget

The supporting documentation included with the adopted FY2026 Budget included the Summary of Finances Template ("SOF Template") provided by the TEA as an aid to help school districts develop their annual budgets. The SOF report calculated projected state funding to the District for the FY2026 Budget based on ADA of 14,500, which totaled $145.2 million. However, the FY2026 Budget presented by Mr. Robledo and adopted by the Board reflected state funding of $159.9 million, which was $14.7 million higher than the SOF Template, as summarized in the table below.[24]

Comparison of State Funding - Adopted Budget and SOF Template

State Funding (by Object Code)	Adopted FY2026 Budget	SOF Template	Difference
Available School Fund (5811)	$ 9,000,000	$ 6,497,264	$ 2,502,736
Foundation School Fund (5812)	146,908,474	138,735,210	8,173,264
Misc. State Revenue - TEA (5829)	4,000,000	-	4,000,000
Total	**$ 159,908,474**	**$ 145,232,474**	**$ 14,676,000**

Given that the SOF Template information was included with the adopted FY2026 Budget in June 2025, it is unclear why the amounts were adjusted by Mr. Robledo to reflect higher revenues through state funding. It is our understanding that Mr. Robledo may have made adjustments using "plug" numbers to show a balanced budget, however, we were unable to confirm as Mr. Robledo declined our request for interview. In the Budget Workshop on May 12, 2025, Mr. Robledo presented "projected potential revenue increases" for the FY2026 Budget, which included $9.5 million related to HB 2 and $4 million in savings from FY2025. While these projected amounts were ultimately without basis, they appeared to be potentially related to the additional revenues included by Mr. Robledo in the adopted FY2026 Budget that were not reflected in the SOF Template.

The Region One Budget Review, which was completed in January 2026 after Mr. Robledo's resignation, further confirmed that the FY2026 Budget included revenues that were unsupported by the SOF Template and GL data.

[24] The FY2026 Budget packet adopted by the Board on June 23, 2025 is provided in **Exhibit 3** (attached to this Report). The SOF Template is included on pages 34-46 of the packet, with state funding amounts included on page 38.

c. Salary Calculations Received from TASB Not Incorporated into FY2026 Budget

Similar to FY2025, the District engaged TASB to perform the computation of projected salary increases for the FY2026 Budget, which started in February 2025. Based on our review of email communications, it appeared that the District received the final report from TASB with updates for HB 2 on June 18, 2025. However, it did not appear that the TASB data was incorporated into the FY2026 Budget adopted by the Board on June 23, 2025. Email communications reflected that District staff had follow-up questions related to the salary data but the District did not meet with TASB to discuss their questions until June 24, 2025 (after the adoption of the FY2026 Budget).

d. Pay Raises Approved by the Board Based on Information Presented by Mr. Robledo

During the final Budget Workshop on June 23, 2025, Mr. Robledo presented recommended pay increases for the FY2026 Budget, which totaled approximately $10.5 million. While certain of the pay increases were required under HB 2 for districts with more than 5,000 students, the majority of the recommended pay increases were approved by the Board on the basis that the District would still have a balanced budget as presented by Mr. Robledo.

Exhibits and Appendices