

Preamble:

There are 9 documents as part of this presentation, and they appear below the video which include the Amicus Brief and the associated Bill. One of the documents is the School District Financial Report (which can be substituted for any School District's Financial Report), and Financial Report requirements from the Texas Education Agency (which can be substituted for any State Education Agency) and the Government Accounting Standards Board. Throughout this series of videos and documentation, I have constantly asked for anyone to help show us if anything is wrong in our context or analysis. As no-one can disprove the context of what has been shown in the Amicus Brief and this resulting School Districts Fraud – The Balance Sheet Analysis, you must accept the contents as true. Given that it is true, then you are a person of knowledge, and you each legislator has the power to prevent a wrong which is a requirement under Texas Penal Code 7.01 being “intentionally failed to report criminal activity” and Title 42 U.S. Code Section 1986, being “Knowledge of Wrongful Act & Power to Prevent”. This is why we are here today. To right a horrible, expensive, and ill-conceived wrong. Emotion and Ego equals bad decision making. Trying to constantly fix something you don't understand, is the definition of insanity...doing the same thing over and over again and expecting a different result. Today we are going to explain what happened, recognize it, show the solution and tie all of it to the Amicus Brief and the associated Bill.

I have done the math, due diligence, analysis, blood, sweat and tears over these documents so that we (my accountant and I) could explain and Travis Spencer through these videos could show you what has happened in the most efficient manner possible. We tied the math to USPAP, to the Texas Property Tax Code, to the Texas Constitution and to the Constitution of the United States of America. As shown in the Amicus Brief the net result of what has taken place are also violations of U.S. Constitutional law being 1st, 5th, 14th, and 16th Amendments as well as the State of Texas violating Article VI, Clause 2 (**Sovereignty**) of the U.S. Constitution which clearly states, Federal law trumps (pun intended) State Law.

The direct quote is “Article VI, Clause 2:

“This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.”

A vote against repealing the real estate tax in favor of the Uniform States Sales Tax is literally a vote against your family, friends, neighbors, constituents, and society.

Analyze, decide, implement, be accountable.

School Districts Fraud - The Balance Sheet and Its Analysis

**The Business of Schooling has failed –
Homeowner Equity Diverted and Stripped**

Applicable to all States in the Union including Texas

This Analysis is in furtherance to the Amicus Brief and the associated Bill seen here:

https://www.youtube.com/watch?v=hXV1E_4XmHU

Objectives – A.) Show Mom and Pop how their money is being stolen / equity stripped. **B.)** Show the Texas Senate and House of Representatives, how their personal money and that of their Citizens / Constituents is being stolen. **C.)** Show President Trump why the Department of Education should be shut down. **D.)** Deliver more proof positive to the Texas Legislators why the real estate taxes must be repealed in favor of the Uniform States Sales Tax per the Amicus Brief and associated Bill.

Via:

1. Discuss the purpose of the balance sheet
2. Illustrate the format and structure of the balance sheet
3. Outline some issues related to valuing assets
4. Show the difference between a cost basis and a market basis balance sheet
5. Define owner equity or net worth
6. Analyze a firm's (school district) solvency and liquidity
7. Introduce the statement of owner equity
8. Summary 1. (letters delivered)
9. Summary 2. (school district fraud)

By: Mitchell Vexler, President G.P. Mavex Shops of Flower Mound, LLC

The Balance Sheet (applicable to everybody everywhere including all States and government entities)

- A. Summarizes the financial condition of the business at a point in time. It is a snapshot.
Estimates net worth or owner equity.
- B. Most transactions affect the balance sheet, so it may change daily.
- C. Everything “owned” and “owed” by a business or individual at a given point in time.
- D. Asset – anything of value owned.
- E. Liability – any debt or other financial obligation owed to someone else.
- F. Owner Equity / Net Worth - the amount the owner (taxpayers) has invested in the business (schools).
- G. “Balance” theory: **Owner Equity = Assets – Liabilities**

Preparing a Balance Sheet

Most are prepared at the end of the accounting period. However, today’s software allows instant updating.
Comparing prior year (or time frame) to current year (or time frame).
A proper analysis will show % change, time frame to time frame.
Accounting Standards must be applied.
False, misleading, omission, illegal or unethical conduct or activity is prohibited by law.
Fraud prevention and deterrence is paramount. (Certified Fraud Examiner – CFE)

Note: **NO school district that we know of has hired a Certified Fraud Examiner.**
NO school that we know of has provided: 1. Proper Notes to Balance Sheet, 2.) Bond Schedule, 3.)
Sources and Uses as part of their Financial Report.

Key Issues:

Texas Education Agency (1.114, 1.1.7) (This document appears below this video)

Annual Financial Report for Itasca School District appears below this video – Itasca is another poster child for violating State and Federal accounting standards.

1.1.4 Audit Requirements (page 14 Texas Education Agency Financial Accountability System Resource Guide Update 19)

An independent auditor must audit your district's fiscal accounts annually. The district must file the auditor's report with TEA electronically as part of its AFR. For more information, see [1.5 Required Reports and Data Submission](#).

Is an audit an audit? Apparently, it depends on who is cooking the books! The mantra of the accounting firms is “we are looking at and reporting upon what we were given”. This is not an audit nor is this statement a get out of jail free card. There is a very high probability that these accounting firms are a co-conspirator in a criminal conspiracy to defraud the stakeholders being both the Public and the Bond Holders and any entity that believes they are relying on the “implicit guarantee” of the property owners (aka the fraud perpetrated by the School Districts)

1.1.7 Investment of Public Funds (page 17)

Public funds investment for school districts is governed by:

the Public Funds Investment Act (PFIA) ([Texas Government Code \[TGC\], Chapter 2256](#)), which specifies investment policy and allowable investments for school districts; and [GASB Statement 3: Deposits with Financial Institutions, Investments \(including Repurchase Agreements\), and Reverse Repurchase Agreements](#), paragraphs 65 and 66, which require disclosures of legal and contractual provisions that govern the district's deposits and investments.

[GASB Statement 79: Certain External Investment Pools and Pool Participants](#)

[GASB](#), establishes accounting and financial reporting standards for U.S. state and local governments that follow GAAP. The Government Accounting Research System (GARS) provides access to those standards.

This is a type of 2nd social security fund using your tax dollars.

Types of Investments (page 18)

The PFIA (Public Funds Investment Act - Texas) authorizes the following investments in the sections noted: • obligations of, or guaranteed by governmental entities ([§2256.009](#)) certificates of deposit and share certificates ([§2256.010](#))

repurchase agreements ([§2256.011](#))

securities lending programs ([§2256.0115](#))

banker's acceptances ([§2256.012](#))

commercial paper ([§2256.013](#))

mutual funds ([§2256.014](#))

guaranteed investment contracts ([§2256.015](#))

investment pools ([§2256.016](#))

This is not about education of children. This is about pensions!

Where does the money come from to invest in “Public Funds”? Tax - real estate market value to assessed value + Tax - fraud on market values created to cover the spending by the School Districts + Tax - on inflated market values + Income Tax as the States receive Federal funds back into the School Districts + Inflation (a hidden Tax) due to interest rates and financial risk of government overspending and waste + Tax - on sold goods + Tax - on the inflation (rising real estate prices) of the sold goods. = TAX ON INFLATION AND TAX FRAUD THAT THEY CREATED

WHERE DID THE MONEY GO, WHO GOT THE BENEFIT, WHERE IS IT RECORDED & WHY ARE THE DETAILS MISSING?? Did you know about the \$\$\$ pools??

Would you trust a school district that with your money to invest your “public funds”??

Who gets benefit of the “public funds”??

Would you trust GASB – Governmental Accounting Standards Board? Where are the true audits? Did GASB audit the school districts or the States for compliance? NO!

<https://gasb.org/about-us/gasb-and-the-user-community/academics>

1.3.4.4 Example of Pension Expense, Contributions, and Journal Entries (Page 113)

Calculating Pension Expense

"Pension expense is calculated by completing the following steps (list is not all inclusive):

Use total pension expense as provided by the TRS (Teacher Retirement System of Texas) and the current year expensing of pension expense, which is calculated by the school district, to calculate the grand total pension expense for the school district. See Exhibit 1.3.4.4.A lines 1 thru 21.

Add the current year amortization from prior year's deferred outflows of resources. The amortization amount comes from the deferred outflow of resources table maintained by your school district. See Exhibit 1.3.4.4.A line 12.

Subtract the current year amortization from prior year's deferred inflows of resources. The amortization amount comes from the deferred inflow of resources table maintained by your school district. See Exhibit 1.3.4.4.A line 13.

The deferred outflows cannot be netted against the deferred inflows of resources on the tables maintained by your school district or your bookkeeping system, or in your financial statements.

The result is pension expense (pension revenue) that will be recognized by your school district. See Exhibit 1.3.4.4.A line 14.

The components of pension expense provided by the TRS are not individually applied to the accounting system but are used only to calculate the total pension expense as a journal entry. The exception is school districts will record and amortize deferred outflows and deferred inflows of resources. Exhibit 1.3.4.4.A shows how to calculate pension expense in greater detail. The list may not be all inclusive. " ***This is intentionally clear as mud!***

What have we learned so far?

No proper notes to balance sheet (What are the pension liabilities? What are the liabilities?)

+ No bond schedule

+ No sources and uses

+ No uniformity and application of accounting practices across school districts (State, GASB, GARS, GAAP, PFIA, TGC, HHSC)

+ No uniformity and application of "independent" accountants between school districts.

+ No uniformity of tracking school district Financial Reports at the State Comptroller's office.

+ a school district can take your "public funds" and invest them, for what purpose and to who's benefit?

+ manipulation of pension fund income and expenses in reports

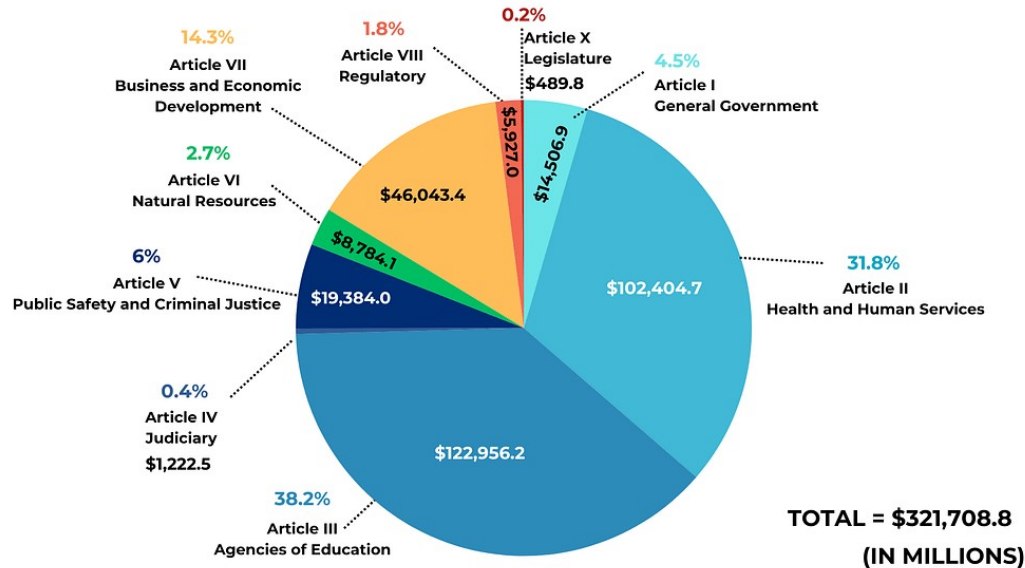
= Annual Financial Reports are meaningless and created to paint a narrative requiring continuous real estate taxpayer funding +

Federal Funding (\$19 Billion Covid + (see 2024 Annual Federal Funds Report.pdf) = approx. SLIPPAGE / overhead 85 cents on the dollar.

How exactly does this conform to GAAP? Generally Accepted Accounting Practices? It doesn't!

Where are your Federal Funds tax dollars spent?

The current two-year Texas budget is **\$321.7 Billion** from all revenue Sources, with health and human services and education accounting for **70% of the budget**.



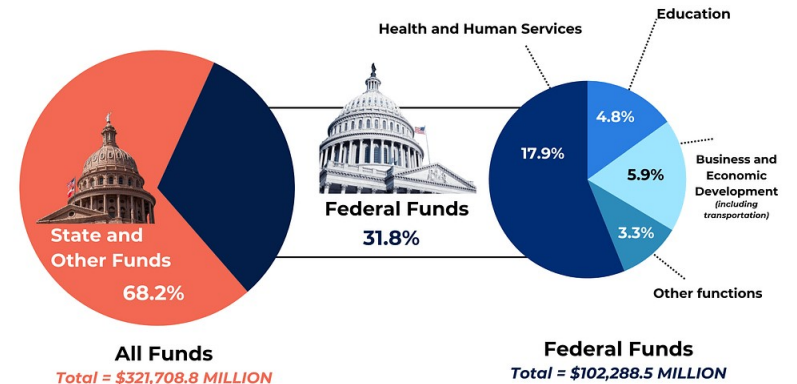
Federal funds account for over \$102 billion in the state budget. Most of the federal support goes to health and human services programs as well as transportation and education programming.

The State of Texas collects the most tax revenue from these sources:

Sales Taxes, business franchise tax, motor vehicle related taxes, taxes on crude oil and natural gas.

Now add in your local real estate taxes \$86,817,791,385 .00 (Billion) to the demand from the local Taxing Entities of which the school districts are responsible for roughly 83% of the demand:

<https://tea.texas.gov/reports-and-data/financial-reports>



House Bill 1 - The 2024 -25 Budget commits \$17.6 billion toward property tax relief, which would not be necessary if property tax fraud was not being committed.

The topline number here is **\$5.35 billion in contingency funding** for public education funding. This spending is contingent on the passage of multiple bills impacting public education. That breaks down to the following amounts and purposes:

- \$4 billion for **formula funding increases and teacher pay raises**
- \$500 million for **curriculum - Do you know about this?**
- \$500 million for **school choice - This?**
- \$300 million for **school safety - This?**
- \$49.4 million for **virtual education - This?**

The budget also includes **\$5 billion** for a **supplemental 13th check** (\$1.645B) and a **cost-of-living adjustment** (\$3.355B) for retired teachers. **How about this on top of pay increase?**

Texas Expenses 2024

Texas has a spending and resulting fraud problem!

FISCAL YEAR	CATEGORY	AMOUNT
2024	General Government	\$12,166,603,285
2024	Education	\$61,242,995,954
2024	Employee Benefits	\$12,324,944,990
2024	Health and Human Services	\$71,392,875,207
2024	Public Safety and Corrections	\$7,096,129,937
2024	Transportation	\$18,539,088,895
2024	Natural Resources/Recreational Services	\$4,413,674,754
2024	Regulatory Services	\$464,640,413
2024	Lottery Winnings Paid	\$831,234,412
2024	Debt Service Interest	\$1,203,557,068
2024	Capital Outlay	\$2,680,426,106
2024	TOTAL NET EXPENDITURES	\$192,356,171,022
2024	Purchase of Investment	\$22,252,965,358
2024	Trust and Suspense Payments	\$14,113,775,396
2024	Teacher and Employee Retirement Payments	\$18,172,956,586
2024	Departmental Transfers	\$123,529,794
2024	Operating Fund Transfers	\$125,829,656,687
2024	Residual Equity Transfer	\$2,509,736,432
2024	Other Uses	\$13,779,318
2024	Debt Service Principal	\$2,471,150,606
2024	TOTAL OTHER USES	\$185,487,550,177
2024	TOTAL NET EXPENDITURES & OTHER USES	\$377,843,721,199

Figure 1. Texas Property Tax Growth 2018-2024						
Tax Year	Special Districts	Counties	Cities	School Districts	Total Tax Levy	%
2018	\$ 8,485,263,910	\$ 9,602,798,872	\$10,387,752,412	\$ 34,723,549,607	\$ 63,199,364,801	5.08%
2019	\$ 8,909,719,354	\$10,423,290,377	\$11,146,148,401	\$ 36,065,930,857	\$ 66,545,088,989	5.29%
2020	\$ 9,486,152,671	\$11,290,528,493	\$11,963,476,245	\$ 37,759,657,465	\$ 70,499,814,874	5.94%
2021	\$ 10,400,963,921	\$11,694,130,764	\$12,495,940,682	\$ 38,946,142,782	\$ 73,537,178,149	4.31%
2022	\$ 10,409,180,231	\$12,797,292,169	\$13,634,471,866	\$ 43,949,038,027	\$ 80,789,982,293	9.86%
2023	\$ 12,723,403,616	\$14,174,524,582	\$15,049,228,873	\$ 39,496,580,852	\$ 81,443,737,923	0.81%
2024	\$ 13,497,615,446	\$15,649,705,718	\$15,630,827,678	\$ 42,039,642,543	\$ 86,817,791,385	6.60%
2022-24 Change	\$ 3,088,435,215	\$ 2,852,413,549	\$ 1,996,355,812	\$ (1,909,395,484)	\$ 6,027,809,092	7.46%
2018-24 Change	\$ 5,012,351,536	\$ 6,046,906,846	\$ 5,243,075,266	\$ 7,316,092,936	\$ 23,618,426,584	37.37%

\$86.817 Billion in
real estate Taxes
on top of your
Federal Taxes

<https://www.texas taxpayers.com/property-taxes-up-again-in-2024/>

ISD	Year	2024-2025												
County			Participation By Grade Level											
Major Cost Category	Pre-K	Kindergarten	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Student Enrollment for General Academics														
Total Number of Teachers per grade level****														
Teacher/Student Ratio														
Teacher Salaries (per grade level)*														
Cost of Curriculum/Student**														
Number of Students Eating Breakfast														
Number of Students Eating Lunch														
Number of Students in After Care														
Total Number of Coaches***														
Coaches Salaries per area or activity														
Number of Students playing Basketball														
Number of Students playing Football														
Number of Students playing Baseball														
Number of Students in Band														
Number of Vo/Ag Teachers														
Number of Students in Vo/Ag Classes														
Number of Student Utilizing Bus Transportation														
*- Combined salaries where applicable														
**- Cost of New or Replacement Curriculum														
***- Note if Coaches are dual role teacher/coach, split salary cost accordingly.														
**** Include all teacher aides														

Your school district can't tell you how much it costs to educate a child.

Ask your school district to fill in this simple spreadsheet with real verifiable numbers and watch the response!

Explore

REVENUE

https://bivisual.cpa.texas.gov/CPA/opendocnotoolbar.htm?document=documents%5CTR_Master_Ul.qvw

TOOL TIP: Right-click on any list or table to print, export or send its data to Excel.

On-Screen Help

Revenue

Expenditures

Payments to Payee

Travel Payments

Economic Dev

Select fiscal year(s) and revenue category(s) to begin exploring. Items associated with your selections will appear at the top of the Agency, Appropriated Fund, and Comptroller Object lists. Select one of the four gray tabs at right to explore the data from different viewpoints.

TOTAL FOR SELECTED REVENUE CATEGORY: **\$372.5 Billion**

Show Data Table

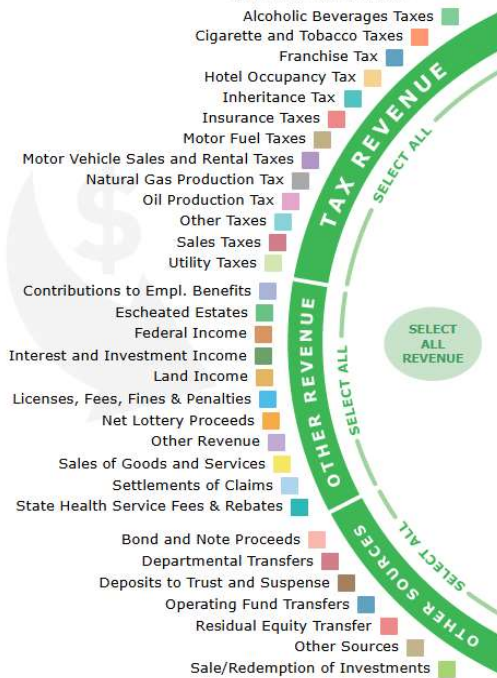
FISCAL YEAR ☐ SELECT ALL

☐ 2016 ☐ 2017 ☐ 2018 ☐ 2019 ☐ 2020 ☐ 2021 ☐ 2022 ☐ 2023 ☐ 2024

TOOL TIP: Click the Clear button before beginning a new search.

Clear Undo

REVENUE CATEGORY



AGENCY

- ☐ Angelo State University
- ☐ Attorney General
- ☐ Board of Plumbing Examiners
- ☐ Board of Regents, Texas State Universi...
- ☐ Bond Review Board
- ☐ Cancer Prevention & Research Institute ...
- ☐ Commission on Jail Standards
- ☐ Commission on State Emergency Comm...
- ☐ Comptroller of Public Accounts
- ☐ Comptroller-Funds Management
- ☐ Comptroller-Prepaid Higher Education T...
- ☐ Comptroller-State Energy Conservation ...
- ☐ Comptroller-State Fiscal
- ☐ Comptroller-Treasury Fiscal
- ☐ Court of Appeals-Eighth Court of Appeal...

APPROPRIATED FUND

- ☐ 0001 - General Revenue Fund
- ☐ 0002 - Available School Fund
- ☐ 0003 - State Technology Instructional M...
- ☐ 0006 - State Highway Fund
- ☐ 0008 - State Highway Debt Service Fund
- ☐ 0009 - Gr Acct-Game, Fish, Water S...
- ☐ 0010 - Texas Department Of Motor Vehi...
- ☐ 0011 - Available University Fund
- ☐ 0019 - Gr Acct-Vital Statistics
- ☐ 0021 - Proportional Reg Dist Trust Fd
- ☐ 0027 - Gr Acct-Coastal Protection
- ☐ 0028 - Gr Acct-Appraiser Registry
- ☐ 0036 - Gr Acct-Tx Dept Ins Operating
- ☐ 0037 - Gr Acct-Fed Child Welfare Svc
- ☐ 0044 - Permanent School Fund

COMPTROLLER OBJECT

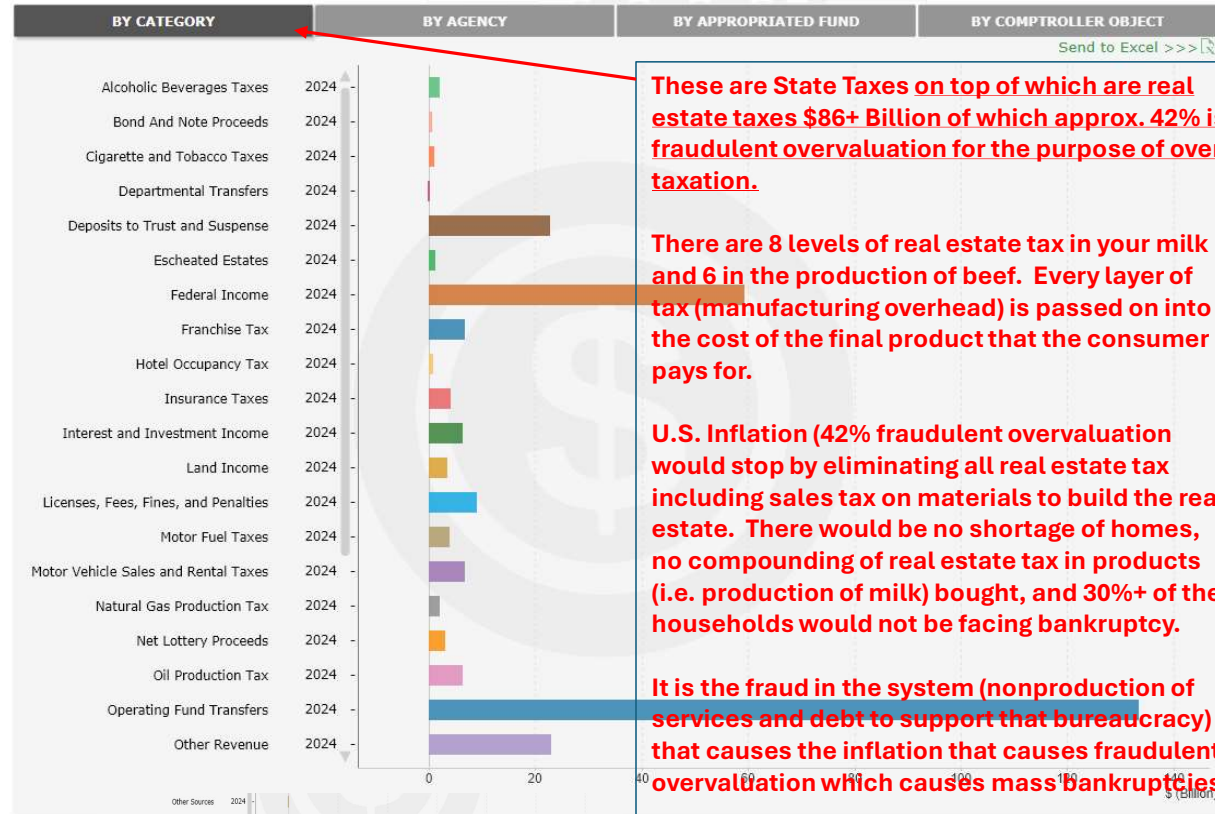
- ☐ 3001 - Federal Receipts Matched - Tran...
- ☐ 3004 - Motor Vehicle Sales And Use Tax
- ☐ 3005 - Motor Vehicle Rental Tax
- ☐ 3007 - Gasoline Tax
- ☐ 3008 - Diesel Fuel Tax
- ☐ 3010 - Motor Fuel Lubricants Sales Tax
- ☐ 3011 - Liquefied And Compressed Natur...
- ☐ 3012 - Motor Vehicle Certificates
- ☐ 3014 - Motor Vehicle Registration Fees
- ☐ 3015 - Motor Fuel Mixture Testing Fee
- ☐ 3016 - Motor Vehicle Sales And Use Tax ...
- ☐ 3018 - Special Vehicle Permits
- ☐ 3020 - Motor Vehicle Inspection Fees
- ☐ 3022 - Assigned Vehicle Identification N...
- ☐ 3024 - Driver'S License Point Surcharoes

SHOW TOTAL: Total Net Revenue & Other Sources

Source: Texas Comptroller of Public Accounts Annual Cash Report, Table 1: Statement of Cash Position

Note: Revenue data includes trusts and is the combined sum of Total Consolidated General Revenue and Special Revenue Tax Collections. To view Tax Collections by major tax categorization for all funds excluding trusts, see Table 3 of the Comptroller's State of Texas Annual Cash Report.

If you have questions concerning this application, please contact the Comptroller's Transparency Team at: transparency@cpa.texas.gov



These are State Taxes on top of which are real estate taxes \$86+ Billion of which approx. 42% is fraudulent overvaluation for the purpose of over taxation.

There are 8 levels of real estate tax in your milk and 6 in the production of beef. Every layer of tax (manufacturing overhead) is passed on into the cost of the final product that the consumer pays for.

U.S. Inflation (42% fraudulent overvaluation) would stop by eliminating all real estate tax including sales tax on materials to build the real estate. There would be no shortage of homes, no compounding of real estate tax in products (i.e. production of milk) bought, and 30%+ of the households would not be facing bankruptcy.

It is the fraud in the system (nonproduction of services and debt to support that bureaucracy) that causes the inflation that causes fraudulent overvaluation which causes mass bankruptcies.

It is a direct correlation

TOOL TIP: Right-click on any graph or table to print, export or send its data to Excel.

Explore

EXPENDITURES

Revenue

Expenditures

Payments to Payee

Travel Payments

Economic Dev

Select fiscal year(s) and expenditure category(s) to begin exploring. Items associated with your selections will appear at the top of the Agency, Appropriated Fund, and Comptroller Object lists. Select one of the four gray tabs at right to explore the data from different viewpoints.

FISCAL YEAR ☐ SELECT ALL
☒ 2016 ☐ 2020 ☐ 2024
☐ 2017 ☐ 2021 ☐ 2025
☐ 2018 ☐ 2022
☐ 2019 ☐ 2023

TOOL TIP: Click the Clear button before beginning a new search.

Clear X Undo

AGENCY

- ☐ Angelo State University
- ☐ Attorney General
- ☐ Board of Plumbing Examiners
- ☐ Board of Regents, Texas State University ...
- ☐ Bond Review Board
- ☐ Cancer Prevention & Research Institute of...
- ☐ Commission on Jail Standards
- ☐ Commission on State Emergency Commu...
- ☐ Commission on Uniform State Laws
- ☐ Comptroller of Public Accounts
- ☐ Comptroller-Funds Management
- ☐ Comptroller-Prepaid Higher Education Tuit...
- ☐ Comptroller-State Energy Conservation O...
- ☐ Comptroller-State Fiscal

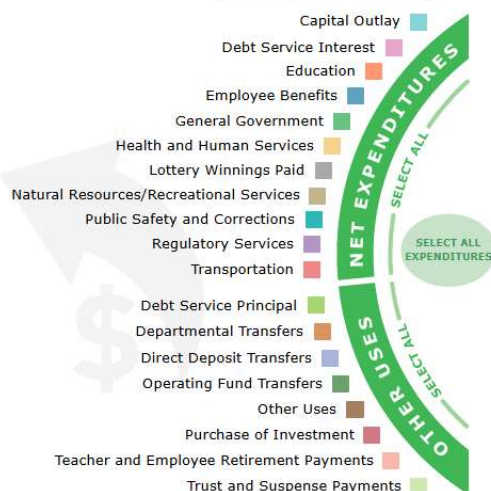
APPROPRIATED FUND

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- ☐ 0028 - Gr Acct-Appraiser Registry
- ☐ 0036 - Gr Acct-Tx Dept Ins Operating
- ☐ 0037 - Gr Acct-Fed Child Welfare Svc

COMPTROLLER OBJECT

- ☐ 7001 - Salaries And Wages - Line Item E...
- ☐ 7002 - Salaries And Wages - Classified A...
- ☐ 7003 - Salaries And Wages - Classified A...
- ☐ 7004 - Salaries And Wages - Classified A...
- ☐ 7005 - Salaries And Wages - Classified A...
- ☐ 7006 - Salaries And Wages - Hourly Full...
- ☐ 7007 - Salaries And Wages - Hourly Part...
- ☐ 7008 - Higher Education Salaries - Facult...
- ☐ 7009 - Higher Education Salaries - Facult...
- ☐ 7010 - Higher Education Salaries - Profes...
- ☐ 7011 - Higher Education Salaries - Exten...
- ☐ 7013 - Higher Ed-Emergency Paid Leave ...
- ☐ 7014 - Higher Education Salaries - Stude...
- ☐ 7015 - Higher Education Salaries - Classif...
- ☐ 7016 - Salaries And Wages - Employees ...

EXPENDITURE CATEGORY



SHOW TOTALS

Total Net Expenditures & Other Uses
 Total Net Expenditures
 Total Other Uses

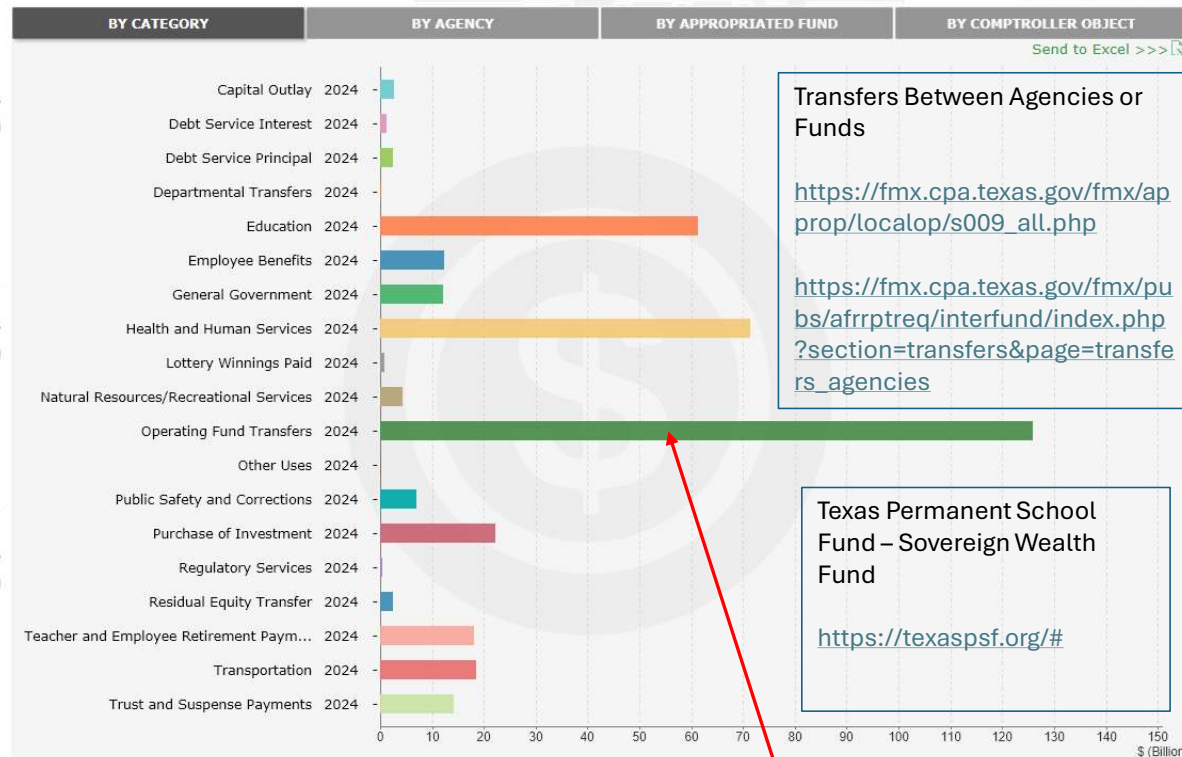
TOTAL FOR SELECTED EXPENDITURE CATEGORY: **\$377.8 Billion**

TOOL TIP: Right-click on any list or table to print, export or send its data to Excel.

On-Screen Help

Show Data Table

Send to Excel >>>



Transfers Between Agencies or Funds

https://fmx.cpa.texas.gov/fmx/approp/localop/s009_all.php

https://fmx.cpa.texas.gov/fmx/pubs/afrptreq/interfund/index.php?section=transfers&page=transfers_agencies

Texas Permanent School Fund – Sovereign Wealth Fund

<https://texaspsf.org/#>

Source: Texas Comptroller of Public Accounts Annual Cash Report, Table 1: Statement of Cash Position

Note: Expenditure data includes trusts and other uses, including state grant payments, interagency purchases, interfund transfers, debt service, principal and investments. To view Net Expenditures by major expenditure categorization for all funds excluding trusts, see Table 8 of the Comptroller's State of Texas Annual Cash Report.

If you have questions concerning this application, please contact the Comptroller's Transparency Team at: transparency@cpa.texas.gov

Last data load date: 1/24/2025

TOOL TIP: Right-click on any graph or table to print, export or send its data to Excel.

Money moving: Who gets it, when, how much, what overhead is associated with the operation and why are the expenditures greater than the income by approx. \$5 Billion?

Gross Negligence = Criminal Conspiracy to Defraud

A. Legislators who hire people to write bills (intent) involving finance who know nothing about the math of median household income or the laws, which results in equity stripping of the property owners from which pet projects and selective enforcement are derived = gross incompetence = volatility.

B. Signing a bill that ignores the laws of the State of Texas + U.S. laws (see violations.pdf) + the math of median household income (approx. 30%+ will lose the roof over their head and or go bankrupt) = intent = gross negligence = volatility squared (σ^2) = California Fires and Texas Equity Stripping.

C. Criminal

If A = B and B = C, then A = C. **Gross Negligence created the Criminal Conspiracy to Defraud**

Criminal Conspiracy to Defraud = Equity Stripping =

1. Annual real estate taxes in perpetuity that are so high, any potential gain on the sale of the property is stripped and a profit made impossible.
2. Land beneath the property is constructively a ground lease where no such law or contract exists.
3. A **fraud** on all property owners by overvaluation, resulting in over taxation, perpetrated by The Executive Branch which authored the ability for the Taxing Entities to exist and which own the Central Appraisal Districts all of which claim “no enforcement” (per State Comptroller, TDLR, TALCB).
4. A **fraud** so large that it will force roughly 30%+ of the households to lose the roof over their head and or go bankrupt. The difference between survival and bankruptcy is \$9,000 based on average household expenses, of which the average real estate tax is \$7,000. (see the Amicus Brief) This is expropriation of wealth = roughly \$1,139,000 Federal + \$240,000 Local debt per household.
5. Reverse Amortization Schedule where the debts of the Taxing Entities (School Districts) can never be paid off by the “implicit guarantors”, for which there is no contract.
6. Incomes do not and cannot keep pace with the depreciating purchasing power.
7. Paying for the government’s fictitious promises in paper money will result in a constantly depreciating currency, thereby impoverishing those who earn a wage or have savings. Inflation is a hidden tax, and it is very convenient for governments because they always blame shops or businesses and present themselves as the solution by printing even more currency or manipulating the real estate mill rate or market value from which to derive the fraudulent assessed value.
8. High taxes are not a tool to reduce high debt, but rather to perpetuate the expropriation of national wealth which is **Equity Stripping**. Countries with high taxes and big governments also have enormous public debt levels.
9. This effects every single property owner in the United States and Canada and is a **SOCIETAL ISSUE**.

Stop the Gross Negligence and **REPEAL THE REAL ESTATE TAX IN FAVOR OF THE UNIFORM STATES SALES TAX**

General Format of a Balance Sheet – applicable across the U.S. and Canada

Assets

Current Assets	\$XXX
Non Current Assets	XXX
Total Assets	\$XXX

Liabilities

Current Liabilities	\$XXX
Noncurrent Liabilities	XXX
Total Liabilities	\$XXX
Owner's Equity	XXX
Total Liabilities and Owner's Equity	\$XXX

Notes:

An asset can be sold to generate additional cash.

An asset is used to produce other goods.

Current Assets are goods that have already been produced and can be sold quickly without disrupting future production activities.

Current Assets are goods that will ordinarily be used up or sold within the next year, i.e. [Cash](#), Checking and Savings account balances, [marketable investments](#), accounts and notes receivable ([Pension & Investments](#)), and inventories.

Does your school district have these?

No

No

No

YES, but regardless of the [Marketable Investments](#) or investment pools the Liabilities > Current Assets

The Pensions and Investments only exist as a result of A.) real estate taxation B.) fraudulent overvaluation and over taxation of real estate tax and C.) Bond fraud.

The individuals (Superintendents and Boards) who participated in this scheme could be sued joint and severally liable and are clearly violating their Oath of Office.

Shrinking enrollment + shrinking test scores does not equal increasing demand for higher taxes, higher bond debt, and more Bond fraud.

LIABILITIES > CURRENT ASSETS = BANKRUPTCY (financially and morally)

Noncurrent Assets

Any asset that is not a current asset.

Assets that are owned primarily to produce the output that will be sold to produce revenue.

Selling noncurrent assets to generate revenue would affect the firm's ability to produce future income.

More difficult to sell quickly and easily at their full market value: machinery, buildings, land

Liabilities

An obligation or debt owed to someone else.

An outsider's claim against one or more assets of the business

Current Liabilities

Financial obligations that will become due and payable within 1 year.

Accounts payable.

Principal and accumulated interest on short term loans or notes payable (operating loans).

Principal payments on long-term loans due within the next year: - machinery, land

Accrued expenses – Accumulated interest, accrued property taxes, etc.

Noncurrent Liabilities

All obligations that don't have to be paid in full within the next year.

The remaining balance on long-term debt

Owner Equity

The amount of money left for the owner if the assets were sold, and all liabilities paid. Also called net worth.

The owner's current investment in the business.

$$\text{Equity} = \text{Total Assets} - \text{Total Liabilities} \text{ [increasing by the day]}$$

The Pensions and Investments only exist as a result of A.) real estate taxation B.) fraudulent overvaluation and over taxation of real estate tax and C.) Bond fraud. BOND FRAUD + REAL ESTATE TAX FRAUD = LIABILITY

The individuals (Superintendents and Boards) who participated in this scheme could be sued joint and severally liable.

Changes in Owner Equity

Using assets to produce income:

Profit is then used to purchase additional assets or to reduce liabilities.

If there is a change in an assets value.

If an inheritance is received.

Cash or property is contributed to the business or withdrawn from the business.

An asset is sold for more or less than its balance sheet value.

Composition of assets and liabilities may not cause a change in owner equity:

If \$10,000 cash is used to purchase a new machine?

If \$10,000 is borrowed to purchase a new machine?

Until depreciation, no impact.

Using \$10,000 from cash to make an early principal payment on a loan?

Owner equity changes only when:

The owner invests personal capital from outside the business.

The owner withdraws personal capital.

The business shows a profit or loss.

Changes in asset values because of changes in market prices.

Intermediate Assets

Dividing noncurrent assets into two categories

1. Intermediate assets – have a life greater than 1 year but less than 10 years – machinery, equipment
2. Fixed Assets – have a life greater than 10 years – land, buildings

Intermediate Liabilities

Dividing noncurrent liabilities into two categories

1. Intermediate liabilities – debt obligations where repayment of principal occurs over a period of more than 1 year and as long as 10 years.
 - Loans used to purchase machinery and other intermediate assets.
2. Fixed liabilities – debt obligations where the repayment period is longer than 10 years – mortgages, bonds, land purchases

Asset Valuation

Cost Basis:

Values all assets using the cost, cost less depreciation, or production cost method.

Market Basis:

Values all assets at market value less selling cost.

Inflation and fast depreciation methods can cause market values to be higher than book values.

Market basis usually has higher asset values implying higher equity.

Shows the current value of available collateral.

The Financial Report should show the Cost Basis and Market Basis of both Current Assets and Noncurrent Assets

Balance Sheet Analysis

Used to measure the financial condition of the business

Compare to other similar businesses.

Compare to the same business over time.

Lenders use balance sheet analysis to make lending decisions and to monitor the financial progress of their customers.

Note: What due diligence was done by the bond investors, bond underwriters, lenders, State Comptroller, to determine the overvaluation and resulting over taxation of the source of the cash receipts?

What due diligence was done that matches the contents of this Balance Sheet Analysis applied to the School Districts?

What true audits were done on any entity (schools, school districts, accounting firms, CAMA software, CADs, Comptroller) in the chain?

Who did the audits? Where are the audits? Why were true audits not conducted by Certified Fraud Examiners all the way down the chain?

Measures of Liquidity

Current Ratio (Total current assets / Total current liabilities)

Working Capital

Measures of Solvency

Debt / Asset Ratio (Total liabilities / Total assets)

Equity / Asset Ratio (Total equity / Total assets)

Debt / Equity Ratio (Total liabilities / Total equity)

Mr. Glen Hegar Texas State Comptroller, why is it with all the employees, interns, attorneys and accountants at your disposal, you can't put your hands on a single school's balance sheet, or a districts consolidated balance sheet, both of which should be available on operating fund transfers? What transparency?

A. Ability of a school district to generate cash but for the "implicit guarantee" of the real estate taxpayers – **ZERO**

B. Ability to pay off all liabilities of school district if the assets are sold – **ZERO**

This is what a Balance Sheet and Financial Report are supposed to do. Not create subversion of law and equity stripping of property owners.

Note: Liabilities > Assets = Bankrupt

Detecting Financial Statement Fraud

Sudden spike in revenue without a corresponding increase in cash flow or customer base may suggest premature revenue recognition or fictitious sales.

Fluctuation in financial ratios such as the current ratio or debt to equity ratio.

Rule of Law: The law must be applied equally to all persons in like circumstances. VIOLATES RULE OF LAW RESULTS IN RICO.

In the case of the CADs see www.mockingbirdproperties.com/dcad for **year over year valuation fraud**.

As a further example, the spreadsheet below shows the 2016 to 2025 % **increases between the various categories of property types**

Hill County Annual Reports Summary											
Assumed Market Values from HCAD											
Year	A			B		D1		D2		E	
	Single Family	Number of Single Family Units	Average Cost Per Single Family Unit	Multi-Family	Qualified AG Land	Imp on Qualified Ag Land	Farm and Ranch Improvements	Commercial Real Property	Industrial Real Property	Mobile Homes	Total Exempt
2013	\$ 735,680,406.00	11,011	\$ 66,813.22	\$ 16,369,200.00	\$ 1,011,361,693.00	\$ 28,943,094.00	\$ 368,486,065.00	\$ 222,263,911.00	\$ 2,936,572.00	\$ 19,277,080.00	\$ 202,152,423.00
2014	\$ 744,986,123.00	10,971	\$ 67,905.03	\$ 17,548,640.00	\$ 1,029,662,662.00	\$ 29,071,863.00	\$ 399,447,842.00	\$ 230,153,140.00	\$ 26,607,160.00	\$ 19,677,790.00	\$ 220,867,704.00
2015	\$ 776,666,243.00	11,040	\$ 70,350.20	\$ 18,253,220.00	\$ 1,059,644,145.00	\$ 30,061,301.00	\$ 425,618,636.00	\$ 245,298,266.00	\$ 27,898,580.00	\$ 15,925,620.00	\$ 337,511,494.00
2016	\$ 814,324,436.00	11,138	\$ 73,112.27	\$ 19,195,190.00	\$ 1,115,164,470.00	\$ 38,371,619.00	\$ 449,536,482.00	\$ 277,959,422.00	\$ 31,659,490.00	\$ 15,954,720.00	\$ 375,426,831.00
2017	\$ 875,974,741.00	11,212	\$ 78,128.32	\$ 18,854,350.00	\$ 1,235,287,954.00	\$ 43,456,601.00	\$ 505,172,483.00	\$ 280,167,409.00	\$ 55,034,470.00	\$ 18,784,720.00	\$ 407,927,732.00
2018	\$ 900,918,718.00	11,115	\$ 81,054.32	\$ 18,904,690.00	\$ 1,293,883,292.00	\$ 46,156,026.00	\$ 564,467,213.00	\$ 290,147,250.00	\$ 37,289,020.00	\$ 20,717,240.00	\$ 409,834,391.00
2019	\$ 945,340,290.00	11,220	\$ 84,254.93	\$ 19,263,290.00	\$ 1,339,253,183.00	\$ 52,687,778.00	\$ 594,867,723.00	\$ 293,849,706.00	\$ 100,663,680.00	\$ 21,064,550.00	\$ 442,612,066.00
2020	\$ 1,003,499,795.00	11,300	\$ 88,805.29	\$ 20,459,040.00	\$ 1,502,162,417.00	\$ 53,262,019.00	\$ 648,685,359.00	\$ 298,997,000.00	\$ 107,375,280.00	\$ 22,761,010.00	\$ 467,230,288.00
2021	\$ 1,089,264,166.00	11,442	\$ 95,198.76	\$ 21,502,380.00	\$ 1,936,347,934.00	\$ 56,310,719.00	\$ 753,266,356.00	\$ 308,482,809.00	\$ 116,016,120.00	\$ 22,638,820.00	\$ 496,365,712.00
2022	\$ 1,352,719,430.00	11,605	\$ 116,563.50	\$ 25,104,360.00	\$ 2,402,924,399.00	\$ 64,106,481.00	\$ 985,957,729.00	\$ 340,756,215.00	\$ 319,090,700.00	\$ 26,829,560.00	\$ 568,337,664.00
2023	\$ 1,617,915,173.00	11,810	\$ 136,995.36	\$ 27,168,150.00	\$ 3,330,592,355.00	\$ 68,013,791.00	\$ 1,201,189,848.00	\$ 403,267,542.00	\$ 708,898,060.00	\$ 35,167,430.00	\$ 663,316,133.00
2024	\$ 1,821,829,200.00	11,924	\$ 152,786.75	\$ 30,280,685.00	\$ 3,831,271,914.00	\$ 95,006,119.00	\$ 1,435,186,786.00	\$ 466,275,040.00	\$ 794,542,100.00	\$ 39,277,000.00	\$ 755,311,639.00
2013-2024 % Increase											
147.6%											
2023-2024 % Increase											
12.6%											
2016-2024 % Increase											
123.7%											
128.7%											
85.0%											
278.8%											
228.3%											
289.5%											
109.8%											
3086.3%											
103.7%											
273.6%											
11.6%											
15.0%											
39.7%											
19.5%											
15.6%											
12.1%											
11.7%											
13.9%											
57.8%											
243.6%											
147.6%											
219.3%											
67.7%											
2409.6%											
146.2%											
101.2%											

What criteria is used from USPAP Texas Property Tax Code, Texas Constitution (Uniform and Equal) to justify this swing in % values and between property types? **NONE – “You are the masters at guessing” as stated by a member of the Board of Directors at DCAD to Don Spencer the Chief Appraiser.**

This recording is at www.mockingbirdproperties.com/dcad

The above spreadsheet confirms, disparate values, no uniformity, violations of USPAP and every appraisal law ever written.

The fraud effects even those on their death bed. Memory Care patient in a 300 sq. ft. unit responsible for \$1,700/yr in real estate tax. Personal 1st hand experience.

The rule of law requires measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency.

Just to be crystal clear, is any entity in the chain ie CAD, School Districts, State Comptroller, and a host of recipients “general fund transfers” adhering to the rule of law? (see 2024 annual federal funds report pages 29-34)

- | | |
|--|-----|
| 1. Measures to ensure adherence to the principles of supremacy of law. | No. |
| 2. Equality before the law. | No. |
| 3. Accountability to the law. The government and private actors are accountable. | No. |
| 4. Application of the law. Must be applied equally to all persons in like circumstances. | No. |
| 5. Separation of powers. | No. |
| 6. Participation in decision-making. | No. |
| 7. Legal certainty. Means provided for resolving disputes without prohibitive cost or inordinate delay | No. |
| 8. Avoidance of arbitrariness. (The ARB panels exist for the benefit of the CADs and against Citizens) | No. |
| 9. Procedural and legal transparency. | No. |
| 10. The law must protect the security of persons and property. | No. |
| 11. The law must be written in a way that can be understood by ordinary persons in society. | No. |

= 100% of the real estate taxes violates both States and Federal laws resulting in RICO. “Pay your real estate taxes or we take the property”

See Violations.pdf at www.mockingbirdproperties.com/dcad

Resource:

<https://tea.texas.gov/finance-and-grants/state-funding>

Continued – Detecting Fraud

Significant deviations from industry norms or historical trends might indicate overstated inventory or accounts receivable, requiring deeper examination of underlying transactions and documentation.

Complex financial instruments, such as **derivatives, special purpose entities, 313 Agreements used to fund Chinese made solar panels on massive solar fields, or off-balance sheet arrangements**, can obscure a company's (school districts) true financial position. These tools complicate financial statements and make it harder for bond holders, Citizens, and pension funds to assess risks accurately. Transparency in disclosures, as mandated by regulations (Sarbanes Oxley) is paramount and as seen herein ignored.

Data analytics, such as what we are doing is a powerful tool for identifying patterns that suggest revenue manipulation. Statistical methods and specialized software can uncover anomalies like irregular valuation growth which would warrant further investigation. **How exactly is it that the State Comptroller, with the authority and ability to determine valuation fraud at the CADs has not disclosed to the public the above spreadsheet** or confirmed the fraud as exposed on www.mockignbirdproperties.com/dcad? What is the explanation? Given the State Comptroller is fully aware of our efforts, could it be the State Comptroller is derelict in his duties and has no interest in fixing the fraud that is now laid bare for all Citizens across the U.S. to, see? **Who gets paid to oversee the Investment Pools? Who gets paid to oversee the School District Bond Guarantee Program?**

Liability misstatements often involve understating or omitting obligations, **misleading stakeholders about a school district's solvency**. Analysts should review contingent liabilities and off-balance sheet arrangements by examining footnotes and disclosures. Comparing current liabilities against historical trends and industry norms can highlight unusual deviations. What if there are not proper notes to the balance sheet, no bond schedule, and no sources and uses? Why is it that every school district hires a different accounting firm and there is **no uniformity of accounting** to be delivered to the State Comptroller? **Missing data screams FRAUD! Nonuniformity of documentation screams FRAUD!** It would be very easy to depose 15 different "independent" accounting firms that file the reports for the School Districts, and each would have a different story.

Large fluctuations in accounts receivable or inventory without operational justification could indicate window-dressing efforts. **Significant changes in accounts payable** might reflect attempts to **manipulate cash outflows** or inflate liquidity ratios. Analysts should evaluate these elements against industry benchmarks and historical performance to discern whether changes are part of normal business cycles or **indicative of questionable practices**. Due to the lack of uniformity of accounting documentation, each school district and school within the district must be examined and that flows all the way into the pensions being, who is receiving the pensions, based on what criteria (tenure, paid in amounts) and payout timeline and corresponding amounts.

Off-balance sheet activities can obscure a company's true financial position, necessitating scrutiny of arrangements that might conceal liabilities or inflate earnings. Transactions like **operating leases, joint ventures, and special purpose entities should be closely examined**. Operating leases may be used to keep liabilities off the balance sheet, affecting financial ratios like debt-to-equity. Analysts should study footnotes and disclosures to understand lease terms and their impact. Applying accounting standards such as ASC 842 ensures transparency in lease reporting. Similarly, joint ventures and partnerships should be reviewed for profit-sharing arrangements or contingent liabilities not immediately apparent in primary financial statements. **Where is the line item for backstopping private development i.e. 313 Agreements?**

Why is it so difficult to get to the truth in their Financial Report? What are they hiding?

Why is it that no school district or CAD has hired a Certified Fraud Examiner??? The answer is to avoid jail and or personal lawsuits with claw back provisions?

Summary (1) of 3 letters sent to State Comptroller Glen Hegar, State Attorney General Ken Paxton, & Governor Abbott on 1/19/25 by Jeff Mashburn
(The 3 letters are below this video)

The State of Texas and elected leaders have failed to serve the citizens of this state with integrity and strong leadership based on sound moral principles for decades regarding financing government entities. The current system of ad-valorem taxation on personal property to fund and keep the broken system(s) of government in operation is and has been un-constitutional since its inception decades ago. As everyone is being made aware over the past couple of years Texas has major problems in government at all levels and this can be no more true than with the Public Education system in Texas. The ad-valorem funding method was a disaster from the very beginning. As the cases progress through the courts, it will become evident to everyone that has been involved in the Ponzi scheme for decades there is no correlation between the cost of education and the value of property in any matter whatsoever. The very fact the State of Texas and leaders complicated the flawed system by adding exemptions such as homestead, senior, veteran, AG and the Chapter 313 Agreement provisions only makes the cases in court easier to make the system was and is flawed in everyway imaginable. The State of Texas and elected leaders created a multi-tiered ranking of its citizenry and has violated the rights of the same as guaranteed in the US and Texas Constitutions. Everyone involved at every level are co-conspirators to fraud and corruption, committed against the citizens of this state and will be held accountable under the law(s) that govern this Nation and the Texas Constitution. Taxpayers across the State are learning just how bad things are in Texas and how they have been the victims of fraud and corruption for many years. Over seven thousand people have responded to the information that has been presented to them over the past five months. There are over thirty-two hundred individuals that have joined forces and signed the petition that is part of the current case before the court in Texas at this time. There are multiple lawsuits being filed for criminal offenses committed by CAD officers and school board members individually for fraud and corruption with intent to defraud. There has been over 5 million views as a part of the efforts put forth by Mr. Vexler to expose exactly what is occurring. The evidence is overwhelming and part of the public record.

There are many elected leaders and individual involved at this time across the State and in Austin that are aware how bad things are regarding property taxes and school funding. The State of Texas and elected leaders including the office of the State Comptroller must take action immediately or face the consequences in court and reap the fallout of a total collapse of the financial system in Texas. These matters are serious and cannot be ignored by anyone at any level of office in Texas. The financial impact to taxpayers in Denton, Johnson and Hill Counties alone is staggering. The State of Texas and elected leaders made a huge mistake when they decided to subsidize big business with tax abatements at the expense of taxpayers. See the included article regarding Solar Farms and Chapter 313 Agreements that exposes the fraud and deception related to these agreements.

“A response is expected from this office no later than February 3rd, 2025. Please provide a copy of the information as requested above no later than the close of business on February 3rd, 2025. If the Office of the State Comptroller elects not to comply with this request, please provide written statement explaining the position of the State Comptroller’s Office. This request and any response will become part of the public record and evidence pertaining the matters as described and declared in this request.”

This letter is sent as a courtesy regarding due process and professional integrity.

Respectfully,

Jeff Mashburn www.commonsenselaw.org

Comment by Mitchell Vexler: All previous efforts being 313 agreements, all exemptions including homestead, circuit breaker, veteran, commercial and real estate tax relief, none of which helped the real estate taxpayers, by the State have been attempts to mask the problems with ad-valorem taxation. The funding mechanisms do not work and have resulted in fraud. The school districts have not been held accountable for the cost of education of a single student. No data to support the annual budgets. The statements made in the press to help raise bonds by the schools are pure fiction. **How can you have school districts with decreasing student population and decreasing enrollment and yet, increasing bond and real estate tax demands?? Where is the math? Where is the application of the law? Or is it their position...math and law be damned and we will just steal it to cover up the Ponzi scheme?**

School District Fraud - Summary of The Balance Sheet and its Analysis

A balance sheet shows the financial position of a business or personal (your assets) at a point in time.

If proper notes to the balance sheet do not tie to a bond schedule and a sources and uses, and the method of accounting varies from school district to school district, then the financial report(s) are meaningless which omission is intent to defraud and the Texas State Comptroller claims, “no enforcement” and further promotes the Property Valuation Study, then the path to defraud is crystal clear.

Did you the property owners sign an implicit guarantee to backstop the liabilities created by the boards of the Taxing Entities which own the School Districts?

Did you the property owners agree to pay undisclosed pension liabilities of the school districts, which said pensions are not detailed in the notes to the financial report? Were any of these issues brought to your attention in the press releases put out by your local school district?

Do you the property owners believe that those who created and benefited from the fraud should be held personally, joint and severally liable for their actions?

What tangible evidence does any school district have on the cost to educate a student? Where did the money go from the fraudulent overvaluation of real estate resulting in the over taxation of the property owners?

How much economic destruction in Texas and across the United States has occurred as a result of the theft of real estate taxpayer money that could have and should have been circulating in the economy rather than being diverted into the un-accountable abyss? Answer: Trillions. In 2024 alone approx. \$450 Billion in over taxation as a result of overvaluation of \$21.25 Trillion in the last 5 years.

Do you now understand why repealing the real estate tax in favor of a Uniform States Sales Tax is the only viable solution to stop the fraud on the property owners? See Amicus Brief and Bill

https://www.youtube.com/watch?v=hXV1E_4XmHU

For more evidence

<https://www.mockingbirdproperties.com/dcad>

Questions to be asked of to the members of the Texas Senate and House of Representatives, AG Ken Paxton, Comptroller Glen Hegar, Governor Abbott.
Applicable across the U.S.

When the state of Texas enacted the current system of ad-valorem taxation on personal property, was it the very best choice to fund the operations of government and public education system?

If the ad-valorem taxing method was the best possible choice, why did the state of Texas pass the “Robin-Hood” plan to move money from one school district to another?

If the state of Texas wanted a system that is fair to ALL the citizens and taxpayers no matter where they live, why did the state allow for exemptions (homestead, circuit breaker, VA, AG...none of which have benefited the Citizens) and all of which created a multi-tiered ranking system among the citizens?

Do you believe there is a difference of worth and value among taxpayers in Texas?

Was the provision to allow Chapter 313 Agreements that subsidize big business a big band-aide to mask the flaws in the current system of ad-valorem taxation on personal property?

Do you the elected politicians place a higher value (worth) on big business than you do on the Citizens in this state?

What is the direct connection between the cost of educating a child in Texas and property value? Please explain how enrollment is down, education scores are down and demand for bonds and higher taxes are up?

Why are the values submitted by the Central Appraisal Districts differ from the local school districts regarding the cost of education per student? Example: Itasca ISD and HCAD

Why are the bond payment history (Bond Schedule), proper notes to the Balance Sheet, Sources and Uses, not available from ISDs including and not limited to Itasca, Lewisville, Denton, Godley, Frisco, Fort Worth, etc. etc.?

Why are the board members in a school district with an annual operating budget of \$12.0 million dollars allowed to negotiate contracts with a value of \$965 million dollars without any input of the taxpayers or the ability to vote in the matter? What is the criteria to allow a person or any persons of a school board to negotiated a contract or contracts? Did the State tell those who signed an Oath at the School Districts that they are violating multiple laws? Will the States self insurance policy Exhibit B cover the claims?

Why are the independent (allegedly) accounting firms conducting the annual audits not held to the statutes and regulations regarding the annual report distributed by the Texas Education Agency (Financial Accountability System Resource Guide-Module-1)? This standard is not even mentioned or acknowledged in annual financial reports. The independent accounting firms use what ever reference they choose without any oversight by the TEA or local school district. Is the State Comptroller not the responsible party in law with the authority to audit? How could all these questions exist if the Comptroller had control by virtue of true audits?

Are the Tax Assessor Collectors that collect the tax receipts based on the fraudulent overvaluation by the Central Appraisal Districts, on behalf of the Taxing Entities that fund the school budgets not required to validate and certify the submitted budgets of the Taxing Entities for accuracy before collecting the annual taxes from taxpayers? There is not a true system of checks and balances (audits) anywhere in the funding system (CADs, Tax Assessor Collector, CAMA Software, State Comptroller, Tax Assessor Collector, School District Boards, CAD Boards) and including but not limited to the school districts themselves. This is the indictment of the entire system created to defraud all property owners, which hurts every single Citizen not just in Texas but across the United States. This debt laden group of bad actors is the definition of government for the sake of government and not the Citizens. The Evidence is the evidence, including the false certification of the tax roll (Denton Tax Assessor Collector)

Fraud and Corruption is rampant throughout the State regarding property valuations and taxation in every school district, what are you the legislators going to do to stop this?

Are you the legislators ready to take responsibility for failing to act and stop what has been going on for decades in Texas?

Are you the legislators ready to take responsibility for dozens of school superintendents and school board members being sued for fraud and corruption in Texas? The evidence is overwhelming and now irrefutably part of the public record and it cannot be denied. Do you know how much a superintendent gets paid to commit fraud on the taxpayers via no bond schedule, no sources and uses, no proper notes to the balance sheet, and no uniformity of accounting standards?

You, individually and collectively, the legislators, owe the answers to these questions to your Constituents and the Citizens of Texas as well as the Citizens of the United States given that Federal Funds are also injected fraudulently into the school districts.

If you think these questions are tough, there are 68 pages of questions already prepared for the deposition of Mr. Don Spencer the Chief Appraiser of Denton Central Appraisal District and if necessary, Mr. Glen Hegar the State Comptroller both of which tie the fraud at the Central Appraisal Districts to the fraud at the School Districts. The evidence is at www.mockingbirdproperties.com/dcad (articles, video, testimony, depositions, audio, & government documents)

The business of schooling has failed and along with it, 30%+ of the households are facing bankruptcy and or will lose the roof over their head and this is happening on your watch right in front of you. How much money would be circulating in the economy but for the fraud? How many lives would not have been ruined but for the fraud? Attempting a “kick the can down the road” mentality will fail. The math in the Amicus is true. The associated Bill with the Amicus is true. This document and video are true. The only question is are you true to the Citizens of the State of Texas? I sincerely hope the unequivocal and uniform answer is yes. You, the Senate and the House, have the power to make serious change and fix this. Please do so.

**REPEAL THE REAL ESTATE TAX IN FAVOR OF A UNIFORM STATES SALE TAX and fix this fraudulent mess once and for all.
Consider yourself a person of knowledge.**

The solution to the fraud is the Amicus Brief and the associated Bill. We stand ready, willing and able to help.

Mitchell Vexler, President G.P. Mavex Shops of Flower Mound, LLC
End.