

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

The following is a brief explanation of one of the largest crimes perpetrated upon mankind. The spoil is in the multi trillions for each state. Attached is a comprehensive annual financial report using New York as an example.

By design the people have been progressively dumbed down from generation to generation, to such a degree that they have lost the fundamentals, among many things economics, take for example the following two terms:

"Budget Report" is a selective funding of "x" accounts from "x" resources (in this case set up to be primarily funded with taxation and done so "for the year").

"Annual Financial Report" is the showing of "all" income: Investment; taxation; and Enterprise, plus the "accumulated wealth over decades. Budgets are for the year, an AFR is for it all since creation of the entity.

There is a vast difference between a "**Budget Report**" and a "**Annual Financial Report**", a good analogy would be the difference between a budget to operate your home versus your statement of net worth.

The general public has been fleeced with the largest shell game of selective presentation providing for massive fortunes to be swindled by the inside players over the last several decades.

Every investment fund large or small is a power base. Where that money is invested; determines what company, real-estate venture, etc., is made or broken. Take note that along that line there is never a mention of the 184,000 AFRs of the corresponding local governments and the many thousands of specialty investment funds they contain. Take note that government pension funds facilitate the same, whereas paying employee benefits from the return on the funds is an afterthought for these government players.

The Communist Party back in the 30's and 40's claimed that they could take over America without firing a shot. The undercurrents of that statement were that they could depend on the greed and opportunity of the players to accomplish that goal, and they did.

Since 2000, collectively the municipalities, counties, and states bring in more gross income than the entire gross income of the population of the United States. Taxation is rammed down the peoples' throat, representing one third of the nation's gross income, and Investment/Enterprise, representing the other two thirds of the nation's gross income while the "silence is golden" rule is strictly enforced with the full symbiotic cooperation of the syndicated media; controlled education; and both political parties, as applies over the last century.

Up until 1999 the CAFR showed the "gross" standing balances of income and investment fund balances. Then with the onset of disclosure by CAFR1 and the public now looking for the first time <http://GASB.org> (a 100% private association) who oversees the accounting guidelines of the CAFR, changes were made starting with transmittal letter-31 (up to 90 now) changing the showing in the CAFR from that of gross

balances to a showing of "net" balances. Many games are played there so it is very important now to look through the "notes to the financial section" to spot or be directed to many of the specialty advance liability actual fund balances.

Government was NOT supposed to operate at a profit. How did they get around this restriction?

ANSWER: If for example a city had a 100-million dollar profit for the year from any of its operations, at a stroke of a pen they create a "liability fund" and poof, there goes the profit re-designated now as a liability.

A PERSONAL EXAMPLE WOULD BE: If you and I ran a business for the last twenty years and we now had 1-billion dollars clear. We decide we are going to retire in five-years and want to buy an island in the Bahamas for 700-million dollars. So we create an advance liability fund, move 700-million dollars into it and now our "net" balance on our books is 300-million dollars. Now if we drafted a "Budget" for our business operations (projection of expenses for the upcoming year) of say 325-million dollars, that budget would show us to be 25-million dollars in the red. If we now actually spent 200-million for the upcoming year, gee, we now have 125-million we can move into our "buy an island liability fund in the Bahamas" zero out our profit, have the ability to buy a bigger island now with 825-million in our fund, and start the process all over again for next year.

So, on our accounting of the "buy an island fund", our liability if we left the price at 700-million and the fund balance was 825-million, the "net" balance of the fund is now 125-million dollars. (700-million of the funds balance is a liability to pay). If we modified the liability to 825-million then our "net" fund balance is zero. $825 - 825 = 0$

Another tactic used to mask the true funds held would be to take the 825-million, deposit it with some financial institution domestic or international and arrange a loan or investment from that same financial institution of 825-million using the peoples' own capital through that financial institution to give the impression the 825-million was 100% a debt for repayment to whatever X financial institution we were using in that shell game of appearance.

<http://www.capecoral.net/Government/FinancialServices/AccountingDivision/DocumentsOnline/tabid/584/Default.aspx>