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GASB Guide Introduces New Financial Statement Information

A new guide published by the Governmental Accounting Standards Board illustrates to financial statement users the valuable information contained in the annual reports of local governments. *What You Should Know about Your Local Government's Finances: A Guide to Financial Statements* is GASB's first publication written specifically for citizens taxpayers, legislators, researchers and others who use government financial information. The guide is intended not only for financial statement users, but also as a resource for auditors and government finance officers who need to explain financial statements to elected officials, citizens, and clients.

"The guide is particularly instructive about how information in the financial statements of counties, cities and other local governments may be used to inform decision-making," said Dean Michael Mead, GASB project manager and author of the guide. "People considering where to locate a business, whether to buy a government's bonds and many other decisions will find financial statement information very helpful."

The guide is designed to be broadly accessible, from the government finance novice to the longtime government manager. It contains a number of features that enhance its readability and usefulness:

- Thirty-seven figures and tables, including an annotated set of illustrative financial statements (complete with management's discussion and analysis) for a local government.
- A running story that helps the reader understand the concepts by relating them to personal financial decisions.
- Boxes and sidebars that explore further the issues raised in the text, provide more detailed definitions and explanations and offer tips on using financial statement information.
- Easy identification of key terms that are defined in a glossary that accompanies the text.
- An appendix containing an overview of the basics of governmental accounting and financial reporting.
- Another appendix that explains some basic financial ratios that may be used to analyze government financial statements.

The guide encompasses the sweeping changes the GASB made to state and local government financial statements with the issuance of GASB Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments*, in June 1999. Governments have already begun to implement these new financial statements and will continue to begin complying over the next few years.

What You Should Know about Your Local Government's Finances (order code GUG01) is available for \$9.95 per copy from the GASB Order Department at 800.748.0659. The guide is the first in a series that will be released through the end of this year. The series will include a similar guide to school district financial statements and a comprehensive guide written for more experienced analysts. More information about the GASB can be found at www.gasb.org.