



Chapter 1

Financial Reporting for Governmental & Not-for-Profit Entities





Differences Between Business & Nonbusiness Organizations

- ◆ Purpose
- ◆ Source of Resources
- ◆ Accountability
- ◆ Reporting Complexities
- ◆ Marketplace

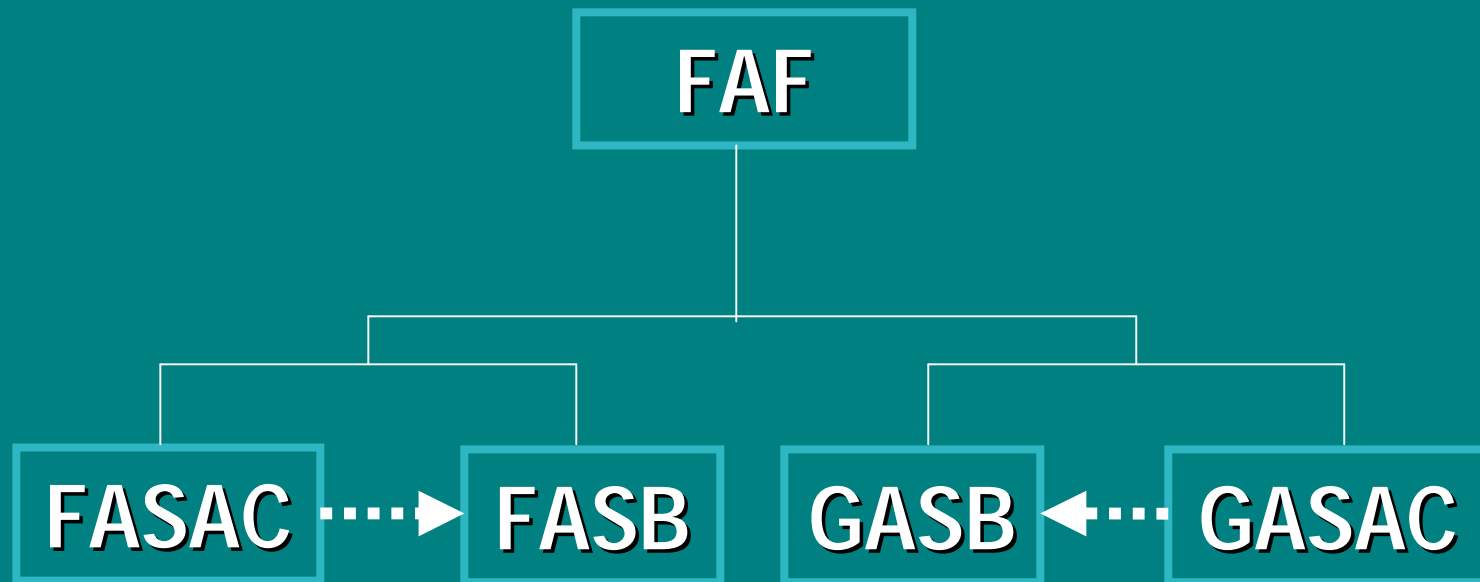


Nonbusiness

- ◆ Governmental
- ◆ Nonprofit

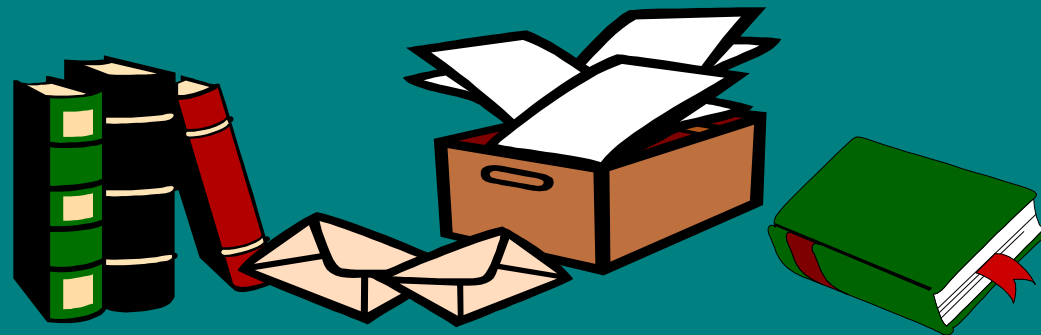


Standard Setting



Relevant Standards

- ◆ GAAFR
- ◆ GASB Pronouncements
- ◆ FASB Pronouncements
- ◆ AICPA



Governmental Entity?

- ◆ Impose Taxes/Tax Exempt Debt
- ◆ Citizen Election / Appointment
- ◆ Unilateral Dissolution



Governmental Entity


- ◆ General Purpose Government
 - ◆ -Many categories of service
- ◆ Limited Purpose Government
 - ◆ -Single or few services



Accountability

- ◆ Interperiod Equity
- ◆ Budgetary & Fiscal Compliance
- ◆ Service Efforts & Accomplishments





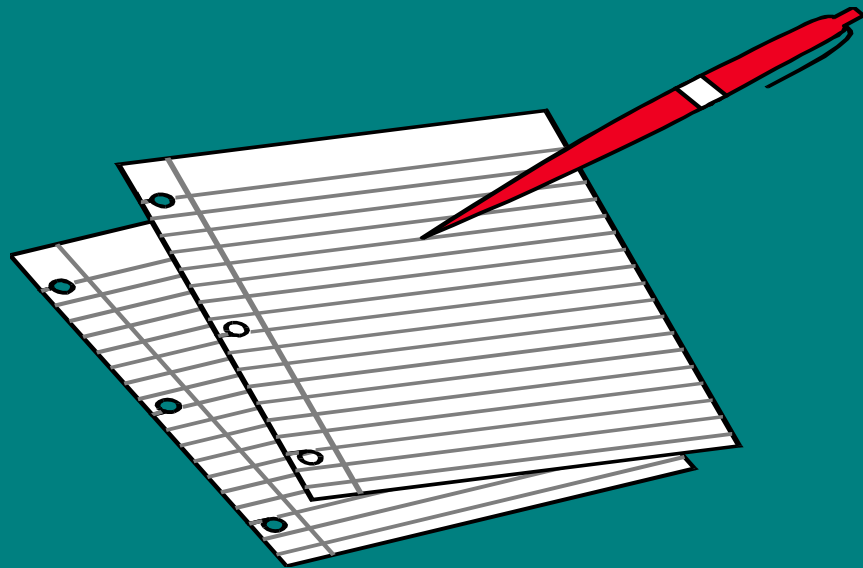
General Purpose Financial Reporting

- ◆ Comprehensive Annual Financial Report (CAFR)
 - ◆ Introduction Section
 - ◆ Financial Section
 - ◆ Statistical Section



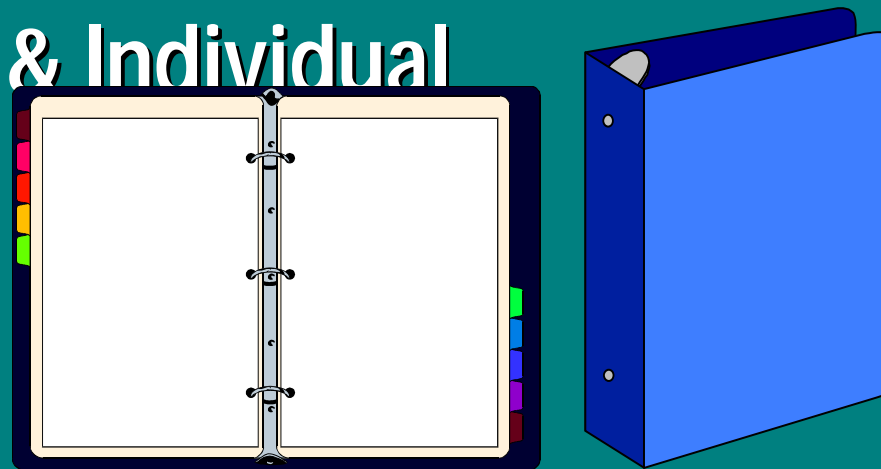
Introduction Section

- ◆ Title Page / Content
- ◆ Letter of Transmittal



Financial Section

- ◆ Auditor's Report
- ◆ MD&A
- ◆ Basic Financial Statements
- ◆ Other RSI
- ◆ Combining & Individual Statements



Two Kinds of Accountability

Fiscal vs. Operational
Accountability





- ◆ **Fiscal**

- ◆ Current Period

- ◆ Budget Compliance

- ◆ **Operational**

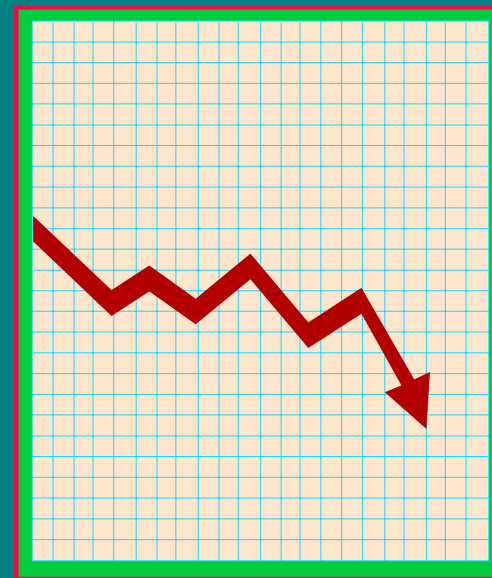
- ◆ S-T & L-T Financial Position

- ◆ Cost of Services



Statistical Section

- ◆ Social / Economic Data
- ◆ Financial Trends



Fund Accounting

