

SESSION 2: GOVERNMENTAL/NOT FOR PROFIT  
DATE: FRIDAY, FEBRUARY 23  
TIME: 3:30 – 5:00 PM

## **How Readable Are those Governmental Reports?**

**Treba L. Marsh**  
*Stephen F. Austin State University*

**Lucille G. Montondon**  
*Texas State University–San Marcos*

**ABSTRACT:** Since one class of users of governmental financial reports is citizens, readability on a citizens' level should be a major consideration. Using various readability measures, we compare state and local government transmittal letters pre-GASB 34, Management's Discussion and Analysis (MD&A) of the early implementers of GASB 34 and Popular Annual Financial Reports (PAFRs) of entities awarded the Certificate of Achievement by the Government Finance Officers Association for their Comprehensive Annual Financial Reports.

Comparing the three types of documents we found that the letters of transmittal were more difficult to read than the MD&A and PAFRs. This higher level of difficulty included percent of sentences in passive voice and reading ease as measured by the Flesch Reading Ease Index. However, readability of MD&A was found to require the highest grade level. This suggests that popular reports may be achieving their purpose. However, MD&As need to be edited with citizens in mind.