

# State & Local Government – Effective Reporting through XBRL Financial Data Standards



# Topics and Speakers

Topic	Speaker
NASACT & Standards	Kinney Poynter, CPA, Executive Director, NASACT
Data Standards in a Municipal Marketplace	Marc Joffe, Chair, XBRL US State and Local Disclosure Modernization Working Group; Senior Policy Analyst, Reason Foundation
Who Benefits	Shannon Sohl, CPA, PhD, Sr. Research Associate – NIU’s Center for Governmental Studies
CPE	Michelle Savage, VP, Communication, XBRL US
Discussion	John Reidhead, CPA, Director, State of Utah, Division of Finance Peter Austin, County Administrator, McHenry County, IL Shannon Sohl
Plan for Data Standards	Marc Joffe
What’s Next	Kinney Poynter
CPE	Michelle Savage



# NASACT and Data Standards

Kinney Poynter,  
CPA, Executive Director, NASACT



# You work hard on your CAFRs. They should have an impact. Machine-readable standards can Help

- Investors tracking corporate financial performance can find standardized data on numerous free web sites
- Municipal securities investors have to plow through PDFs
- This means municipal bond investors and other stakeholders are less familiar with government revenue, expenditure and balance sheet metrics.
- One reason corporate financial data is so readily available is that it is initially published in standardized, machine-readable form.
- We aim to bring the same technology to municipal finance



When filings are formatted like this:

**DELTA AIR LINES, INC.**  
**Consolidated Statements of Operations**

Year Ended December 31,

(in millions, except per share data)

	2017	2016	2015
<b>Operating Revenue:</b>			
Passenger:			
Mainline	\$ 29,105	\$ 28,105	\$ 28,898
Regional carriers	5,714	5,672	5,884
Total passenger revenue	34,819	33,777	34,782
Cargo	729	668	813
Other	5,696	5,194	5,109
<b>Total operating revenue</b>	<b>41,244</b>	<b>39,639</b>	<b>40,704</b>

It becomes inexpensive to create public information resource like this:

**YAHOO! FINANCE** Search for news, symbols or companies

**Delta Air Lines, Inc. (DAL)** NYSE - Nasdaq Real Time Price. Currency in USD [Add to watchlist](#)

Annual | Quarterly

**Income Statement** All numbers in thousands

	12/31/2017	12/31/2016	12/31/2015
<b>Revenue</b>			
Total Revenue	41,244,000	39,639,000	40,704,000
Cost of Revenue	29,118,000	27,539,000	28,663,000
<b>Gross Profit</b>	<b>12,126,000</b>	<b>12,100,000</b>	<b>12,041,000</b>



And Ultimately  
We Can  
Achieve this...

Hey Google.  
What's the State of  
Utah's Net Position?

In 2018, Utah's  
Primary  
Government Net  
Position was \$2.5  
billion.



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# Live Demo

<https://xbrl.us/xbrl-taxonomy/2019-cafr/>



# More efficient, affordable and meaningful analytics

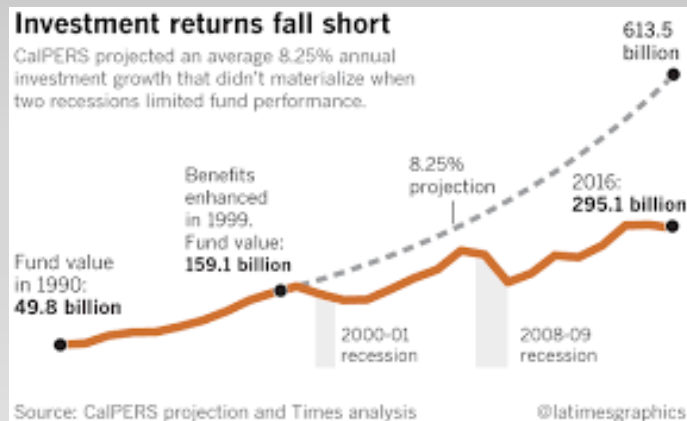
## Added rigor to comparisons



## Improved fiscal distress monitoring



## Other trend, forecast or what-if modeling



## Reduced ambiguity in reported figures



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# Enhanced decision-making

**Weighing pros and cons of resource allocation**



**Deliberating financing of programs/services**



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# Streamlined reporting & reduced redundancies

**Reduce costs of compliance**



**Decrease reporting Lag**



# Robust analytics and more timely financial reporting could lead to lower costs of borrowing!



“Having access to the data on a timelier basis will enable data users to do a more thorough assessment of credit risk, thereby enabling the market to divide the government entities that are good credit risks from the poor ones. This will have the knock-on effects of lowering the interest rates paid by governments who present good credit risks and motivating the riskier governments to improve, because improvement pays off with better interest rates.” – Jim Harper & Dean Ritz

# Improved democratic process

Increased transparency



Improved image of government



Citizen confidence & collaboration



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# CPE Questions

# Practitioner Perspectives

John C. Reidhead, CPA – Utah, Division of Finance Director

Peter Austin, MPA – McHenry County, IL - County Administrator



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**Biggest challenge in implementing standards?  
Pain points?**



# Practitioner Perspectives

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Peter Austin, MPA – McHenry County, IL - County Administrator

**Why are you interested?**  
**What efficiencies will it bring?**





# Practitioner Perspectives

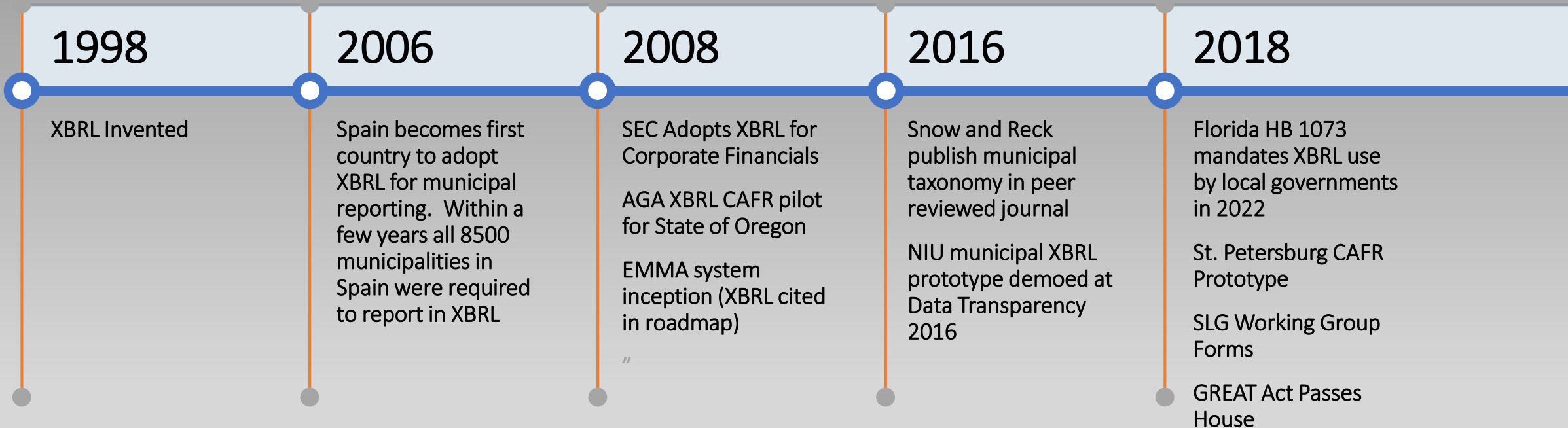
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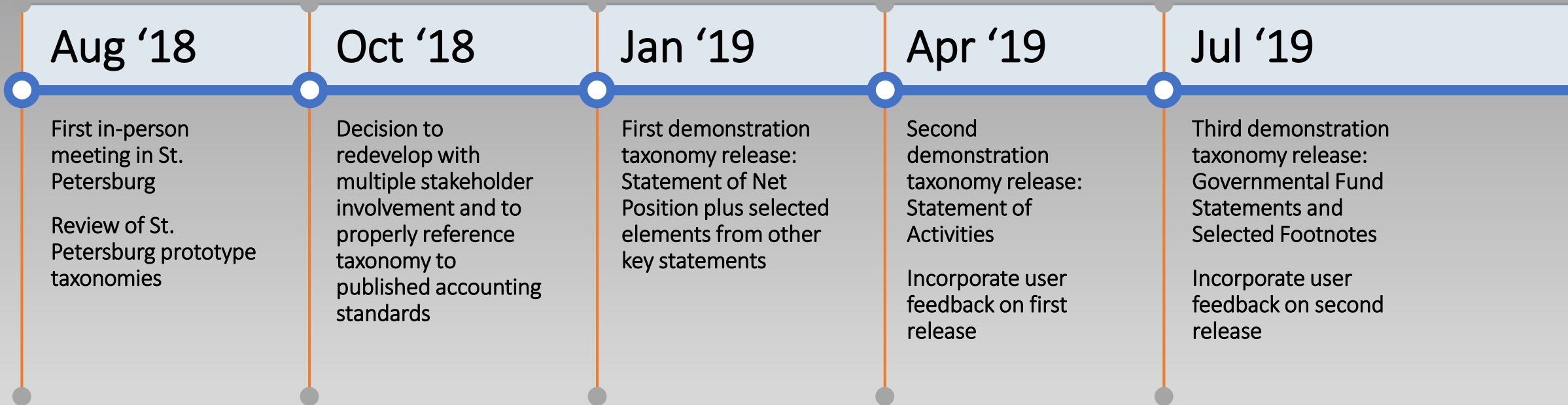
## Challenges in internal implementation?



## Milestones in the Development of Municipal/CAFR XBRL



## Working Group Timeline



# Call to Action – What You Can Do


- Join the working group to help us develop the taxonomy
- Conduct iXBRL pilots in your city, county or state
- If you use a software vendor to prepare your CAFR, ask them to support iXBRL and participate in our working group
- Inquire with regulators and oversight bodies about whether they will accept your iXBRL filings and under what circumstances
- Consider state support for further taxonomy development and to encourage more local governments to participate

What's Next

Kinney Poynter,  
CPA, Executive Director, NASACT

# CPE Questions


# https://xbrl.us/xbrl-taxonomy/2019-cafr/

FILERSINDUSTRIESGOVERNMENTSDATALOGOUT MICHELLE SAVAGE

Home > US Taxonomies >

## Public Exposure for CAFR Taxonomy, Demonstration Release

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**STATUS: PUBLIC REVIEW OPEN** 

Government agency representatives, municipal analysts and investors, software providers, and other users of state and local government data are invited to review and comment on the data standards developed to represent the Statement of Activities, Governmental Fund Balance Sheet, and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances.

This is a Demonstration Release, to illustrate how data standards can be created and used in the municipal marketplace. The standards were developed by the XBRL US [State and Local Government Disclosure Modernization Working Group](#) as a pilot to test the premise that standards can improve efficiencies by automating the process of creating, collecting, and analyzing government data. The Working Group is currently soliciting feedback during a 60-day public review period which will end on March 18, 2019. Input is requested on:

- Definitions and references for the elements. Are the definitions accurate? Are references appropriate? Should revisions or modifications be made?
- General input. Is the taxonomy structured appropriately? Is the documentation provided helpful and understandable?

### Learn About XBRL

-  [Reference Guide](#)
-  [Tools & Services](#)
-  [US Taxonomies](#)

### CAFR Demonstration Release Taxonomy Resources

#### Technical Details:

Namespace (all elements):  
**<http://taxonomies.xbrl.us/cafr/2019-01-16>**

Recommended Namespace Prefix: **cafr**

Taxonomy files as [.zip](#) and [tar.gz](#) for local use 