State and Local Government
Disclosure Modernization Working Group

February 21, 2019

Agenda

Agenda	Speaker/facilitator
IP Agreement	Michelle Savage
Status Update	Marc Joffe
Requirements Gathering	Shannon Sohl
Taxonomy and Public Review	Cathlyn Coons
CAFR Instance Documents	Srini Murty
Next Steps	Marc Joffe

IP Policy

Please be aware that this meeting is being held under the XBRL International IP Policy, which is available at the "Governing Documents" section of the XBRL.org website. Is anyone here aware of any claims under any patent applications or issued patents that would be likely to be infringed by an implementation of any work product that is the subject of this meeting? You need not be the inventor of such patent or patent application in order to inform us of its existence. No-one will be held responsible for expressing a belief that turns out to be inaccurate.

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Status Update

- ● Rollout of Demo Taxonomy v0.1
- ● NASACT Webinar
- ● Media Mentions

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NASACT Webinar - January 23

- Over 100 participants
- Comments from:
    - Kinney Poynter, Executive Director, NASACT
    - John Reidhead, Director, State of Utah Division of Finance
    - Patrick Austin, County Administrator, McHenry County (Illinois)
- Marc, Michelle and Shannon provided a demo and explained XBRL benefits
- Video available at https://www.youtube.com/watch?v=MNEIAu07qz4&t=18s.

Media Mentions / SEC Conference

- Barnet Sherman of Neighborly had a very comprehensive piece on Forbes.com outlining the case for XBRL and responding to objections.
- XBRL was a major topic of discussion at the SEC's Municipal Disclosure Conference on December 6 (video available online)
- Mercatus Center published Joffe/Reck study on XBRL in St. Petersburg
- Municipal Market Analytics published a highly critical piece on its site; response on Reason.org
- Bond Buyer published a long article that included both praise and criticism
  - "I wish people would take the time to learn a little bit more about this than simply repeat preconceived notions that may not stand up when they're presented with the facts," Joffe said.
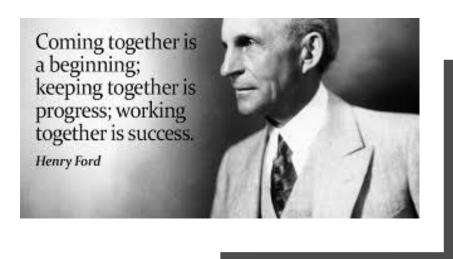
Requirements:

Group 1

Progress!

Coming together is a beginning; keeping together is progress; working together is success.

Henry Ford

- **198** elements in the taxonomy

- **16** related as an Axis/Qualifier

- **91** included definitions

- **73** were referenced

- **67** included definitions and references

  Keep working together!

Requirements Gathering

Demo Taxonomy v0.1 - **Objectives**

- Produce a vendor-neutral taxonomy for use in a pilot program.
  - Not tied to a single vendor
  - Non-proprietary mechanism for encoding and transmitting data (XBRL)
  - Easily customized for entity-specific data elements
  - Demo taxonomy consisted of Statement of Net Position plus selected data points of special interest in the Statement of Activities and Governmental Fund Statements.
- Create sample filings demonstrating operational viability for government financial digital disclosure.
- Further develop our methodology for producing a production taxonomy.
- Create a tangible work product as a point for organizing the government reporting community.

Demo Taxonomy v0.1 - **Outcomes**

- Opted to have more coverage in the taxonomy and complicated its use
- For those without tagging and/or subject matter experience it was a leap
- Discovered that the government accounting standards are not designed for digital reporting
  - FASB began this effort ~15 years ago and are still revising
- Learned we should have kept "simplicity of use" as one of the objectives
  - Fewer elements with a focus on prevalently reported, widely used data points
  - More guidance-oriented documentation
  - https://xbrl.us/wp-content/uploads/2019/01/preparers_guide_cafr_2019-01-16.pdf
- Public comment period for v0.1 is open until March 18, 2019

CAFR instance documents

- 15 CAFR Inline XBRL documents published - January 16, 2019
- Participation by multiple working group members/vendors involved

Inline XBRL Samples

Below is a collection of member-contributed sample inline filings based on the Demonstration Release, displayed using the SEC's inline viewer. Click the name of the state, county or municipality to see examples.

Please note that all reported facts in these instances may not be tagged because of the limited elements available in the demonstration taxonomy. These samples are for demonstration only.

Albemarle, VA *Ez-XBRL*	**State of Georgia** *Workiva*
Alexandria, VA *Allyson R. Ugarte – Sole Practitioner Member*	**Loudoun County, VA** *Allyson R. Ugarte – Sole Practitioner Member*
Ashland, VA *Ez-XBRL*	**McHenry County, IL** *DataTracks*
Bristol, VA *Ez-XBRL*	**St. Petersburg, FL** *CAFR Online – Thales Consulting*
Falls Church, VA *Allyson R. Ugarte – Sole Practitioner Member*	**Virginia Beach, VA** *CAFR Online – Thales Consulting*
	State of Utah *Workiva*

City of Alexandria, Virginia

Statement of Net Position
June 30, 2018

Exhibit I

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	$ 336,089,928	$ 78,604,738
Cash and Investments with Fiscal Agents	219,874,961	3,202,514
Receivables, Net	298,834,712	364,835
Long-term Portion of Notes Receivable	-	-
Accrued Interest	69,715	-
Due From		-
Due From		5,220,701
Inventory of		281,037
Prepaid and		1,388,973
Net Pension		4,600,977
Capital Asse		
Land and		1,046,239
Other Capi		1,746,654
Capital Asse		2,792,893
Total Asse		5,456,668
DEFERRE		
Pension	43,007,984	44,415,779
OPEB	4,486,791	3,405,635
Deferred Gain on Refunding Bonds	5,056,021	-
Total Deferred Outflows of Resources	54,550,796	47,821,414

Attributes 📋 ✖

Cash and Cash Equivalents

Tag	cafr:CashAndCashEquivalents
Fact	336,089,928
Axis	Financial Reporting Entity [Axis] - cafr:FinancialReportingEntityAxis
Member	Primary Government Activities [Member] - cafr:PrimaryGovernmentActivitiesMember
Axis	Basis of Accounting [Axis] - cafr:BasisOfAccountingAxis
Member	Accrual, Basis of Accounting [Member] - cafr:AccrualBasisOfAccountingMember

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Total Deferred Outflows of Resources

LIABILITIES

Accounts Payable	16,384,155	19,132,989
Accrued Wages	10,062,828	28,355,097
Accrued Liabilities	1,689,562	-
Unearned Revenue	7,517,690	3,817,110
Other Short-term Liabilities	21,402,607	-
Due To Other Funds	-	-
Deposits	5,016,362	-
Long-term Liabilities Due Within One Year	50,017,044	2,595,440
Long-term Liabilities Due in More Than One Year	657,636,767	10,199,383
Net Pension Liability	163,020,518	229,706,920
Net OPEB Liability	65,284,471	48,179,050
Total Liabilities		,985,989

DEFERRED

Deferred Tax		-
Pension		,949,289
OPEB		,881,202
Total Deferred		,830,491

NET POSITION

Net Investment		,910,323
Restricted for		
Affordable		-
Special Projects	20,363,968	-
Educational Projects	-	5,103,063
Unrestricted	64,145,352	(235,551,784)
Total Net Position	506,316,534	(219,538,398)

Labels

Net Position Unrestricted

Definition	The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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Feedback / Lessons Learnt

- Published instances were available for review
- Feedback received on XBRL output
- Gained insights on future taxonomy development requirements

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Open Source tool for extracting data from XBRL instances

```
D:\parse_cafr_ixbrl>python getix.py
Loading test_data\Alexandria-2018-Statements.htm...
Loading test_data\FallsChurch-2018-Statements.htm...
Loading test_data\ga-20190116.htm...
Loading test_data\Loudoun-2018-Statements.htm...
Loading test_data\ut-20190117.htm...
Generated output.csv.
Generated output.xlsx
```

- Data extracted from CAFR XBRL instance documents to Excel
- Enables further data analysis
- Provided insights into further taxonomy development

	Name of Government	State	Fiscal Year End	Assigned General Fund Balance	Unassigned General Fund Balance	Total General Fund Balance	General Fund Revenues	General Fund Expenditures	General Fund Balance Ratio
1									
2	City of Alexandria, Virginia	Virginia	June 30, 2018	34,152,482	73,780,565	128,958,343	717,727,325	614,696,136	0.21
3	City of Falls Church, Virginia	Virginia	June 30, 2018	2,609,806	16,191,210	31,233,917	87,405,889	85,375,721	0.37
4	State of Georgia	Georgia	June 30, 2017	418,815	2,211,442	7,375,992	42,224,692	37,219,971	0.20
5	County of Loudoun, Virginia	Virginia	June 30, 2018	33,784,272	99,528,390	361,269,101	1,571,898,973	1,271,158,595	0.28
6	State of Utah	Utah	June 30, 2017	194,174	9,585	858,154	5,950,389	6,654,337	0.13
7									

Next Steps

- V0.2 Demo Taxonomy
- Sub-Committee Realignment
- In person meeting and mini-conference in DC April 24

V0.2 Demo Taxonomy

- We are working on an update to the taxonomy and preparer's guide with the following goals:
  - Encourage greater consistency in tagging of key statement items such as Governmental Activities Unrestricted Net Position
  - Incorporate validations such as ensuring that amounts provided for Governmental Activities and Business Type Activities add up to Total Primary Government amounts
  - Facilitate calculation of key ratios used for financial analysis by state oversight bodies and municipal credit analysts
  - Review and incorporate feedback to v0.1 taxonomy received by March 18
- Intended release date for the new taxonomy and updated instance documents is April 24
- Coverage additions will be limited
  - Marc wants to tag some pension and OPEB items, but we'll have to see whether we have time!
- Technical lead for v0.2 will be Vivek Bhadoria of IRISBusiness

Sub-Committee Realignment

- Disband subcommittee 4 which has focused on advocacy
  - We have greatly raised awareness of XBRL in the government accounting community
  - Harder for certain stakeholders to join a working group that is engaging in advocacy
  - Individuals associated with the WG can advocate for XBRL in their other capacities
- Temporarily merge the activities of subcommittees 1-3
  - To accelerate work on v0.2, we will have a weekly call in which members of all three subcommittees may participate
  - There will be no subcommittee meeting between now and at least April 24

In person meeting and mini-conference,DC April 24

- In person meetings facilitate networking, so we hope to have them once or twice each year
- The in person event will have a morning session consisting of talks by influencers in the world of government financial data
  - Many thanks to Stephen Owens from the Census Bureau's Government Division for agreeing to speak to us
  - We are inviting other DC-based experts including individuals not in the working group
  - Others who would be interested please contact, Michelle or Marc
- Afternoon session (starting at 1pm) will be a normal WG meeting
- Location is **ecofy**, a co-working space, at 1899 L Street, NW, Washington, DC 20036