

June 11, 2019



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The Honorable Cecilia M. Aguiar-Curry
Chair of the Local Government Committee
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0004

RE: Support for Senate Bill 598 (Moorlach) Open Financial Statements Act

XBRL US is pleased to offer its support for SB 598, legislation which modernizes California's municipal finance reporting practices. XBRL US is a nonprofit standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International¹, the nonprofit consortium responsible for developing and maintaining the technical specification for XBRL (a free and open data standard widely used in the United States and around the world for reporting by public and private companies, as well as government agencies).

We support SB 598 because of the proven success of financial data standards at improving the efficiency of data reporting, collection and analysis, which will reduce government expenditures, lower the cost of capital for public agencies, and ease the identification of fiscally distressed local governments. This bill would establish the Open Financial Statement Commission, which is tasked with making recommendations about how to transition financial statement reporting to a machine-readable format such as Inline XBRL.

Over 1,500 public entities prepare annual financial statements, independently audited, and submitted to the State Controller. The reports are submitted as a PDF, either in a text-searchable format or as scanned physical documents producing data that are difficult to extract and analyze. XBRL has been adopted by the Securities and Exchange Commission for operating company financial statements and fund risk/return summary information; and by the Federal Deposit Insurance Corporation for bank institution reporting. XBRL is widely used around the world by government and business; it has been adopted by over 100 regulators, is employed by over 10 million companies; and is used in over 60 countries. It is a modern tool for analyzing financial reports that can ensure transparency in the world of municipal finance.

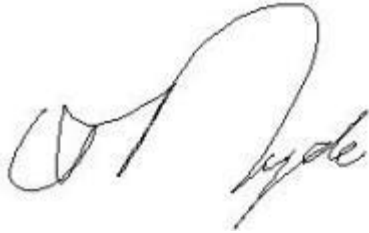
Adopting financial data standards in California will help local governments, private analysts, and the public, better track taxpayer dollars by switching to a system that is more accessible, efficient, and user-friendly.

¹ XBRL International: <http://xbrl.org>

We are confident that the investigation to be conducted by the Commission as required by SB 598 will result in the decision to transition financial data reporting in California to the XBRL standard, and will bring substantial benefits as noted above. For these reasons we urge you to support SB 598.

Please contact me if you have questions about our feedback or would like to discuss this further. I can be contacted at (917) 582-6159 or email Campbell.Pryde@xbrl.us.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Pryde". The signature is fluid and cursive, with a large initial "C" and "P".

Campbell Pryde
President and CEO