



1211 Avenue of the Americas  
19<sup>th</sup> Floor  
New York, NY 10036  
Phone: (202) 448-1985  
Fax: (866) 516-6923

February 26, 2021

Director of Research and Technical Activities  
Governmental Accounting Standards Board  
401 Merritt 7, P.O. Box 5116  
Norwalk, Connecticut 06856-5116

Dear Sir or Madam:

RE: Project Nos. 3-20 and 3-25

Thank you for the opportunity to comment on Project No. 3-20 (Recognition of Elements of Financial Statements) and Project No. 3-25 (Financial Reporting Model Improvements). XBRL US is a nonprofit standards organization which aims to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. As a standards consortium, we support the GASB mission:

*To establish and improve standards of state and local governmental accounting and financial reporting that will:*

- *Result in useful information for users of financial reports, and,*
- *Guide and educate the public, including issuers, auditors, and users of those financial reports.*

The data standard that we support, eXtensible Business Reporting Language (XBRL), is a free and open data standard widely used around the world<sup>1</sup> for reporting by public and private companies, as well as government entities. XBRL harmonizes with accounting standards to render data fully consistent and machine-readable, and is used to support various accounting standards worldwide, including US GAAP, through XBRL standards maintained by the Financial Accounting Standards Board (FASB). Members of XBRL US include public companies, accounting firms, software, data, and service providers, as well as other nonprofits and standards organizations. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical XBRL specification.

We believe that data should be reliable, consistent, transparent, and fully understandable. Current GASB standards follow modified accrual accounting for the Governmental Fund Balance Sheet, and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund

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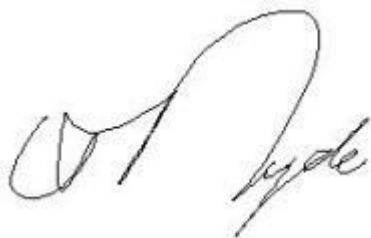
<sup>1</sup> Source XBRL International: there are 150+ digital reporting mandates in 70+ countries used by 10 million+ entities including public and private companies, as well as governments. In the U.S., XBRL is required by entities reporting to the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, the Federal Energy Regulatory Commission, and starting in 2022, the state of Florida.

Balances. This approach can cause a lack of transparency in information reported for those using the data, as the financials reported may not clearly reflect the true obligations, and therefore the underlying health, of the government entity. This can be misleading for municipal securities investors, government agencies setting policy, and taxpayers seeking to understand where their funds are being spent.

We urge the GASB to consider using this opportunity to direct the conversation towards how state and local government data is used. The accounting standard methodology and the format in which the data is reported, has an enormous impact on the transparency and usability of information. If a government fund has long-term liabilities, that information should be available so that data users can fully understand the governments obligations; and extract the data they need, when they need it. We believe that reporting as much data as possible, and structuring that data in an unambiguous, machine-readable format, so that it can be queried and extracted as the user wishes, is the optimal approach.

I welcome the opportunity to discuss our recommendations further, and would be happy to testify at any of the public hearings the GASB is planning in March and April. Please let me know if you have any questions or would like to discuss further. I can be reached at (917) 582 - 6159 or [campbell.pryde@xbrl.us](mailto:campbell.pryde@xbrl.us).

Regards,

A handwritten signature in black ink, appearing to read 'Campbell Pryde', written in a cursive style.

Campbell Pryde,  
President and CEO