GASB Discussion Memorandum

September 8, 2026

Comments Due: November 30, 2026

Voluntary Digital Financial Reporting—Structural Design

Project No. 3-32

Governmental Accounting Standards Board

VOLUNTARY DIGITAL FINANCIAL REPORTING—STRUCTURAL DESIGN

Written Comments

Deadline for submitting written comments: November 30, 2026

Requirements for written comments: We invite your comments on the issues addressed in this Discussion Memorandum and specifically those addressed in the questions presented in Chapters 3–5. Respondents are encouraged to give their views only after reading the entire text of this Discussion Memorandum and the files associated with the taxonomy. It is important that you comment on any aspects with which you agree, as well as any with which you disagree. To facilitate our analysis of comments, it would be helpful if you explain the reasons for your views, including alternatives that you believe the GASB should consider.

A Discussion Memorandum is a staff document designed to seek comments at a relatively early stage of a project. This Discussion Memorandum is part of the GASB's Voluntary Digital Financial Reporting project. This Discussion Memorandum does not present any preliminary views of the Board. If this project is continued, stakeholders would have additional opportunities to provide feedback about the design and structure of the GASB-GAAP Taxonomy.

Comments should be addressed to the Director of Research and Technical Activities, Project No. 3-32, and emailed to director@gasb.org. Comments also may be submitted through an electronic input form.

Other Information

Public hearing or forum. A public hearing or forum on the issues addressed in this Discussion Memorandum has not been scheduled.

Public files. Written comments will become part of the GASB's public file. Written comments also are posted on the GASB's website.

This Discussion Memorandum as well as files associated with the taxonomy may be downloaded from the GASB's website at www.gasb.org.

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To support the potential development of a GASB-GAAP taxonomy for Voluntary Digital Financial Reporting ("VDFR"), and the related project (the "Project"), GASB is sharing certain collateral in order to solicit stakeholder feedback. By virtue of your access and review of this document and other related materials, you are agreeing to these terms, and further agree that, with respect to any feedback or communications you provide in response, you hereby grant to GASB and FAF a non-exclusive, irrevocable, worldwide, royalty-free, sublicensable, transferable license of all of the data, ideas, information, feedback, comments, authorship, including any modifications or additions to an existing work, that is submitted or shared by you to the GASB or FAF in response to the Project, or to any component thereof or undertaking in connection therewith, together with all related intellectual property rights (including copyright, patent, and any other rights) (collectively, the "Contributions") to use, copy, integrate, incorporate, prepare derivative works of, distribute and publicly perform and display the Contributions as part of the Project or of any materials, products or databases generated therefrom or in connection therewith in any form and for any purpose whatsoever (including in the VDFR).

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CONTENTS

Page
Numbers

Chapter 1—Introduction, Project Objective, and Taxonomy Scope 1
Chapter 2—Role and Function of the GASB-GAAP Taxonomy 6
Chapter 3—Foundational Structure Design: The Financial Reporting Model and The Financial Reporting Entity 12
Chapter 4—Line-Item Design: Elements of Financial Statements 17
Chapter 5—Unstructured Data Modeling: Notes to Financial Statements, MD&A, Budgetary Schedules, and Required Reconciliations 24
Glossary 31
Appendix—Notes to Financial Statement Themes 32

CHAPTER 1—INTRODUCTION, PROJECT OBJECTIVE, AND TAXONOMY SCOPE

Introduction

1. This Discussion Memorandum has been developed as part of the Governmental Accounting Standards Board's (GASB's) Voluntary Digital Financial Reporting (VDFR) project. This project intends to provide a pathway to digitizing annual comprehensive financial reports (ACFRs) without changing existing reporting requirements; that is, this project is not expected to result in the issuance of a GASB standard or to establish any new reporting requirements. The VDFR project is being carried out along two related tracks. The first track focuses on developing the GASB-GAAP Taxonomy, which is the basis of this document. The second track focuses on considering how that taxonomy could facilitate the extraction of data from government financial reports, which is briefly discussed later in this chapter.

2. This Discussion Memorandum is organized into five chapters, a glossary, an appendix, and two associated taxonomy files. This chapter provides the objective and scope of the project. Chapter 2 includes background information such as a description of a taxonomy and its purpose. Chapters 3 and 4 provide detailed information and illustrations on the foundational structure design decisions made in the GASB-GAAP Taxonomy. Chapter 5 provides a discussion about modeling text information provided in ACFRs such as notes to financial statements. The glossary provides definitions of terms used throughout this document. The appendix provides a list of themes included in the taxonomy to identify notes to financial statements. Taxonomy files related to this document are described in the last section of this chapter.

Objective and Issues Addressed in the Voluntary Digital Financial Reporting Project

3. The objective of this project is to develop a digital taxonomy representing *existing* GASB reporting requirements. The *GASB-GAAP Taxonomy* is expected to enable governments to present their financial statements using alternative digital technologies that can facilitate the accessibility of information for users. This objective is centered around accounting and financial reporting requirements promulgated by the GASB and does not take into consideration requirements that may be imposed on digital files by regulators, such as for data validation or data quality.

4. The following four principles form the basis for the development of a data model for the GASB-GAAP Taxonomy:

a. The organization of GASB reporting requirements
b. The incorporation of existing optionality in GASB standards

c. The incorporation of **observed practice**[1] regarding presentation of financial statements
d. The incorporation of government-specific information in financial statements.

Taxonomy Scope

5. The scope of the GASB-GAAP Taxonomy is limited to financial reporting requirements established by the GASB and **common practice** that arises in the absence of specific reporting requirements in financial reporting. It does not include schedules, reports, or other information that accompany financial statements but are outside the scope of GASB guidance, such as the auditor's report or the schedule of expenditures of federal awards.

6. The development of the GASB-GAAP Taxonomy is divided into two phases. Phase I focuses on **modules** associated with (a) basic financial statements, which include notes to financial statements, and (b) required supplementary information (RSI). Phase II will focus on modules associated with supplementary information.

7. The development of Phase I relies on the June 30, 2025 *Codification of Governmental Accounting and Financial Reporting Standards* (Codification),[2] and, therefore, Statement No. 104, *Disclosure of Certain Capital Assets,* will be the last pronouncement incorporated into the GASB-GAAP Taxonomy. Pronouncements issued after Statement 104 will be incorporated into the GASB-GAAP Taxonomy during Phase II.

The Purpose of This Discussion Memorandum

8. The purpose of this Discussion Memorandum is to solicit stakeholder feedback about the foundational structure design choices made in the development of the GASB-GAAP Taxonomy. The accounting and financial reporting requirements that shape the foundational structure design include (a) the financial reporting model, (b) the financial reporting entity, (c) the basis of accounting, (d) reporting units, and (e) line-item design. This Discussion Memorandum seeks stakeholder feedback about how these five reporting requirements have been incorporated into the taxonomy. Each of these reporting requirements and their effects are discussed in Chapter 3.

9. Figure 1 highlights (in blue) the taxonomy modules included in the taxonomy files that are more fully developed. Also, it includes the modules within the scope of Phase I that are included in the taxonomy files but have undergone limited development. Each of the modules developed were selected for exposure to illustrate a specific taxonomy design feature. The government-wide statement of net position module illustrates the taxonomy considerations applicable to the financial reporting model and the financial reporting entity, in addition to elements of financial statements associated with the statement of net position (assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net

[1]Terms that are defined in the Glossary are shown in **boldface type** the first time they appear in this Discussion Memorandum.

[2]The Codification is an integration of currently effective accounting and reporting standards for state and local governments.

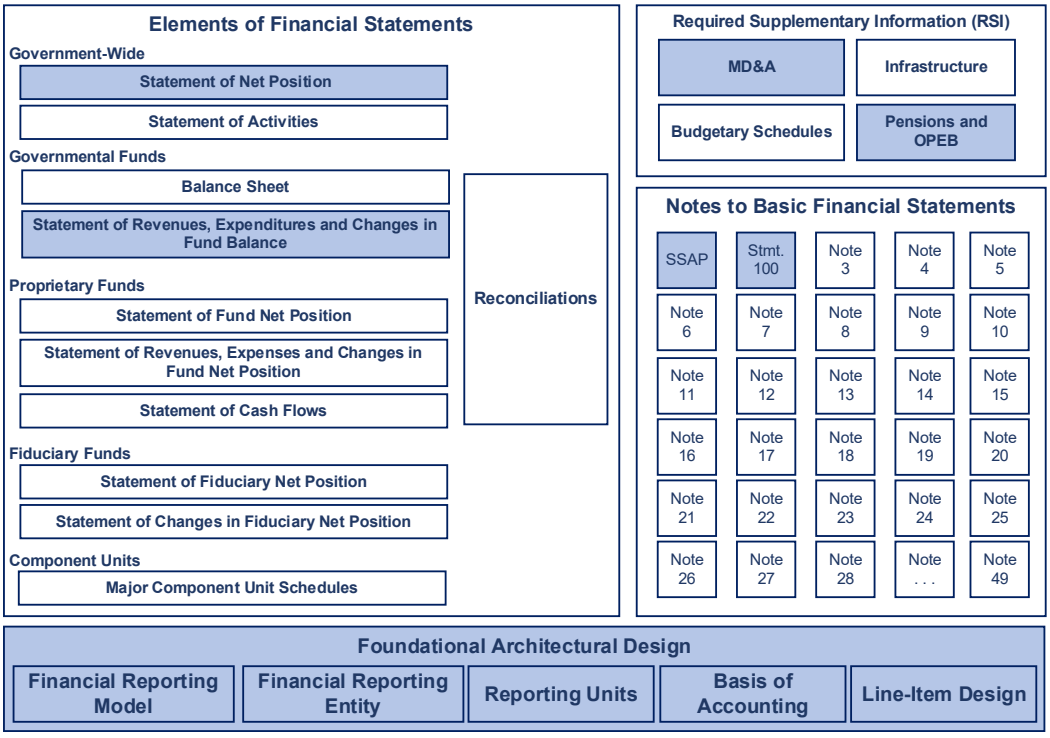
position) and the accrual basis of accounting, which are the basis for the line-item design discussed in Chapter 4.

10. The governmental funds statement of revenues, expenditures, and changes in fund balance module illustrates the taxonomy considerations related to major fund reporting requirements, which are the basis for the reporting unit modeling discussed in Chapter 3, as well as elements of financial statements associated with the flow of resources (revenues, expenditures, and other financing sources and uses) and the modified accrual basis of accounting.

11. Unstructured data modules include several topics such as notes to financial statements and MD&A. Chapter 5 addresses taxonomy considerations applicable to unstructured data, reporting unit modeling, and degree of granularity in the taxonomy modules.

12. In addition, the taxonomy files include modules for pensions and other postemployment benefit (OPEB) RSI schedules to illustrate the taxonomy considerations applicable to tables that are composed of monetary and nonmonetary information.

Figure 1—Taxonomy Modules Included in This Discussion Memorandum



Focus on Technologies

Taxonomy Development Track

13. The first track of this project involves developing the GASB-GAAP Taxonomy, which relies on Extensible Business Reporting Language (XBRL). This preparer-focused track is the basis of this Discussion Memorandum; as such, this document includes references to certain XBRL-related concepts and terminology. Throughout this document, high-level discussions address topics such as the tagging of financial statement information and other aspects of structured digital reporting associated with XBRL.

14. This Discussion Memorandum should not be considered an architectural design document applicable to XBRL reporting; rather, it exposes the initial taxonomy design and is intended to provide an overview to GASB stakeholders, including auditors, preparers, and users of financial statements. Technology specialists may access the XBRL taxonomy files for their analysis. In the future, a design document may be developed to provide detailed technical specifications. However, at this early stage, that level of documentation is not yet available.

Alternative Digital Financial Reporting Track

15. The second track of the VDFR project considers how the GASB-GAAP Taxonomy could enhance the accessibility of financial reports through automated data ingestion, extraction, and normalization. This user-focused track draws on many of the same concepts discussed in this document, including line-item design, reporting unit structure, and the modeling of unstructured data but applies them to improving the efficiency and effectiveness of data ingestion. Accordingly, the GASB-GAAP Taxonomy is being designed not only to support financial reporting but also to facilitate data extraction and normalization through emerging technologies such as those that utilize artificial intelligence.

Additional Materials and Questions to Respondents

16. This Discussion Memorandum includes two files that are part of the exposed content. The files are intended to help respondents understand the taxonomy design. Those files are (a) the GASB-GAAP Taxonomy files in XBRL format and (b) a Microsoft® Excel workbook that presents similar taxonomy information in an easily accessible format. The XBRL files may be most useful to technology specialists, software providers, and others who want to review the taxonomy structure in its native digital format. The Excel workbook provides a readable view of the taxonomy, including the modules developed, the column headers used to represent reporting units, and the line items of the government-wide statement of net position. The workbook may be useful to a broader range of stakeholders, including preparers, auditors, users of financial statements, and others who want to understand the taxonomy without using specialized software. To the extent possible, the taxonomy files should be considered by stakeholders in the preparation of responses.

17. Chapters 3–5 include questions for stakeholder input. Respondents are encouraged to focus on the areas most relevant to their experience and expertise. For example, preparers and auditors may wish to comment on the taxonomy design of the financial statements, as discussed in Chapters 3 and 4, whereas users may wish to comment on the level of detail provided for notes to financial statements, as discussed in Chapter 5. Reviewing the Excel workbook may be particularly helpful in responding to the questions in Chapters 3–5.

18. Respondents need not address every question to provide valuable feedback and are encouraged to raise relevant issues *beyond* the questions presented, including any feedback associated with the accompanying files.

CHAPTER 2—ROLE AND FUNCTION OF THE GASB-GAAP TAXONOMY

1. This chapter provides background information about digital financial reporting to place the GASB-GAAP Taxonomy in context for discussions in subsequent chapters.

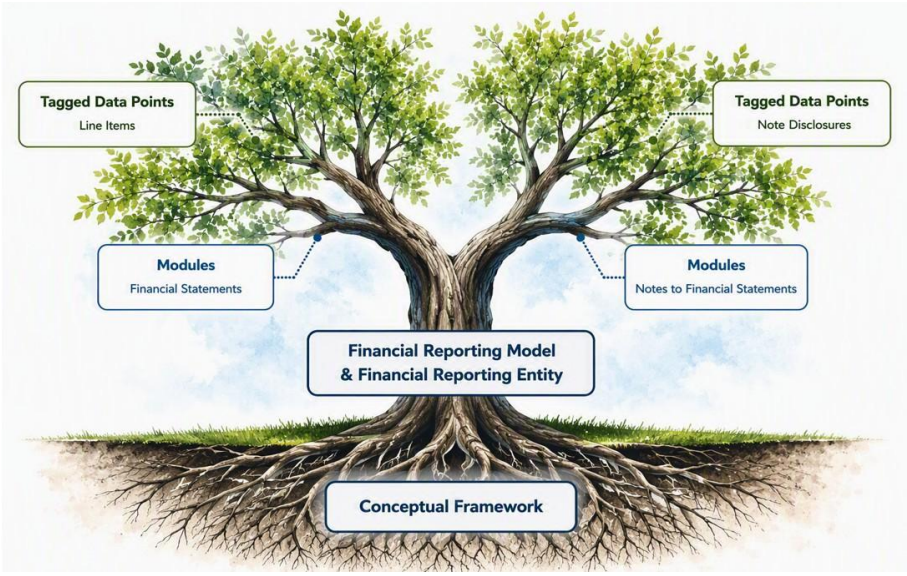
What Is a Taxonomy?

2. Broadly speaking, a taxonomy is a classification system used to group similar items into an organized structure and provide meaning to those items through metadata, such as documentation and relationships. For example, the organization of a grocery store is based on a taxonomy of products offered. Fresh products, such as fruits and vegetables, are grouped in one section while canned foods are grouped in another section. Furthermore, each item is identified by a unique code that contains information about the item.

What Is a Financial Reporting Taxonomy?

3. A *financial reporting taxonomy* is a classification system used to organize accounting and financial reporting information presented in financial statements. The organization of the information is generally associated with each financial statement and the elements of financial statements reported within each statement. The taxonomy organizes information reported as unstructured data, such as notes to financial statements, as well as information presented in tables, such as RSI schedules. Figure 2 illustrates the taxonomy using a tree analogy. The leaves represent the individually tagged data points; the branches represent the modules; the trunk represents the financial reporting framework; and the roots represent the conceptual framework.

Figure 2—Visualization of the GASB-GAAP Taxonomy



4. A taxonomy provides context for each item of information it organizes. For example, the module (the large tree branches) identifies the financial statements and provides context for line items (the leaves). Line items are further organized as **clusters** (the smaller tree branches), which provide context for subgroups of elements, for example, for types of assets such as (a) cash and investments, (b) receivables, or (c) capital assets. Also, line items include individual contextual information. A line item identified as "receivables" includes documentation and a reference to the Codification.[3] The contextual information, or metadata, provided for each item of information enables those items to be machine-readable.

5. From a practical standpoint, a taxonomy can be thought of as a Microsoft Excel workbook. Each taxonomy module may be viewed as a sheet (or a tab); for example, the statement of net position presented in order of liquidity[4] is modeled in a sheet. Each sheet includes columns with headers applicable to the module. For example, the order of liquidity statement of net position includes column headers for governmental activities, business-type activities, a primary government total, discretely presented component units, and an optional total for the financial reporting entity. Each sheet includes rows that are identified as line items in the taxonomy. The rows included in each sheet are specific to that module; for example, the module for the statement of net position would include assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

What Is the Role and Function of a Financial Reporting Taxonomy?

6. The role of the GASB-GAAP Taxonomy is to provide a structured framework for representing digital financial statements for state and local governments that facilitates *data extraction.* That is, a taxonomy enables preparers to present financial statements in a digital format that improves the accessibility of the information provided. Accordingly, user needs are better met when financial statement information is readily extractable. While digitizing financial statements may not affect when financial reports are issued, it can affect how quickly the reported data can be ingested and used.

7. The GASB-GAAP Taxonomy is designed solely to make financial statements more accessible. The design does not change reporting requirements or improve the financial report itself. Use of the GASB-GAAP Taxonomy is voluntary and does not affect the content of the statements, which remains the same as the paper or portable document format (PDF) version. Governments voluntarily adopting digital financial reporting would not need to modify their chart of accounts or replace existing systems, such as their enterprise resource planning solutions. Implementing digital financial reporting can be achieved without altering the underlying accounting process.

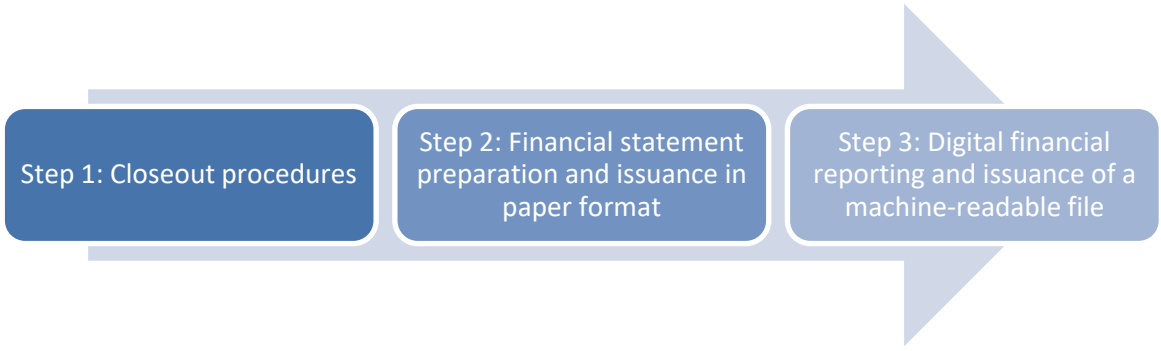
[3]Codification references included in the associated taxonomy files are limited to certain line items. In future iterations of the taxonomy, full Codification references will be included.

[4]Under the order of liquidity presentation of the government-wide statement of net position, assets and liabilities are not classified as current or noncurrent.

A Government's Perspective

8. If a government implements digital reporting through tagging, the preparation of financial statements may remain largely unchanged, except for the generation of a digital file. Figure 3 identifies the three major steps in issuing a set of digital financial statements (as opposed to PDF format). In Step 1, a government performs reconciliations, reviews account balances, and records adjusting entries before beginning preparation of the financial statements. Digital reporting does not change those procedures. In Step 2, a government compiles its financial statements, notes, and other related information, and collates that information into a single file, generally a PDF, and issues its financial report. Digital reporting is most likely not applied in this step, but it is possible to do so. Step 3 identifies the final step of financial statement preparation, the point at which digitization most likely would be applied. Tagging can be achieved through various approaches, including a government relying on a third-party to tag its financial statements, use its own ACFR preparation software (which also can generate tagged documents), or use free templates. The transformation of financial statements into a digital report generally occurs after the financial statement information has been compiled and collated.

Figure 3—ACFR Preparation Steps—a Preparer's Perspective



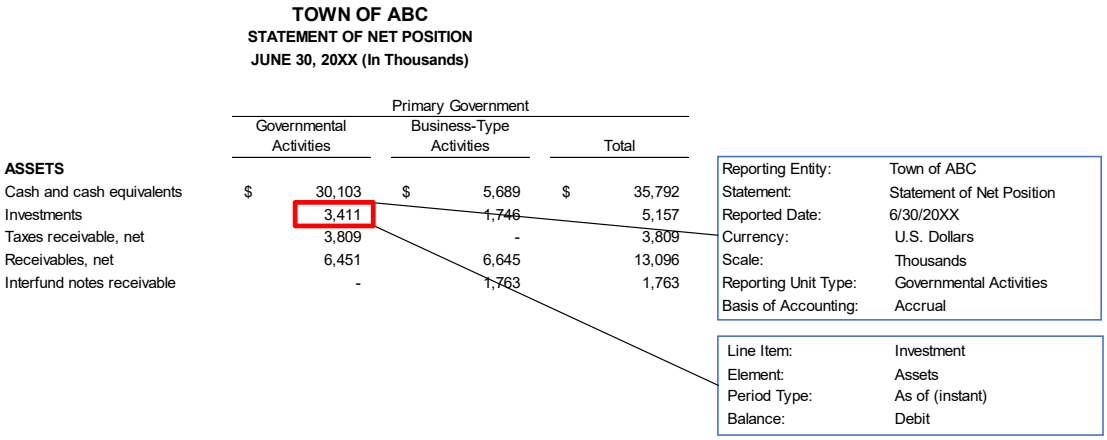
What Makes Data Machine-Readable?

9. Machine-readable information is data that can be read and processed without requiring human interpretation. In the context of financial statements, this means that financial statement information is presented in a digital format with metadata associated with each data element. Metadata are descriptive tags that enable timely and reliable data extraction.

10. Consider the excerpt of the Statement of Net Position for Town of ABC in Figure 4. When a person reads the information, that person associates several attributes with that financial statement excerpt. However, for a machine to read the financial information, the same contextual information has to be explicitly provided. Metadata associated with "3,411" (the red bold box) should be included so that a machine can identify that number as *investments* in governmental activities of the Town of ABC as of June 30, 20XX. The machine also needs to know that the number is a monetary amount, expressed in dollars, with a scale factor expressed in thousands. Furthermore, the machine would need to know

that the reported fact is an asset with a natural debit balance and is reported on an accrual basis of accounting. All that information is understood by a human when reading the financial statements.

Figure 4—Example of Metadata That Enables Machine-Readability



How Can Users Access Tagged Information?

11. Tagged financial statements can be accessed by users through software capable of extracting the information into a usable format, such as a spreadsheet, database, dashboard, or analytical application. Because each tagged line item includes both the reported amount and the related metadata, users can extract information directly from the digital file without manually locating and typing amounts from a PDF or paper financial statement. Machine-readable data enable users to efficiently sort, filter, compare, and analyze selected financial statement information across periods or governments.

How Is the GASB Building Its Taxonomy?

12. The GASB sets minimum reporting requirements for governments that prepare financial statements in accordance with GAAP. With those reporting requirements in mind, the GASB-GAAP Taxonomy is being developed to reflect the flexibility that permits certain presentation options and allows governments to provide additional detail when needed to communicate their individual circumstances. For example, existing guidance permits major discretely presented component units to be reported either in the government-wide financial statements or in a separate combining schedule; the taxonomy provides structures for both approaches.

13. The taxonomy also incorporates *observed practice* in areas in which existing financial reporting standards do not provide specific guidance. In future iterations of the taxonomy, a determination will be made about what items of information are common so that they can be incorporated into the GASB-GAAP Taxonomy as “common practice.” It is likely that, regardless of what principles are applied to identify practice as common, there will be a subset of items of information that are not incorporated into the taxonomy. As a result, the

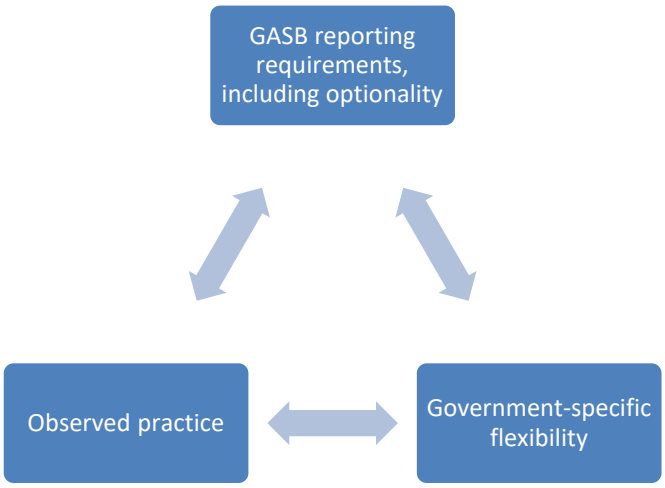
taxonomy also provides avenues for governments to incorporate government-specific information.

14. Governments may use different labels or levels of detail for similar items. For example, amounts owed to a government may be reported as “accounts receivable,” or “due from.” Modeling those variations as observed practice is intended to make the taxonomy usable without requiring governments to conform their financial statement captions to a single set of terminology. In that way, the taxonomy reflects both the discipline of minimum GAAP reporting requirements and the flexibility necessary to accommodate optionality in GAAP.

Government-Specific Information

15. Government-specific information is relevant because no taxonomy can fully anticipate every circumstance that may be important to a government’s financial statements. In addition, the GASB-GAAP Taxonomy is not intended to function as a GAAP enforcement mechanism or to determine whether a government’s financial statements comply with GAAP. Its purpose is to provide a digital structure for representing information that governments present in accordance with existing requirements, permitted presentation options, and observed practice. However, the inclusion of government-specific reporting options can lead to governments including information that reflects a departure from GAAP. The inclusion of government-specific options should not be viewed as permission to depart from GAAP; rather, those options are intended to enable the inclusion of government flexibility that exists today in paper format reporting. Figure 5 illustrates the relationship between the three principles used in developing the taxonomy.

Figure 5—Sources of Taxonomy Requirements



Industry Concerns

16. During the early stages of developing the taxonomy, some stakeholders questioned whether a single taxonomy could accommodate the various industries included in the government sector. The concern was that states, counties, cities, utilities, universities,

hospitals, fire districts, school districts, pension plans, and mosquito abatement districts, among others, often present financial information in very different formats. In addition, those types of governments generally include line-item information that is unique to their industry. The structural differences that arise from industry-specific issues were considered in the development of the GASB-GAAP Taxonomy and were addressed by developing a consistent structure based on the guidance in Codification Section 2200, "*Annual Comprehensive Financial Report,"* Section 2600, "*Reporting Entity and Component Unit Presentation and Disclosure,"* and Section Sp20, "*Special-Purpose Governments."* As discussed in Chapter 3, the taxonomy design began with general-purpose government modules and then certain modules were repurposed, with the necessary permutations, to address the presentation of special-purpose governments within the same taxonomy without creating industry-specific modeling. Furthermore, Chapter 4 provides an overview of the line-item design approach, including the modeling applicable to government-specific line items, which at this stage has not required industry-specific modeling. However, future iterations of the taxonomy may include line-item considerations by industry.

17. The combination of flexibility in the "column headers" and "rows" has demonstrated to date that a single-taxonomy approach is operable because modules for each type of special-purpose government are included in the taxonomy. Nevertheless, this issue will continue to be evaluated in each phase of taxonomy development.

CHAPTER 3—FOUNDATIONAL STRUCTURE DESIGN: THE FINANCIAL REPORTING MODEL AND THE FINANCIAL REPORTING ENTITY

1. This chapter explains how the foundational structure of the GASB-GAAP Taxonomy was developed from existing financial reporting requirements provided in Codification Sections 2200, 2600, and Sp20.

2. The design approach described in this chapter reflects two related objectives. First, the taxonomy should preserve the minimum presentation structure required by GAAP, including presentation options explicitly permitted in existing guidance. Second, the taxonomy should be flexible enough to accommodate differences in how governments apply those requirements in practice. Accordingly, this chapter focuses on two foundational design decisions: (a) the selection of financial statement modules and (b) the configuration of column headers applicable to each module.

Financial Statements Module Development

3. The identification of taxonomy modules generally aligns with the financial statement requirements in Codification Section 2200 for general-purpose governments and with the reporting requirements applicable to special-purpose governments identified in Codification Section Sp20. Most financial statements are identified as stand-alone modules; for example, the statement of revenues, expenditures, and changes in fund balance would be a stand-alone module. Some statements require two alternative modules if GAAP provides different presentation options; for example, the government-wide statement of net position may be presented either in order of liquidity or in classified format, and each format would require a different module.

4. The reporting requirements for special-purpose governments also were used to develop specific modules. For example, a special-purpose government engaged in business-type activities has a separate module so that the proprietary fund statements can be combined with reporting entity requirements. The associated Microsoft Excel workbook and the taxonomy files provide an overview of all the modules identified to date applicable to financial statements.

5. Required reconciliations also informed the identification of the financial statement modules. However, the taxonomy files that accompany this Discussion Memorandum do not include modules for those requirements. Reconciliation issues are further discussed in Chapter 5. Because the current taxonomy files do not include modules applicable to the required reconciliations, a separate module for special-purpose governments engaged only in governmental activities under paragraphs .110–.112 of Codification Section Sp20 also is not included in the taxonomy.

Column Headers in Modules—Reporting Units and Flexibility in Financial Reporting

6. After the financial statement modules were identified, the next step was to determine how the column headers should be represented. Display requirements associated with reporting units provide the basis for modeling column headers in financial statements, for example, governmental activities, business-type activities, major funds, nonmajor funds, and discretely presented component units.

Example Application of Modeling for the Government-Wide Statement of Net Position

7. Figures 6–8 illustrate how reporting requirements for the government-wide statement of net position were translated into the taxonomy's header structure. Existing guidance requires the primary government to distinguish between governmental activities and business-type activities and to present a total for the primary government, including its blended component units. Existing guidance also permits discretely presented component units to be presented either in a single column or in separate columns in the government-wide statement of net position. All those considerations are illustrated in Figure 7. Figure 6 illustrates a general-purpose government with a single major discretely presented component unit.

Figure 6—Sample Government-Wide Statement of Net Position

TOWN OF ABC
STATEMENT OF NET POSITION
JUNE 30, 20XX

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Economic Development Corporation
ASSETS				
Cash and cash equivalents	$ 30,102,777	$ 5,689,428	$ 35,792,205	$ 17,106,725
Investments	3,411,370	1,746,443	5,157,813	-
Taxes receivable, net	3,809,178	-	3,809,178	944,205
Receivables, net	6,450,991	6,644,728	13,095,719	1,269
Interfund notes receivable	-	1,762,541	1,762,541	-

8. The taxonomy model includes separate column headers for governmental activities, business-type activities, and the primary government total. Each column header is designed as a binary feature, shown in Figure 7 with a [0 or 1].[5] This feature allows the module to be used by governments with only governmental activities, only business-type activities, or both activity types, while preserving the ability to present the required primary government total when applicable. The same modeling approach was applied to discretely

[5]The [0 or 1] notation indicates a binary outcome: a government either includes the column, represented by 1, or does not include the column, represented by 0.

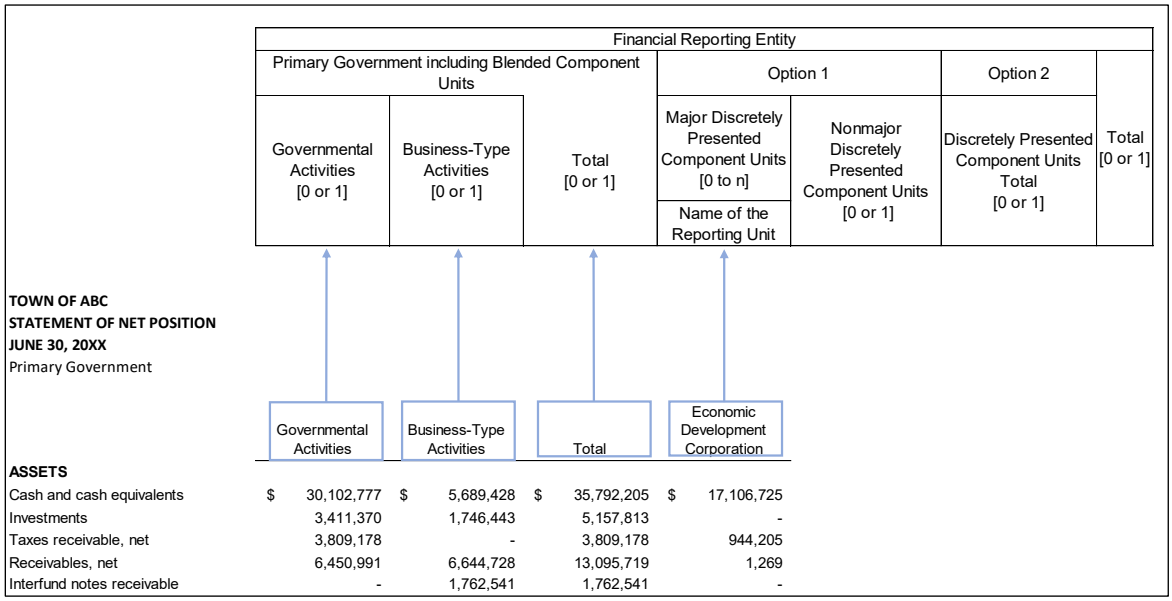
presented component units, as shown in Figure 7. For each major discretely presented component unit, the government would provide the government-specific name of the component unit.[6] A column for nonmajor discretely presented units also is included. The model includes an optional total applicable to the financial reporting entity.

Figure 7—Government-Wide Reporting Model with Discretely Presented Component Units

Financial Reporting Entity						
Primary Government including Blended Component Units			Option 1		Option 2	
Governmental Activities [0 or 1]	Business-Type Activities [0 or 1]	Total [0 or 1]	Major Discretely Presented Component Units [0 to n] Name of the Reporting Unit	Nonmajor Discretely Presented Component Units [0 or 1]	Discretely Presented Component Units Total [0 or 1]	Total [0 or 1]

9. Figure 8 provides a visual representation of the data table used to model the government-wide statement of net position, illustrating how a government's financial statements relate to the data model.

Figure 8—Sample Government and Government-Wide Reporting Model Application



[6]The [0 or 1] notation indicates a binary outcome: a government either includes the column, represented by 1, or does not include the column, represented by 0. In addition, the notation [0 to n] indicates that a government may have none of those headers, represented by 0, or a multitude of those headers, represented by n.

Other Column Header Design

10. The modeling principles illustrated by the government-wide statement of net position were applied throughout the remaining financial statement modules. Governmental fund statement modules most clearly demonstrate the flexibility of the column header structure because GAAP requires each major governmental fund to be presented separately, as the number and names of those funds are specific to each government. Accordingly, the taxonomy model uses an expandable major fund column header to represent as many headers as necessary for its major funds and identify each fund by name. Figure 9 illustrates the governmental fund module including headers.[7]

Figure 9—Governmental Fund Module

<table>
<tr><td colspan="4">Governmental Funds</td></tr>
<tr><td colspan="2">Major Governmental Funds</td><td rowspan="2">Nonmajor Governmental Funds [0 or 1]</td><td rowspan="3">Total [0 or 1]</td></tr>
<tr><td rowspan="2">General Fund [0 or 1]</td><td>Major Governmental Funds Other Than General Fund [0 to n]</td></tr>
<tr><td>Name of the Reporting Unit</td></tr>
</table>

11. Some governments include discretely presented component units that apply a GAAP reporting model other than the governmental financial reporting model. The implementation guidance in paragraphs .704–12 and .704–14 of Codification Section 2600 provides two presentation approaches for those component units. A government may reformat and array the component unit's information so that it is incorporated into the government's financial statements or, if reformatting is not practical, may present the component unit's information on a separate page. Those alternatives create different taxonomy implications. When the information is reformatted and incorporated into the government's financial statements, the existing government-wide statement modules appear capable of accommodating the presentation without additional column header design. However, if the component unit's information is presented on a separate page, a different taxonomy structure is necessary because the presentation would not be integrated into the governmental financial reporting model.

Stakeholder Questions

To provide informed feedback on the questions presented below, stakeholders are strongly encouraged to review the associated taxonomy materials provided in XBRL or Excel format, as described in Chapter 1. Those materials provide detailed information about the structural design of the GASB-GAAP Taxonomy and are intended to help respondents

[7]The associated taxonomy files, provided in Microsoft Excel and XBRL format, include additional detail about the remaining modules and their column header modeling.

evaluate the design considerations discussed in this chapter before answering the questions.

Question 1: What feedback do you have about the modules identified to support basic financial statements in a digital format?

Question 2: What feedback do you have about the modeling design for column headers applicable to reporting units?

CHAPTER 4—LINE-ITEM DESIGN: ELEMENTS OF FINANCIAL STATEMENTS

1. Chapter 3 described the identification of financial statement modules and the development of column headers to represent the reporting units required or permitted in each module. This chapter addresses the next layer of taxonomy design: the rows that are identified as “line items” within those modules.

2. For taxonomy modeling purposes, governments would use two types of line items: (a) taxonomy-defined line items and (b) government-specific line items. Taxonomy-defined line items are used when the line items in the government’s financial statements are represented in the taxonomy. Government-specific line items are used when line items in the government’s financial statements are not sufficiently represented in the taxonomy.

Reporting Requirements and Design Approach

3. GASB guidance provides limited direction on the display of specific line items; therefore, observed practice played an important role in line-item design. Both the differing levels of detail presented by governments and the different captions used for similar accounting concepts were considered. As a result, taxonomy-defined line items were organized into **clusters** with a common financial reporting meaning. Cluster examples include cash and investments, receivables, and capital assets for assets; taxes, licenses and permits, intergovernmental revenues, and charges for services for governmental fund revenues.

4. Clustering provides a framework for organizing taxonomy-defined line items and anchoring government-specific line items. Clusters group related concepts that share a common financial reporting meaning, making it easier to associate a government-specific line item with the closest taxonomy-defined concept. Figure 10 illustrates the cluster developed for net position. Only two taxonomy-defined line items were developed for restricted net position (restricted for capital purposes and restricted for debt service). Therefore, all other components of restricted net position would be incorporated as government-specific line items.

Figure 10—Sample Taxonomy-Defined Line Items: Net Position Cluster

- Net Position [Abstract]
  - Investment in Capital Assets
  - Net Investment in Capital Assets
  - Net Position, Restricted [Abstract]
    - Net Position, Restricted, Expendable
    - Net Position, Restricted, Nonexpendable
    - Net Position, Restricted, by Purpose [Abstract]
      - Net Position, Restricted for Capital Purposes
      - Net Position, Restricted for Debt Service
  - Net Position (Deficit), Unrestricted
  - Net Position

5. Significant variability in observed practice led to relatively detailed taxonomy-defined line items within each cluster, as reflected in the associated Microsoft Excel workbook and XBRL taxonomy files. As refinement of the taxonomy continues, criteria will be developed for determining when practice supports including a line item and becomes identified as a "common practice" taxonomy-defined concept. This may result in some currently included line items being retained as taxonomy-defined line items and others being treated as government-specific line items. Also, it is foreseeable that additional line items may be added. As a result, the line items included in the taxonomy files should be considered illustrative in nature.

Taxonomy-Defined Line-Item Content

6. As discussed in Chapter 2, a machine-readable line item requires sufficient taxonomy information to identify the reported amount and support preparer selection. For that reason, each taxonomy-defined line item includes the following three related pieces of metadata: (a) a taxonomy label, (b) taxonomy documentation, and (c) a Codification reference. The taxonomy label provides the short name of the reported element as used in the taxonomy; the taxonomy documentation explains the financial reporting meaning of the item and helps distinguish it from similar items; and the Codification reference connects the item to the relevant source of existing GASB guidance, if such a reference is available. Figure 11 provides a sample of line items in the capital asset cluster. The accompanying taxonomy files include limited documentation and Codification references for illustrative purposes, with more complete information expected in future iterations as line-item content is refined.

Figure 11—Sample Line-Item Content

Labels	Codification Reference	Documentation
Land and Land Improvements	1400.103	[Nonauthoritative] Amount of capital assets that are not depreciable and includes land and betterments, other than buildings, that ready land for its intended use. Examples of land improvements include site improvements such as excavation, fill, grading, and utility installation; removal, relocation, or reconstruction of property of others, such as railroads and telephone and power lines; retaining walls; parking lots; fencing; and landscaping.
Construction in Progress	1400.103	[Nonauthoritative] Amount of capital assets that are not being depreciated because they have not yet reached a stage at which their service capacity can be deployed for their intended use; examples include buildings, infrastructure, facilities, or complex machinery currently under development or construction.
Software in Progress	1400.103	[Nonauthoritative] Amount of capital assets that are not being depreciated because they have not yet reached a stage at which their service capacity can be deployed for their intended use, and includes a set of instructions, data, or programs used to operate computers and execute specific tasks that are under development.
Infrastructure Assets	1400.103	[Authoritative] Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings, except those that are an ancillary part of a network of infrastructure assets, should not be considered infrastructure assets for purposes of this section.

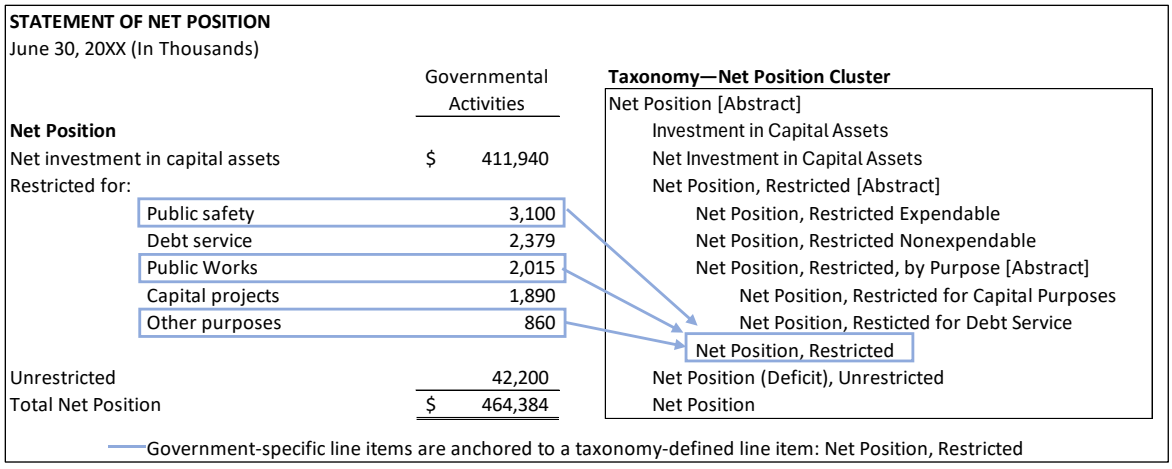
7. In addition to the label, documentation, and Codification reference discussed above, taxonomy-defined line items include technical metadata needed to support consistent digital processing. Some of that metadata may not be central to the preparer's selection of a line item, but it is necessary for the information to be processed reliably by software. For example, a taxonomy-defined line item may identify the natural balance of the item as debit, credit, or none. It also may identify the period type of the item as either instant, for items reported as of a specific date, or duration, for items reported over a period of time. Other

metadata, such as unit, scale, and rounding, provide additional context for interpreting the reported amount.

Government-Specific Design Approach for Line Items

8. Government-specific line items are created at a government's discretion and are used to provide flexibility when a taxonomy-defined line item does not fully represent a financial statement item of information for a particular government. At a minimum, a government-specific line item would identify the government's label and the amount associated with that label. The taxonomy design also includes two optional features intended to make government-specific line items more meaningful in a digital environment. First, a government may associate, or "anchor," its government-specific line item to a related taxonomy-defined line item. Anchoring provides a relationship to an existing taxonomy concept that can help users and software understand the general nature of the reported amount. Second, a government may provide narrative documentation for the government-specific line item to further explain what the caption represents. Those optional features are intended to improve the semantic meaning of government-specific information. As data modeling continues, the element clusters are expected to be refined, and additional prevalent or industry-specific line items may be incorporated as taxonomy-defined items. Figure 12 illustrates how a government may anchor "public safety," "public works," and "other purposes" to net position, restricted. However, anchoring is not a feature that is required.

Figure 12—Anchoring Government-Specific Line Items



Basis of Accounting

9. The basis of accounting warranted special consideration in the taxonomy design because it is a unique feature in governmental financial reporting in the United States.[8] Two options were considered for incorporating the basis of accounting into line items, as illustrated in Figure 13. Under Option 1, all attributes of a line item (the "characteristics" of an element of financial statements), including the basis of accounting, are incorporated into the label of the line item. Under this approach, it is possible that, upon data extraction, a user may not readily identify the basis of accounting and, as a result, not establish appropriate segregation of financial information reported in different bases of accounting. In addition, this option would require the use of significantly more line items. Under Option 2, the basis of accounting would be captured in a separate metadata field applicable to each line item. The definition of the basis of accounting would be set up as a default depending on the financial statement where the line item is located. For example, all line items reported in the government-wide statements would include a default of *accrual basis.* This approach makes the line-item labels more accessible because the text string is shorter, and it also lessens maintenance by reducing the number of taxonomy-defined line items. However, the major advantage identified is that during data extraction, users of financial statements can locate this characteristic in a separate, stand-alone field to ensure that when performing their financial statement analysis, the basis of accounting for the information being analyzed is clear. The GASB-GAAP Taxonomy is modeled under Option 2.

Figure 13—Data Outputs with the Two Basis of Accounting Options

Option 1:

Line Items
Revenues, accrual basis
Revenues, modified accrual basis
Revenues, budgetary basis

Option 2:

Line Items	Classification (Dimension)
Revenues	Accrual basis
	Modified accrual basis
	Budgetary basis

Data Modeling Outcomes

10. To maximize capturing the line items in financial statements, the taxonomy design combines two forms of flexibility: column headers for reporting units and flexible line items. This approach creates a set of four intersecting concepts called "relationship groups" as follows: (a) taxonomy-defined header combined with a taxonomy-defined line item, (b) taxonomy-defined header combined with a government-specific line item, (c) government-specific header combined with a taxonomy-defined line item, and (d) government-specific header combined with a government-specific line item, as shown

[8]For the purposes of the GASB-GAAP Taxonomy, this issue was only referred to as the basis of accounting even though the appropriate terminology is associated with the combination of the resources measurement focus and the basis of accounting. For the purposes of the taxonomy, three bases of accounting were identified: (a) accrual basis, (b) modified accrual basis, and (c) budgetary basis.

in Figure 14. Thus, relationship groups provide a framework that links financial statement presentation concepts in a coherent manner to enable functionality such as navigation, analysis, and validation.

Figure 14—Relationship Groups

		Reporting Units	
		Taxonomy-Defined	**Government-Specific**
Line Items	**Taxonomy-Defined**	Type 1: Taxonomy-Defined Reporting Units and Line Items	Type 2: Government-Specific Reporting Units and Taxonomy-Defined Line Items
	Government-Specific	Type 3: Taxonomy-Defined Reporting Units and Government-Specific Line Items	Type 4: Government-Specific Reporting Units and Line Items

11. One of the roles of relationship groups is to provide a vehicle to enable automated data validation in XBRL formatted financial statements. Automated XBRL calculation validation generally is most effective when mathematical relationships are defined among taxonomy-defined concepts within a consistent dimensional structure in a relationship group. Because the GASB-GAAP Taxonomy permits both government-specific column headers and government-specific line items, reported amounts may not be validated within the taxonomy because taxonomy-defined and government-specific line items are typically defined in separate relationship groups. Current XBRL calculation functionality does not readily support automated validation of mathematical relationships, neither vertically among line items nor horizontally across column headers when the relationships cross the four relationship groups.

Stakeholder Questions

To provide informed feedback on the questions presented below, stakeholders are strongly encouraged to review the associated taxonomy materials provided in XBRL or Excel format, as described in Chapter 1. Those materials provide detailed information about the structural design of the GASB-GAAP Taxonomy and are intended to help respondents evaluate the design considerations discussed in this chapter before answering the questions.

Question 1: What feedback do you have about the approach to developing taxonomy-defined line items?[9]

Question 2: What feedback do you have about clustering groups of similar line items?[10]

[9]Refer to Figures 10 and 11 as well as the associated Microsoft Excel workbook.

[10]Refer to Figures 10 and 11 as well as the associated Microsoft Excel workbook.

Question 3: What feedback do you have about the flexibility of the taxonomy to permit government-specific line items?[11]

Question 4: What feedback do you have about the concept of anchoring government-specific line items to existing taxonomy line items?[12]

Question 5: What feedback do you have about modeling the basis of accounting as either Option 1 or Option 2?[13]

Question 6: What feedback do you have about the outcome that data validation techniques may not be available in the GASB-GAAP Taxonomy?

[11]Refer to Figure 12.

[12]Refer to Figure 12.

[13]Refer to Figure 13.

CHAPTER 5—UNSTRUCTURED DATA MODELING: NOTES TO FINANCIAL STATEMENTS, MD&A, BUDGETARY SCHEDULES, AND REQUIRED RECONCILIATIONS

1. The previous chapters addressed the design choices made to model financial statements, which were discussed as tabs in an Excel workbook and are otherwise referred to as *structured data.* This chapter discusses the modeling of information provided in written format, otherwise referred to as *unstructured data.* The modeling of unstructured data primarily focuses on notes to financial statements and MD&A. Furthermore, this chapter includes discussions about budgetary schedules and required reconciliations.

2. The modeling of unstructured data incorporates certain features used for structured data, including modules and reporting units (headers). However, the principal design issue for unstructured data is determining the appropriate level of detail at which information should be tagged. This chapter refers to that level of detail as "granularity." Issues associated with granularity also affect track two of this project because data modeling decisions are needed about when and how to separate note themes into details after unstructured data have been extracted.

Modules and Headers for Unstructured Data

3. The primary basis for selecting modules for unstructured data is the semantic meaning of the information. For example, one module was developed for MD&A and another module was developed for notes to financial statements. Two separate modules were established because those types of information represent a different communication method, as established in Concepts Statement No. 3, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements.*

4. Headers (previously referred to as column headers) for MD&A and notes to financial statements modules were developed using an approach consistent with the financial statement's modules. Paragraph .122 of Codification Section 2600 establishes that "users should be able to distinguish between the primary government and its [discretely presented] component units." Therefore, module headers include categories for (a) the primary government, including its blended component units; (b) discretely presented component units; and (c) the financial reporting entity. To reduce complexity, the headers applicable to unstructured data do not separately identify reporting units, such as governmental activities, business-type activities, or major funds. Although the taxonomy could be designed to include those additional headers, doing so would increase costs.

Modeling Applicable to Notes to Financial Statements

5. Paragraphs .106 and .107 of Codification Section 2300 provide a list of note disclosure requirements. More specific disclosure requirements related to those items, as well as other detailed requirements, are included throughout the Codification in individual sections. Based on those requirements and observed practice, note disclosure themes were identified for taxonomy modeling purposes. Accordingly, the module for notes to financial

statements is organized into 49 sections that reflect prevalent themes observed in practice. The appendix of this document contains the list of themes included in the taxonomy.

6. Each note theme represents a taxonomy feature called “block of text.” Blocks of text serve a similar purpose to line items in financial statements. That is, a government can use taxonomy-defined blocks of text to tag each of its notes to financial statements. This tagging enables governments to associate large amounts of unstructured financial information with blocks of text that identify the meaning of that information.

7. Modeling unstructured data also provides an avenue for capturing more detailed information through two techniques. The first technique involves nesting blocks of text. This technique can be applied within each note theme to capture more detailed information. For example, the summary of significant accounting policies includes one block of text to capture the entire note in Level 1, and could include, in addition, a nested, Level 2 set of 12 blocks of text to capture the policies identified in paragraph .106a of Codification Section 2300. The second technique involves modeling tables included in notes to financial statements in the same manner as financial statements (structured data) by defining column headers and line items applicable to those tables so that each amount in a table can be tagged individually (Level 3). For example, paragraph .153 of Codification Section 2250 requires that notes to financial statements provide, in a tabular format, a detailed breakdown of the effects of that section on beginning net position, fund balance, or fund net position. Using the second technique, each reported amount could also be tagged.

Granularity

8. The degree of tagging—whether through nested blocks of text or tagged data tables—reflects a broader granularity consideration for unstructured data. Most note themes identified in the appendix could *potentially* be disaggregated into more detailed blocks of text below the initial theme level. In addition, certain note disclosure requirements commonly are presented in a tabular format, such as capital asset roll forwards or selected debt disclosures, creating an additional opportunity to model and tag the data at a more detailed level. Decisions about granularity require consideration of costs and benefits. More granular modeling may impose additional tagging costs on governments but also may make more detailed information readily accessible to users. Less granular modeling would reduce those costs because there would be less tagging, but information within notes may be captured at a more aggregate level.

9. At this stage of taxonomy development, no decisions have been made about the degree of granularity to incorporate into the modeling of unstructured data. Stakeholder feedback will be important in determining the appropriate level of detail. For illustrative purposes, Figures 15–17 present examples of how varying degrees of granularity could be applied in taxonomy modeling.

Figure 15—Limited Granularity: Block Text with Level 1 Only

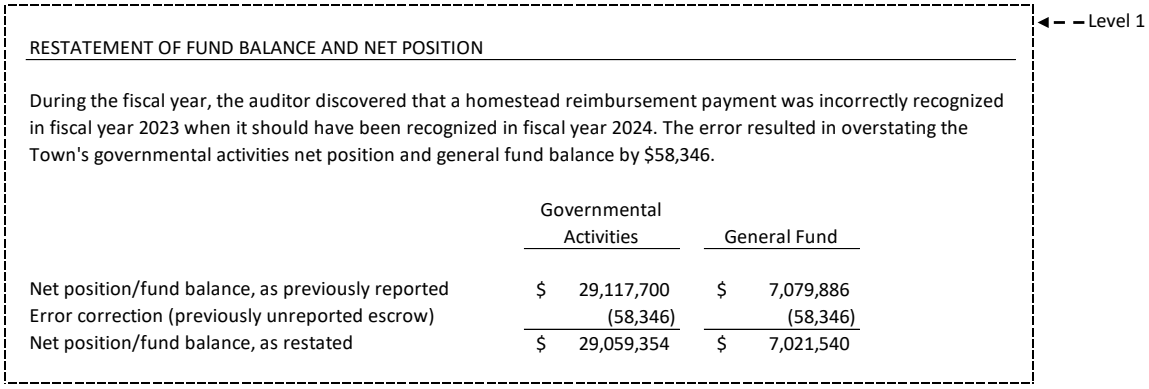


Figure 16—Medium Granularity: Block Text with Level 1 and Level 2

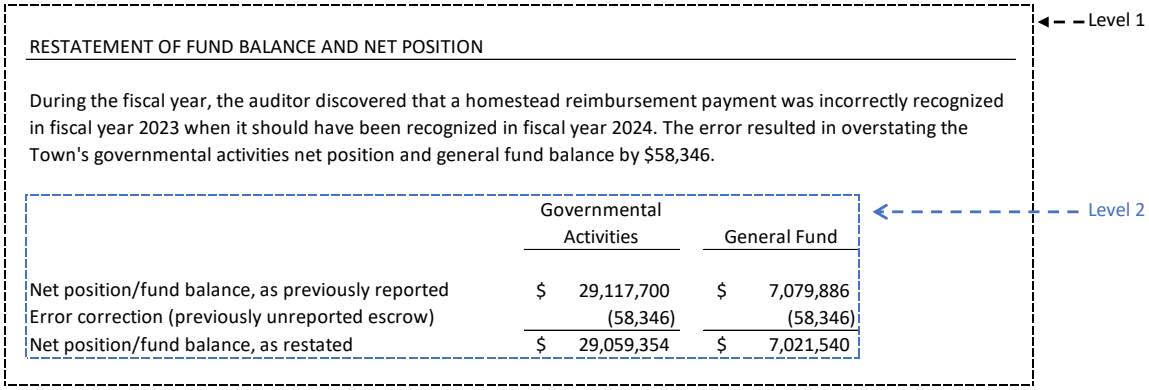
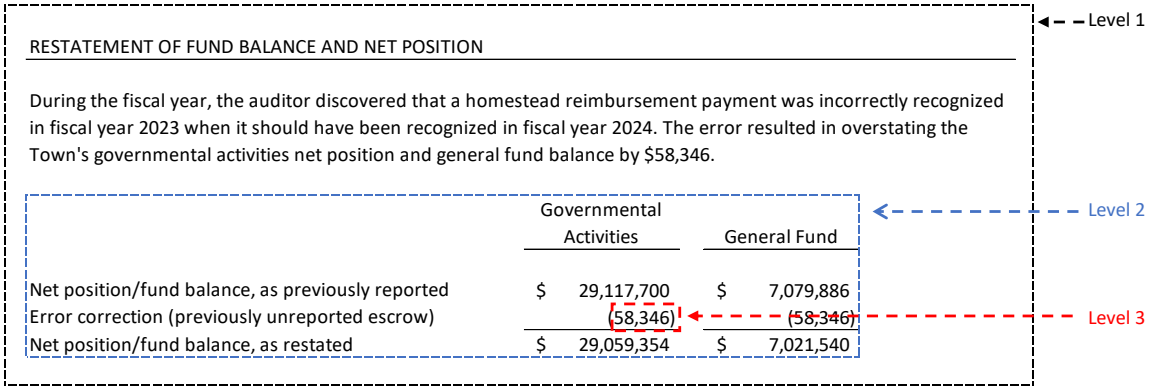


Figure 17—High Granularity: Block Text with Level 1, Level 2, and Level 3



Modeling Applicable to MD&A

10. The current reporting requirements applicable to MD&A, as provided in paragraph .110 of Codification Section 2200, identify five components of information that should be included in MD&A. The taxonomy files provide a single Level 1 block of text for MD&A and four Level 2 blocks of text to capture MD&A components with certain combinations. The

modeling does not include additional Level 3 tagging for tables or amounts reported in MD&A, in part because that information is duplicative of financial statements. However, stakeholder feedback is needed to determine whether any Level 2 blocks of text are necessary or whether MD&A should be modeled using a single block of text.

Modeling Applicable to Budgetary Schedules

11. An analysis of the budgetary reporting requirements in Codification Section 2400 and a review of financial reports issued by state and local governments subject to those requirements indicated significant diversity in budgetary reporting practices. Variability included differences in perspective as well as differences in presentation, including the format of organizing budgetary reports. That degree of variability did not support development of a commonly applicable structure to capture individual line items. Accordingly, the GASB-GAAP Taxonomy modeling treats budgetary schedules as unstructured data, using a single Level 1 block of text to tag the entirety of the budgetary schedules. After receiving feedback on this document, additional consideration will be given to whether specific data points could be individually tagged. Figure 18 presents an example of how this single Level 1 block of text tag could be applied in taxonomy modeling.

Figure 18—Budgetary Schedules: Block Text with Level 1 Only

State of XYZ
Required Supplementary Information
Budgetary Comparison Schedule
Budget Fund
For the Fiscal Year Ended June 30, 20XX
(expressed in thousands)

← – Level 1

	Original Appropriation	Amended Appropriation	Final Budget	Actual	Variance
Funds Available					
State Appropriation					
Ambulance Provider Fees	$ 9,381	$ 8,904	$ 17,218	$ 17,218	$ -
Brain and Spinal Injury Trust Fund	1,848	1,848	1,848	1,848	-
Fireworks Trust Fund	2,739	2,739	2,739	2,739	-
// Break //					
State Agriculture Trust Fund	2,134	2,134	2,134	2,134	-
State Transit Trust Fund	32,413	32,413	32,413	32,413	-
Lottery Funds	1,560,274	1,575,803	1,575,803	1,575,803	-
Other Funds	11,656,795	12,818,821	20,679,636	20,757,160	(77,524)
Total Funds Available	66,836,670	74,941,171	95,115,055	93,865,250	1,249,805
Expenditures					
State Senate	17,390	17,390	17,799	15,075	2,724
State House of Representatives	26,040	26,040	27,051	24,275	2,776
State General Assembly Joint Offices	22,389	22,589	24,546	19,412	5,134
// Break //					
Workers' Compensation, State Board of	22,149	22,149	22,560	21,949	611
State State Financing and Investment Commission	866,599	1,317,070	1,317,070	1,317,070	-
State General Obligation Debt Sinking Fund	1,207,816	1,196,759	1,246,185	1,200,908	45,277
Total Expenditures	66,836,670	74,941,171	95,115,055	82,714,313	12,400,742
Excess of Funds Available over Expenditures	$ -	$ -	$ -	$ 11,150,937	$ (11,150,937)

Modeling Considerations for Required Reconciliations

12. Required reconciliations are addressed in Codification Section 2200. In addition, paragraph .157 of Codification Section 2200 provides guidance about internal service funds. The modeling for required reconciliations identified challenges that arise partly from the treatment of internal service funds. Existing guidance generally requires reporting internal service fund residual balances in governmental activities but permits reporting those balances in business-type activities when enterprise funds are the predominant or only participants. Observed practice indicates that governments choose to allocate the residual balances between governmental activities and business-type activities. The ability to incorporate residual balances of internal service funds in one of the three formats creates structural challenges in the taxonomy.

13. The GASB-GAAP Taxonomy is organized first around the financial reporting entity and then disaggregates into reporting units based on the government-wide and major fund financial statements. To accommodate the incorporation of the internal service funds into either governmental activities or business-type activities for reconciliation purposes, the hierarchy would need to place internal service funds at a level above major funds. This approach provides a structural path for modeling a limited number of formats applicable to required reconciliations as structured data but also challenges the formal structure of GAAP. Figure 19 illustrates the government-wide statement of net position and the governmental fund balance sheet if reconciliations are treated as unstructured data. Figure 20 illustrates the added complexity necessary to model the government-wide statement of net position and the governmental fund reporting to accommodate required reconciliations of governmental activities.

Figure 19—Taxonomy Column Headers for Financial Reporting Entity and Governmental Funds

Financial Reporting Entity					
Primary Government including Blended Component Units			Discretely Presented Component Units [0 to n]		
Governmental Activities [0 or 1]	Business-Type Activities [0 or 1]	Total [0 or 1]	Major Discretely Presented Component Units [0 to n]	Nonmajor Discretely Presented Component Units [0 or 1]	Total [0 or 1]
			Name of the Reporting Unit		

Governmental Funds			
Major Governmental Funds			
General Fund [0 or 1]	Major Governmental Funds Other Than General Fund [0 to n]	Nonmajor Governmental Funds [0 or 1]	Total [0 or 1]
	Name of Reporting Unit		

Figure 20—Taxonomy Column Headers for Financial Reporting Entity Adjusted for Reconciliations

<table>
<tr><td colspan="9">Financial Reporting Entity</td></tr>
<tr><td colspan="8">Primary Government including Blended Component Units</td><td rowspan="2">Discretely Presented Component Units
[0 to n]

(Details omitted)</td><td rowspan="3">Total
[0 or 1]</td></tr>
<tr><td colspan="8">Governmental Activities</td></tr>
<tr><td colspan="5">Governmental Funds</td><td colspan="2">Proprietary Funds</td><td rowspan="2">Adjustments, Governmental Activities
[0 to n]</td><td rowspan="3">Total
[0 or 1]</td><td rowspan="3">Business-Type Activities
[0 or 1]

(Details omitted)</td></tr>
<tr><td colspan="3">Major Governmental Funds</td><td rowspan="3">Nonmajor Governmental Funds
[0 or 1]</td><td rowspan="3">Total
[0 or 1]</td><td>Internal Service Funds</td></tr>
<tr><td rowspan="2">General Fund
[0 or 1]</td><td>Major Governmental Funds other than General Fund
[0 to n]</td><td rowspan="2">Name of Reporting Unit</td><td rowspan="2">Internal Service Funds, Governmental Activities
[0 or 1]</td></tr>
</table>

14. The alternative modeling approach identified in Figure 20, while including a significant degree of complexity, may only address some of the challenges related to the placement of internal service funds. For example, the model in Figure 20 does not enable a government to allocate an internal service fund between governmental activities and business-type activities. In those circumstances, governments would need to tag the reconciliation schedule as a single block of text because the internal service fund activity, reported in a single column, would not be identifiable as a traceable amount in the government-wide statements.

15. A second challenge that is not resolved by the modeling in Figure 20 arises when reconciliations are presented in a vertical format. Paragraphs .110–.112 of Codification Section Sp20, which are applicable to special-purpose governments engaged in governmental activities such as fire districts, and paragraph .730-3 of Codification Section 2200, which is applicable to any general-purpose government, provide vertical reconciliation formats as well. Considering special-purpose governments engaged in governmental activities, the modeling is problematic because all the amounts under each column header would be associated with the same line item but each amount has a different semantic meaning across the three columns. That is, a revenue line may be presented in three different columns that represent (a) revenue recognized in the modified accrual basis of accounting and reported in governmental funds, (b) reconciling adjustments related to the recognition of revenue in the modified accrual basis of accounting, and (c) revenue recognized in the accrual basis of accounting in the government-wide financial statements.

16. The variation in meaning of each of the amounts would produce misleading information because the line-item design only provides documentation applicable to all the amounts reported in each line item and under every column header. In other words, the line-item documentation would not be representative of modified accrual revenue simultaneously with accrual revenue because of the availability period. Furthermore, the documentation would not adequately characterize the adjusting column necessary to reconcile the amounts. As a result, it would not be feasible to tag each amount reported in this statement, and the required reconciliations would be only tagged as a block of text. This issue also arises in the alternative vertical format option identified in the

implementation guidance. These reconciliations again would have to be tagged with a block of text without any further detail.

17. The modeling work done in preparation for this Discussion Memorandum identifies only limited avenues to individually tag line items in required reconciliations. Some of these avenues also entail a significant degree of complexity. A practical approach to modeling all required reconciliations would be to capture the entirety of the required reconciliations as a block of text. This approach would not provide any degree of detail for that information. Stakeholder input is sought on this issue.

Government-Specific Unstructured Data

18. Similar to line-item modeling, governments may tag unstructured data using taxonomy-defined blocks of text or create government-specific blocks when the taxonomy-defined options do not fully capture the information presented. Government-specific blocks have been included for notes to financial statements because the note themes identified in this document are based on information currently observed in practice and may not encompass all government-specific notes to financial statements. Government-specific options also have been included for MD&A to address reporting requirements related to currently known facts, circumstances, and conditions, which extend beyond the five examples identified in paragraph .105e of Codification Section 2200.

Stakeholder Questions

Question 1: What feedback do you have about the themes identified for notes to financial statements?[14]

Question 2: What feedback, in general, do you have about the level of granularity for tagging unstructured data?[15]

Question 3: What feedback do you have about whether MD&A should have one Level 1 block of text or be modeled at a more granular level?

Question 4: What feedback do you have about modeling budgetary schedules as unstructured data?[16]

Question 5: What feedback do you have about modeling required reconciliation schedules as unstructured data?[17]

[14]Detailed list provided in the appendix.

[15]Refer to Figures 15–17.

[16]Refer to Figure 18.

[17]Refer to Figures 19 and 20.

GLOSSARY

1. This section contains definitions of certain terms as they are used in this Discussion Memorandum; the terms may have different meanings in other contexts.

Cluster

Cluster refers to a grouping of taxonomy-defined line items that share common financial reporting characteristics and provide a framework for organizing related concepts such as cash and investments.

Common practice

Common practice refers to the line items, note disclosure groupings, or other formats used to present financial information that are sufficiently prevalent among governments to be considered common, even if there are no accounting and financial reporting standards that specifically direct those practices.

Module

A taxonomy module is a collection of interconnected taxonomy elements, dimensions, and relationships necessary to represent GAAP reporting requirements. Examples include each of the financial statements, each individual RSI schedule, and all notes to financial statements.

Observed practice

Observed practice refers to the line items, note disclosure groupings, or any formats in which financial information is presented by preparers for which there are no accounting and financial reporting standards that direct those practices, and also no sufficient assessment has been made to determine whether they are common.

APPENDIX—NOTES TO FINANCIAL STATEMENT THEMES

This section contains the list of note disclosure themes included in the GASB-GAAP Taxonomy to facilitate the identification of Level 1 blocks of text applicable to notes to financial statements.

1. Summary of Significant Accounting Policies
2. Deposits and Investments
3. Receivables
4. Capital Assets
5. Derivative Instruments
6. Deferred Outflows and Deferred Inflows of Resources
7. Payables
8. Short-Term Debt and Liquidity
9. Long-Term Obligations
10. Pensions
11. Other Postemployment Benefits (OPEB)
12. Leases
13. Public-Private or Public-Public Partnership Arrangements
14. Subscription-Based Information Technology Arrangements
15. Termination Benefits
16. Asset Retirement Obligations
17. Landfill Closure and Postclosure Care
18. Pollution Remediation
19. Contingencies, and Claims and Judgments
20. Interfund Activity
21. Fund Balance and Net Position
22. Revenues and Expenses
23. Pledged or Sold Future Revenues
24. Reporting Entity
25. Budgetary Control and Legal Compliance
26. Government Combinations and Disposals
27. Unusual and Infrequent Items
28. Commitments and Encumbrances
29. Donor-Restricted Endowments
30. Financial Guarantees
31. Tax Abatements
32. External Investment Pools
33. Risk and Uncertainty Disclosures
34. Going Concern
35. Bankruptcy
36. Risk Management
37. Regulated Business-Type Activities
38. Related Parties
39. Joint Ventures
40. Segment Information

41. Lending and Mortgage Banking Activities
42. Retail Land Sales Operations
43. Research and Development
44. Conduit Debt Obligations
45. Nonmonetary Transactions
46. Foreign Currency Transactions
47. Comparative Financial Statements
48. Accounting Changes and Error Corrections
49. Subsequent Events