

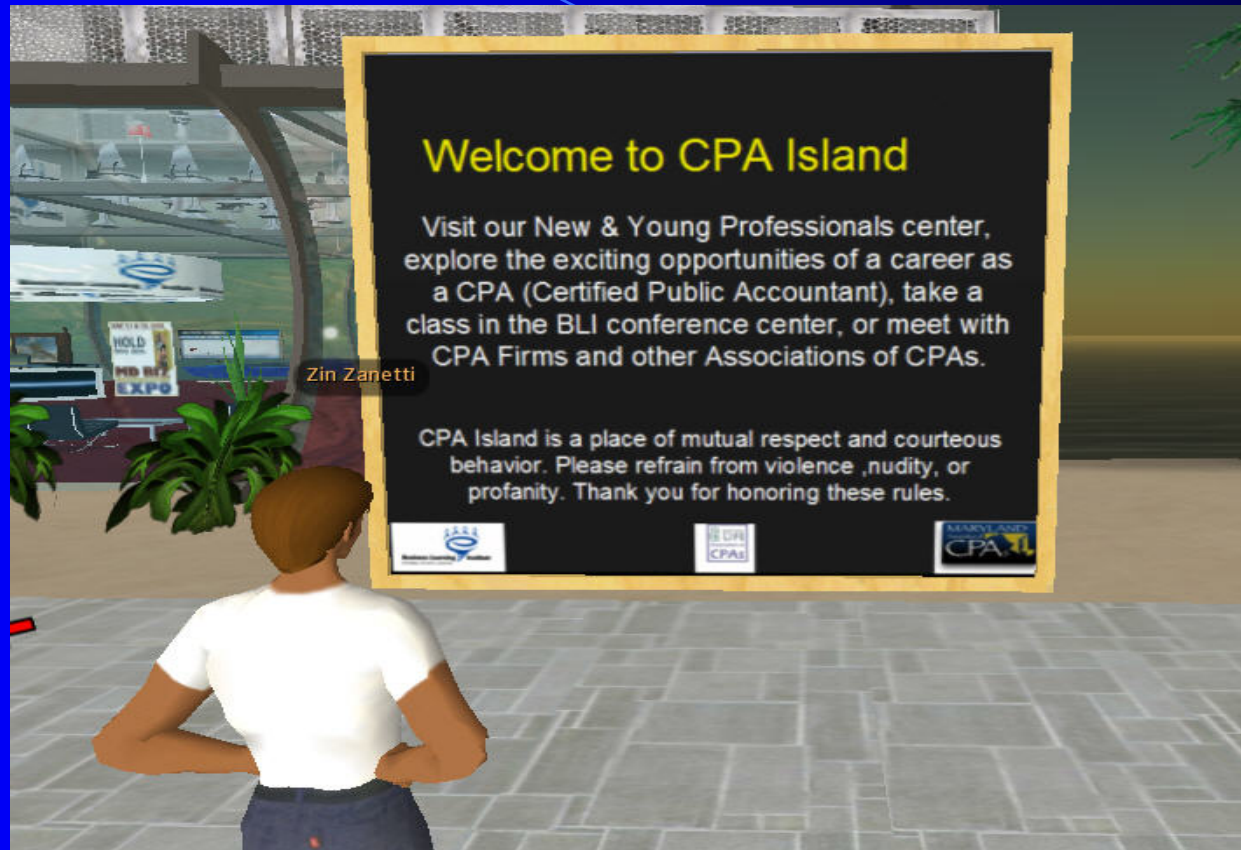
XBRL and the International Future of Business Reporting

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Welcome to CPA Island



Brought to you by the Maryland Association of CPAs and the Business Learning Institute

Today's Topics

- The drivers behind XBRL
- Understanding how XBRL works
- Implications of the expected SEC mandate
- Building the high-quality XBRL process
- The ROI of XBRL
- XBRL and International Standards
- Where and how to learn more about XBRL

XBRL

eXtensible Business Reporting Language

- Open standard
- Free of license fees
- “Tags” data with context
- Streamlines analysis and reporting
- Computers can read XBRL “intelligently”

Driving the XBRL Revolution

Technological
Change

Regulatory
Mandates/Scrutiny

Market Demand

- Transparency
- Accuracy
- Timeliness
- Accessibility

XBRL Consortium

- Over 550 companies and organizations
- Established and provisional jurisdictions
 - Europe
 - Asia
 - North America
 - Africa
 - Australia

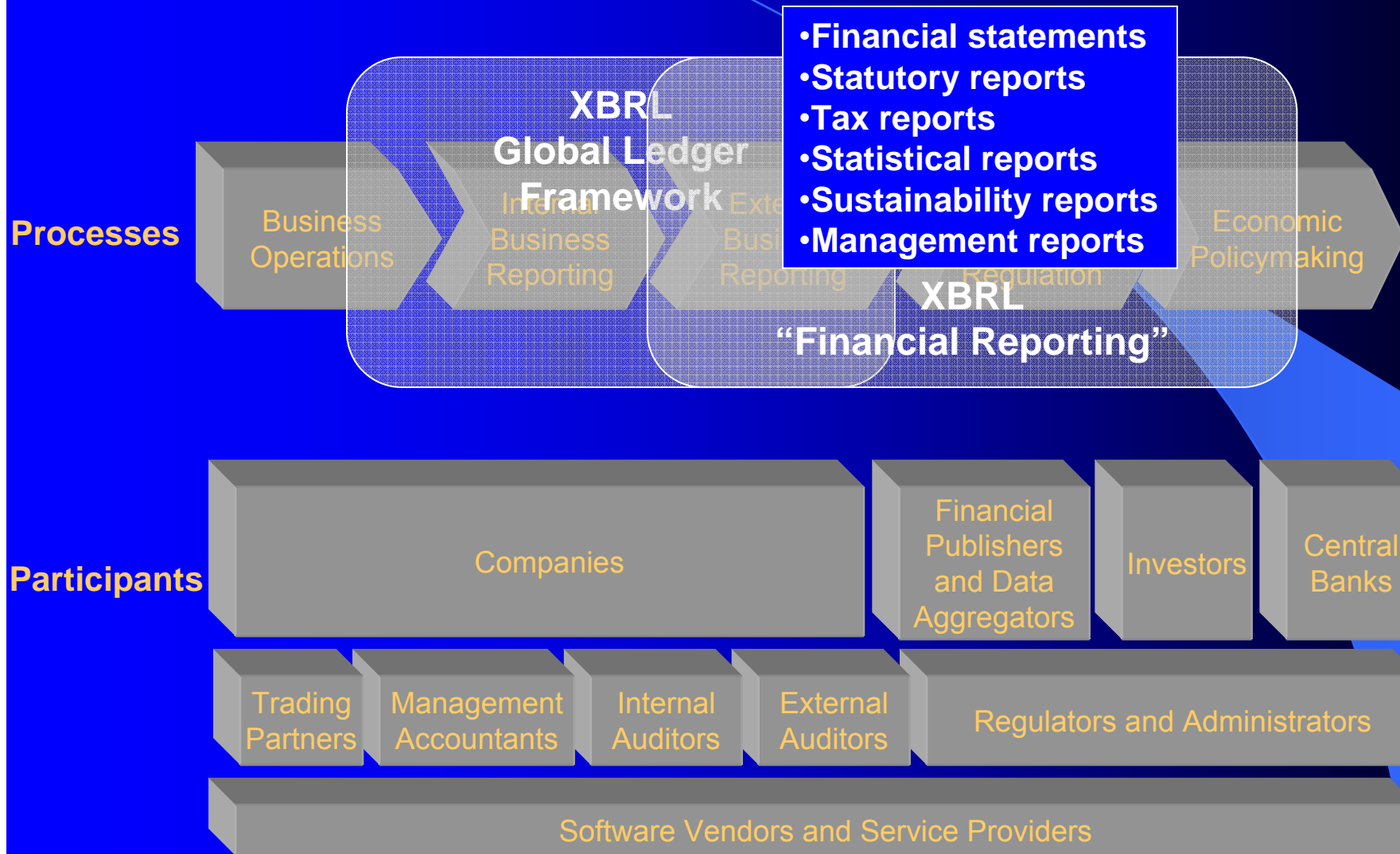


Is it possible to get timely, accurate,
accessible data on:

- Sales and profits by market segment?
- Greenhouse gas emissions by weight?
- Executive compensation?
- Risk-based capital?

Yes, and XBRL is part of the solution!

Business Reporting Supply Chain



How does XBRL work?

Today's EDGAR Database

Tomorrow's XBRL System

The screenshot displays the Interactive Financial Report Viewer interface. The main content area shows the financial data for Microsoft Corp. for the quarter ended March 31, 2007. The data is presented in a table format with columns for 3 Months Ended and 9 Months Ended, each with sub-columns for Mar. 31, 2007 and Mar. 31, 2006. The table includes various financial metrics such as Revenue, Operating Income, and Net Income. A 'Freeze Headers' option is visible above the table.

Income Statement (USD \$) (in Millions, except per share data)	3 Months Ended		9 Months Ended	
	Mar. 31, 2007	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2006
Provision for Income Taxes	2,045	1,338	4,787	4,233
Revenue - Total	14,398	10,900	37,751	32,478
Cost of Revenue	2,140	2,028	7,456	5,520
Research and Development Expense - Total	1,750	1,617	5,173	4,723
Selling and Marketing Expenses - Total	2,936	2,362	8,126	6,996
General and Administrative Expenses - Total	983	1,005	2,461	2,648
Expense - Total	7,809	7,012	23,216	19,887
Operating Income/(Loss)	6,589	3,888	14,535	12,591
Investment Income and Other - Total	382	427	1,282	1,413
Income/(Loss) from Continuing Operations Before Income Taxes	6,971	4,315	15,817	14,004
Net Income	4,926	2,977	11,030	9,771
Basic Earnings Per Share	0.51	0.29	1.12	0.93
Weighted-Average Shares Outstanding - Basic	9,725	10,303	9,821	10,521
Diluted Earnings Per Share	0.5	0.29	1.11	0.92
Weighted-Average Shares Outstanding - Diluted	9,862	10,415	9,955	10,627
Cash Dividends Declared Per Common Share	0.1	0.09	0.3	0.26
corporate GaapView				
Operating Income/(Loss)	(1,544)	(1,331)	(3,733)	(3,629)

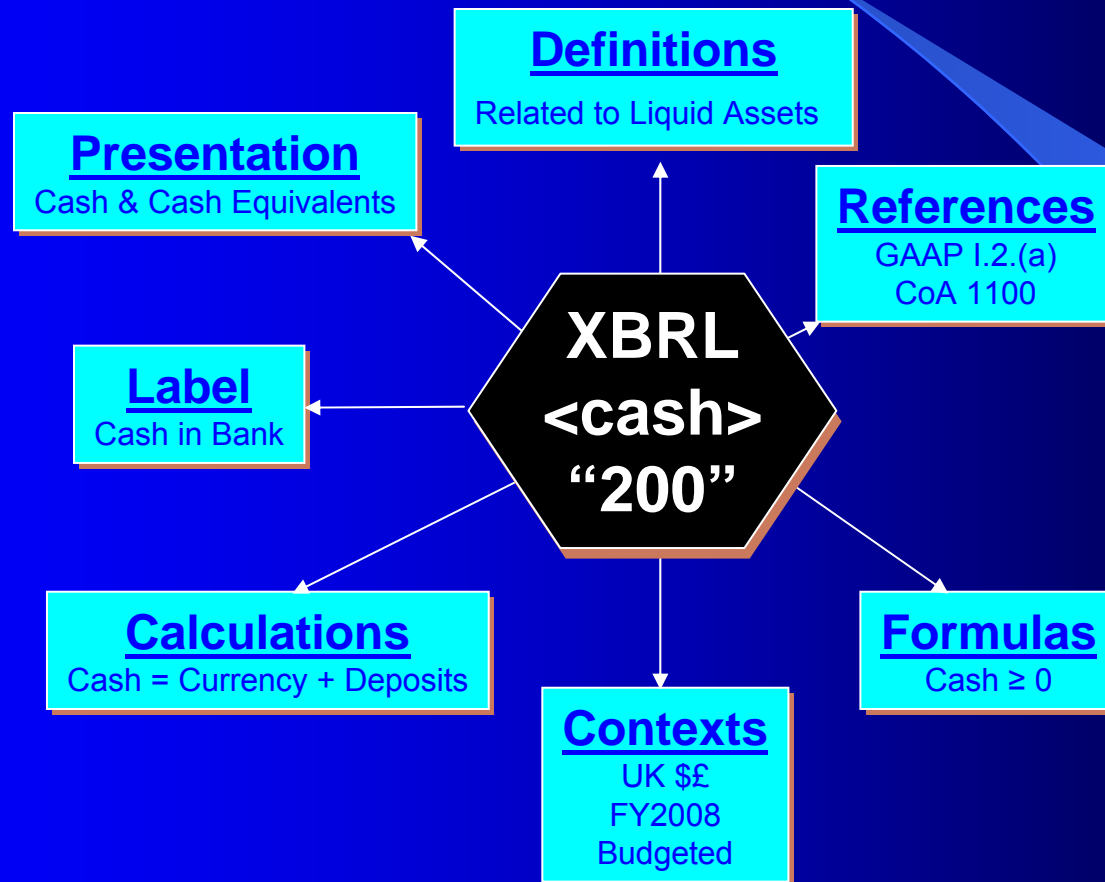
The XBRL financial data on which this web site operates were submitted to the SEC on an "unaudited" or "unreviewed" basis primarily for the purpose of testing the XBRL format and technology, and do not constitute official SEC filings. Accordingly, users of this web site should not rely on the XBRL data or documents rendered by the web site in making investment decisions.

Interactive Data

“True interactivity is not about clicking on icons or downloading files, it's about encouraging communication.”

- Edwin Schlossberg

When They Say, “It’s Not About the Cash”, It’s ...



Some Fun with XBRL

Business fact (can you guess?):

```
<ifrs-gp:ProfitLossBeforeTax  
  contextRef="Current_ForPeriod"  
  unitRef="U-Euros"  
  decimals="0">661000</ifrs-  
gp:ProfitLossBeforeTax>
```

Advisory Committee on Improvements to Financial Reporting (CIFiR)

Goals include:

- Reducing unnecessary complexity
- Making information more useful/understandable

Subjects evaluated include:

- Rules vs. Principles-Based Accounting Standards
- International Standards Convergence
- XBRL (a gradual phase-in was proposed)

SEC's 21st Century Disclosure Initiative Announced June 24, 2008

"The aim of the wide-ranging internal inquiry will be to outline the attributes of the disclosure system for the future that incorporates technology, the new ways in which investors get their information, and recent developments in how companies compile and report the information in their SEC-mandated disclosures."

SEC Proposed Rule

The following slides present some of the main topics addressed in the SEC Rule Proposal issued on May 30, 2008. Detail text of the entire rule can be found at the SEC Website: <http://sec.gov/rules/proposed/2008/33-8929.pdf> A detailed review of the rule proposal should be performed to become familiar with the proposed provisions and to determine the impact of the requirements.

SEC Proposed Rule: Timing and Included Companies

Year 1 – Domestic and foreign companies (approximately 500) with market cap above \$5B

Year 2 – All other domestic and foreign large accelerated filers using US GAAP

Year 3 – All remaining filers using US GAAP plus foreign issuers using IFRS

Year 1 starts with fiscal periods ending on or after 12/15/08

SEC Proposed Rule: Filings Covered

- 10-K
- 10-Q
- 20-F
- Transition reports
- Securities Act registration statements
- Note: Management's Discussion and Analysis (MD&A) is not included in the proposed rule

Building the High-Quality XBRL Process

- Building your internal team
- Using third party providers
- Software options
- Assurance of XBRL quality

Building the High-Quality XBRL Process

Building your internal team

- Accounting, external reporting and IT expertise
- Getting educated. How deep do you want to go?
- Communicating with your third party providers

Building the High-Quality XBRL Process

Using Third Party Providers

- Saving your time, especially Year 1
- Monitoring XBRL global developments
- You still need to review/sign-off
- Developing timelines. This is a project!
- Evaluating providers

Building the High-Quality XBRL Process

Software Options

- Cost is minimal for tagging tools
- Integrating XBRL into internal systems requires more investment, but the returns are also higher
- XBRL can, in some cases, reduce the need for other application expenditures

Building the High-Quality XBRL Process

Gaining Assurance

- Audits of XBRL files are not required, yet.
- Take control of quality through building expertise and review processes.

The ROI of XBRL

Reporting

- Key Performance Indicators
- Sustainability metrics
- Industry specific data – e.g. healthcare and government
- Private equity and closely-held business applications
- Multilingual presentations

The ROI of XBRL

Process Improvements

- Enabling faster closes with better data quality
- Benchmarking from XBRL data feeds
- Improving Internal Controls and Continuous Auditing
- Using XBRL Global Ledger (GL) for data migration and integration

XBRL Global Ledger (GL) Framework

Part of the broader world of XBRL

- An evolving, generic representation of the files in a typical Enterprise Resource Planning (ERP) system
- A **bridge** from transactions to end reporting



XBRL GL can represent very complex account structures.

Account sets for IFRS, local statutory, and taxes can be defined in parallel.

Multiple accounts can be provided on individual entry detail lines.

XBRL GL can maintain full multicurrency information; virtually unlimited tracking.

XBRL GL allows unlimited segments/sub-accounts.

XBRL GL can represent roll ups within and between segments.

Chart of Accounts

Currencies

Segments

Maturities

Flows

Counterparties

etc

XBRL GL can represent many types of detail with maturity information.

Entry detail can hold many parties associated with transactions and events.

Accounts and detail lines can be associated directly with IFRS reporting.

XBRL GL can represent individual transactions and summaries through trial balance.

IFRS and XBRL

“... the 30 different spoken languages that will someday soon be embedded in XBRL data tags attached to public company financial statements could let any investor read an IFRS financial statement from any country in his or her own native language.”

- SEC Chairman Christopher Cox (Paris, 5/28/08)

Exponential Growth of XBRL

“During the next three years, over ten thousand public companies will get to know XBRL. When the XBRL revolution permeates the millions of private businesses in the United States, the value propositions will be enormously exciting.”

- Greg Zegarowski
(Hitachi.com blog)

Greg's Top Ten Reasons to Learn and Use XBRL

- #10: It's becoming the lingua franca of business reporting.
- #9: It's a universal standard, not just a fad.
- #8: It's a launch pad for the democratization of information.
- #7: It encourages transparency.
- #6: It improves data quality.
- #5: It's a time saver for data gathering and analysis.
- #4: It allows business information to be re-used and re-purposed.
- #3: It creates new opportunities for business intelligence.
- #2: It allows you to help invent the future of business reporting.
- #1: It's a great cocktail party opening line.

Looking Ahead – www Resources

- xbrl.org
- xbrl.us (especially the Preparers Guide)
- sec.gov/spotlight/xbrl.shtml
- iasb.org/xbrl

Long-Term Benefits

XBRL provides a controllable, sustainable process for communicating business information



The XBRL Train is Boarding

- Get educated
- Get involved
- Have a great ride

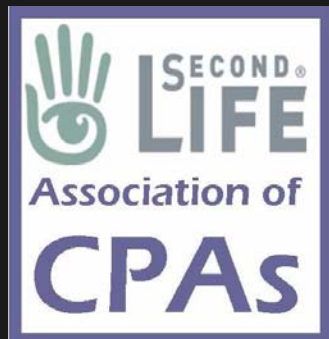




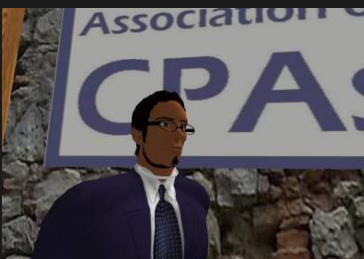
Maryland Association of CPAs – founded 1901 to promote and protect CPAs and help them thrive in the rapidly changing environment – 10,000 members



Business Learning Institute – founded in 2000 with a mission to help organizations deliver competency-based curriculum, courses, content and community to enhance learning and grow intellectual capital for organizational and executive leadership



Second Life Association of CPAs – founded in 2006 With 220 members and two islands (CPA Island & CPA Island 2) with a mission of building a community of people interested in exploring the possibilities of CPAs in Second Life



Thank you !

Questions?

For more information

www.cpaisland.com

www.slacpa.org

www.macpa.org

www.bizlearning.net

In world – SLACPA group
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