

## ***Summary: Characteristics of a Quality SEC XBRL Financial Filing***

The best place to begin is with the end goal in mind. The following is a summary of the characteristics or objectives/goals one might desire to achieve when creating an SEC XBRL financial filing:

- **HTML and XBRL convey the same message:** The SEC HTML and XBRL financial filing formats must communicate the same information and convey the same message; after all the information is the same, the only difference is the format or medium of the information.
- **Financial integrity:** The SEC HTML financial filing foots, cross casts, and otherwise ticks and ties. The same will be true of the SEC XBRL financial filing. However, with the XBRL format the information must foot, cross cast, tick, and tie following the rules of XBRL and can be tested using automated computer processes. This type of testing is impossible with HTML formats as computer software cannot read the HTML and understand what it is seeing. Further, within an SEC XBRL financial filing, components of your filing should have integrity meaning that the relations between components should likewise have integrity. For example, some concepts are used in multiple places in your filing; these concepts should not be duplicated.
- **Clear business meaning:** The business meaning of your SEC XBRL financial filing should be clear to you and clear to users of your financial information, preferably the same as your meaning. Another way to say this is that it is far better to be explicit than to leave readers to imply meaning which they may imply differently/incorrectly.
- **Consistency with peer groups:** Concepts used from the US GAAP taxonomy and extension concepts added to a filing by a filer should be as similar to your peer groups as appropriate. A filer determines the unique aspects of their company, that is a desirable feature of XBRL.
- **Consistency between periods:** Your filings should be consistent between filing periods. This consistency is balanced with your need to “ease into” your desired SEC XBRL financial filing.
- **Justifiable extension concepts:** Extension concepts defined in your company XBRL taxonomy should be justifiable. Reasoning behind possible US GAAP concepts and the ultimate decision on which concepts you chose to go with should be documented for future reference.
- **Appropriate rendering:** While your SEC HTML rendering is one static HTML document, your SEC XBRL document will be rendered by the SEC Interactive Data Viewer, other third party rendering tools such as the Firefox XBRL Viewer, Edgar Online I-Metrix application, or XBRL Cloud XBRL viewer. Other such software exists and optimal renderings in each of these software applications is important as that is how users will make use of this information.
- **Usable by analysts:** The ultimate goal is to have a filing usable by analyst which desire to reuse the information contained within an SEC XBRL financial filing.

## ***Details: Characteristics of a Quality SEC XBRL Financial Filing***

The following is a more detailed list and explanation of the characteristics which are summarized above.

- **HTML and XBRL convey the same message**

- ***Overall***

- HTML and XBRL formats express the same information, message, and/or meaning
- Concepts used to express facts used within the SEC XBRL financial filing appropriately reflect the concepts expressed in the HTML filing
- XBRL, EFM, and other syntax validation rules are appropriately satisfied

- **Financial integrity**

- ***Overall***

- Characteristics used to express facts (i.e. [Axis] and their related [Member]s) appropriately reflect the characteristics expressed in the HTML filing
- All [Table]s properly foot
- All [Table]s properly cross cast
- All [Table] intersections between [Table]s are appropriate. (For example, total property, plant and equipment per the balance sheet ties to the detailed breakdown of the components of property, plant and equipment per the disclosures. This is similar for all details disclosed within the disclosures.)
- Reporting and disclosure rules are satisfied

- ***Balance Sheet***

- Assets exists on the balance sheet (us-gaap:Assets)
- Liabilities and Equity exists on balance sheet (us-gaap:Liabilities and Stockholders' Equity (OR us-gaap:Liabilities and Partners' Capital if a partnership) exists on balance sheet. (A small minority of filers use the concept us-gaap:Net Assets)
- Equity exists on balance sheet (us-gaap:StockholdersEquityIncludingPortionAttributableToNoncontrollingInterest (or us-gaap:PartnersCapital if a partnership) exists on balance sheet (some

believe that us-gaap:StockholdersEquity is total equity, but the FASB says us-gaap:StockholdersEquityIncludingPortionAttributableToNoncontrollingInterest is the appropriate concept).

- If the balance sheet is classified, us-gaap:Assets, Current exists on the balance sheet.
  - If the balance sheet is classified, us-gaap:Liabilities, Current exists on the balance sheet.
  - Balance sheet balances.
  - Assets foot
  - Liabilities and Equity foot (however equity is expressed)
  - Equity concepts per balance sheet tie to equity concepts per statement of changes in equity (i.e. not duplicate concepts or facts)
  - “Cash and Cash Equivalents” per the balance sheet is the same concept used on the Cash flow statement.
- **Statement of Changes in Equity**
    - Equity concepts per statement of changes in equity tie to the balance sheet (i.e. not duplicate concepts or facts)
    - All roll forwards in equity reconcile
    - Statement of equity line items of equity components cross cast to total equity
- **Income Statement**
    - Income statement reports Income (Loss) from continuing operations before taxes (us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesMinorityInterestAndIncomeLossFromEquityMethodInvestments)
    - Income statement reports “Net Income (Loss)” (us-gaap:ProfitLoss) [CSH: Some people believe that Net Income (Loss) Attributable to Parent (us-gaap:NetIncomeLoss) is the appropriate concept for net income. A common mistake is to use the concept us-gaap:Net Income (Loss) Available to Common is the correct concept which is not the case.]
    - Income statement foots
- **Cash Flow Statement**

- Net cash flows (us-gAAP:Cash and Cash Equivalents, Period Increase(Decrease)) is reported by the cash flow statement.
  - Net cash flows foots
  - Cash flow statement roll forward of cash reconciles
  - “Cash and Cash Equivalents” per the cash flow statement is the same concept as “Cash and Cash Equivalents” per the balance sheet. [CSH: Generally, it is usually one of the following concepts: us-gAAP:Cash and Cash Equivalents, at Carrying Value, us-gAAP:Cash and Cash Equivalents and Federal Funds Sold, us-gAAP:Cash and Cash Equivalents and Short Term Investments, us-gAAP:Cash and Due From Banks, us-gAAP:Cash]
  - Cash flows from continuing and discontinued operations are appropriately differentiated
- ***Basis of Reporting and Presentation***
  - Reporting disclosure rules are satisfied
- ***Accounting Policies***
  - Reporting disclosure rules are satisfied
- ***Disclosure of Financial Accounts***
  - Reporting disclosure rules are satisfied
- ***Disclosure of Broad Transactions Categories***
  - Reporting disclosure rules are satisfied
- **Clear business meaning**
  - ***Overall***
    - The business meaning of concepts, characteristics (i.e. [Axis] and their [Member]s) of SEC XBRL financial filing is clear to users of the financial information. (Note that it is better to be explicit than to be implicit and have users misinterpret information on way whereas you are implying something different)
    - US GAAP, EFM and other business semantics rules are satisfied
- **Consistency with peer groups**

- **Overall**
  - US GAAP taxonomy concepts and extension concepts used are appropriate when considering other filers and their SEC financial filings in industry and/or other peer groups. (Unique aspects of filer are taken into consideration as appropriate.)
- **Consistency between periods**
  - **Overall**
    - All concepts added appear reasonable/appropriate
    - All concepts removed from filing appear
- **Justifiable extension concepts**
  - **Overall**
    - All extension concepts which exist are justifiable by filer
- **Appropriate rendering**
  - **Overall**
    - All (each) [Table]s render appropriately per the SEC XBRL Interactive Data viewer
    - (Optional) All [Table]s render appropriately per third party rendering software such as the Firefox XBRL Viewer add on, XBRL Cloud Viewer, Edgar Online I-Metrix application
    - Flow of information between Networks and [Table]s is appropriate and consistent with HTML filing
- **Usable by analysts**
  - **Overall**
    - Filing can be effectively analyzed
    - Time series comparison can be effectively created
    - Cross company comparison can be effectively created