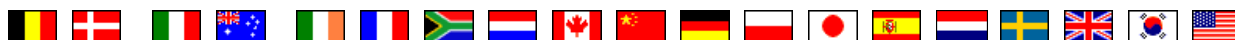




# Public Sector Case Study: State of Oregon CAFR Project

XBRL-INT Conference  
Paris, June 25, 2009

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xfy XBRL  
**Report**

**XBRL**  
eXtensible Business Reporting Language

Please visit: <http://na.justsystems.com/xfyXBRLReport>



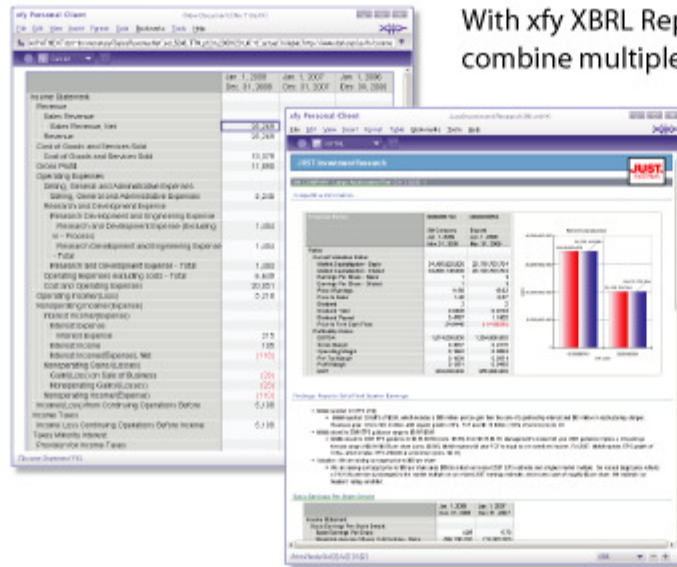
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- Instant viewing, extraction, aggregation & analysis of XBRL content
- Create real time, richly rendered, styled & formatted reports
- View complex multi-dimensional XBRL-tagged reports
- Create complex financial documents from multiple sources in the same document
- Connect to multiple online data sources
- Create reusable style templates



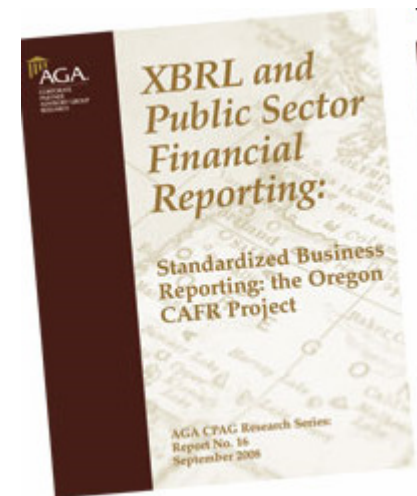
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# Agenda

- ▶ Why now?
- ▶ XBRL at the State of Oregon
  - What, Who, How it's being used
- ▶ Case Study
  - Taxonomy Development
  - Mapping Legacy Systems to XBRL
  - Generation of XBRL
  - Creating the CAFR Report
    - Standard Views (required by law)
    - Auditing & Reporting on CAFR

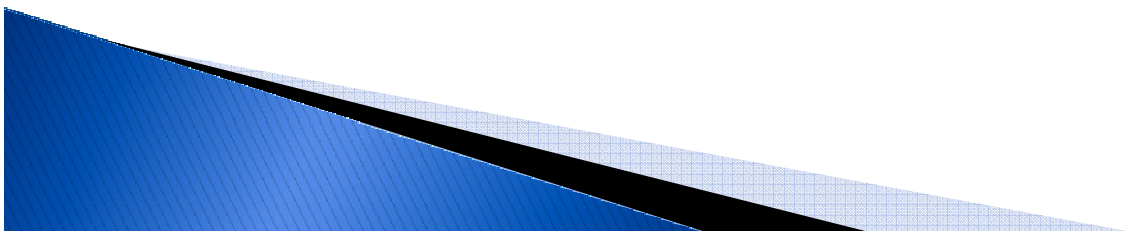




## Need for Transparency

*"Sunlight is said to be the best of disinfectants.  
Electric lights the most efficient policeman."*

Louis Brandeis, Harper's Weekly, December 20, 1913.



# XBRL: It's the Mandate for corporations



US SEC Chair,  
Christopher Cox



[Release Nos. 33-9002; 34-59324; 39-2461; IC-28609; File No. S7-11-08]

RIN 3235-AJ71

## Interactive Data to Improve Financial Reporting

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Final rule.

**SUMMARY:** We are adopting rules requiring companies to provide financial information in a form that is intended to improve its usefulness to investors. Financial statement information could be downloaded directly into spreadsheets in a variety of ways using commercial off-the-shelf software, and used within investment and other software formats. The rules will apply to public companies and foreign private issuers that prepare their financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP), and foreign private issuers that prepare their financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Standards Board (IASB). Companies will provide their financial statements to investors and on their corporate Web sites in interactive data format using the eXtensible Business Reporting Language (XBRL). The interactive data will be provided as an exhibit to current reports and registration statements, as well as to transition reports for new issuers. The new rules are intended not only to make financial information easier to analyze, but also to assist in automating regulatory filings and business information. Interactive data has the potential to increase the speed, accuracy and usability of financial disclosure, and eventually reduce costs.



# XBRL: It's the law...well, almost



Rep. Darrell Issa (R-CA)



## A BILL

To improve the effectiveness of the Government's collection, analysis, and dissemination of business information by using modern interactive data technologies.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

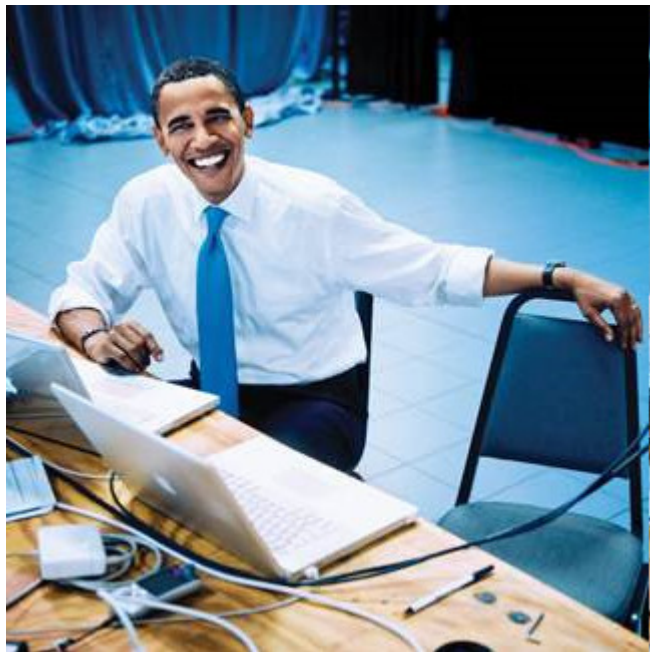
4 This Act may be cited as the "Government Informa-  
5 tion Transparency Act".

1 **SEC. 2. REQUIREMENTS RELATING TO STANDARDIZATION**  
2 **OF COLLECTION, ANALYSIS, AND DISSEMINA-**  
3 **TION OF CERTAIN INFORMATION.**

4 (a) **PURPOSES.—**

5 (1) **IN GENERAL.**—The purpose of this Act is to  
6 provide, to the maximum extent practicable, for the  
7 Federal Government to standardize the collection,  
8 analysis, and dissemination of business and financial  
9 information regarding business activities of compa-  
10 nies through the use of a single data standard  
11 known as **eXtensible Business Reporting Language.**

# eGov in US: Open Government Directive



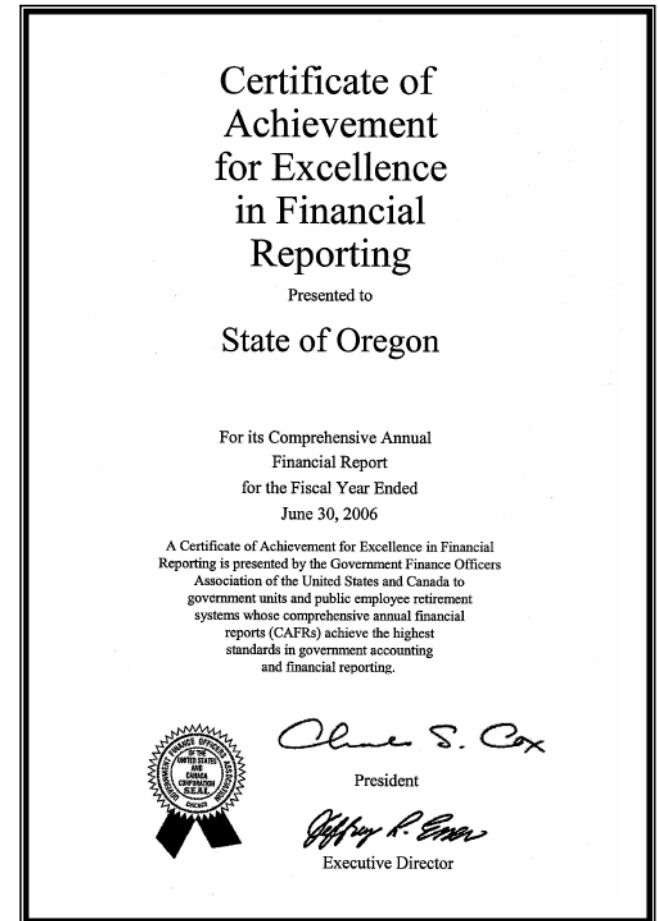
- ▶ President Obama issued [a memo on transparency](#) directing his top officials to develop plans for an Open Government Directive to promote transparency, participation, and collaboration.

Citizen Scrutiny → Crowd-sourcing Peer Intelligence



# So in the spirit of transparency and innovation

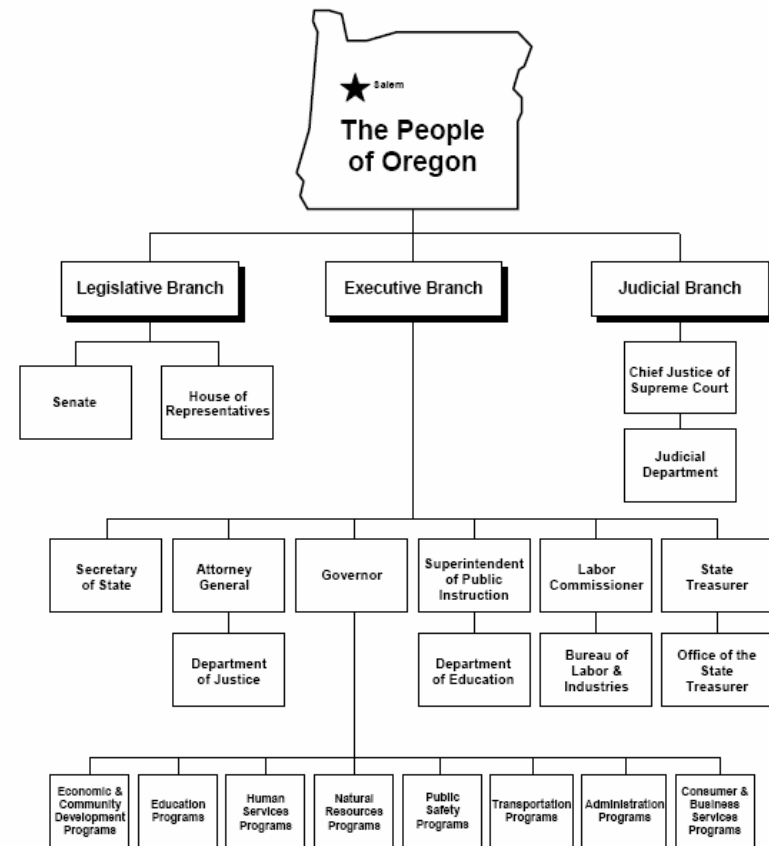
- ▶ State of Oregon Controller
  - John Radford
- ▶ Association of Government Accountants
- ▶ Governmental Accounting Standards Board





# Comprehensive Annual Financial Report

- ▶ presents the financial statements of the departments, agencies, and organizations that comprise the state's financial reporting entity
- ▶ report consists of management's representations concerning the finances of the State of Oregon.



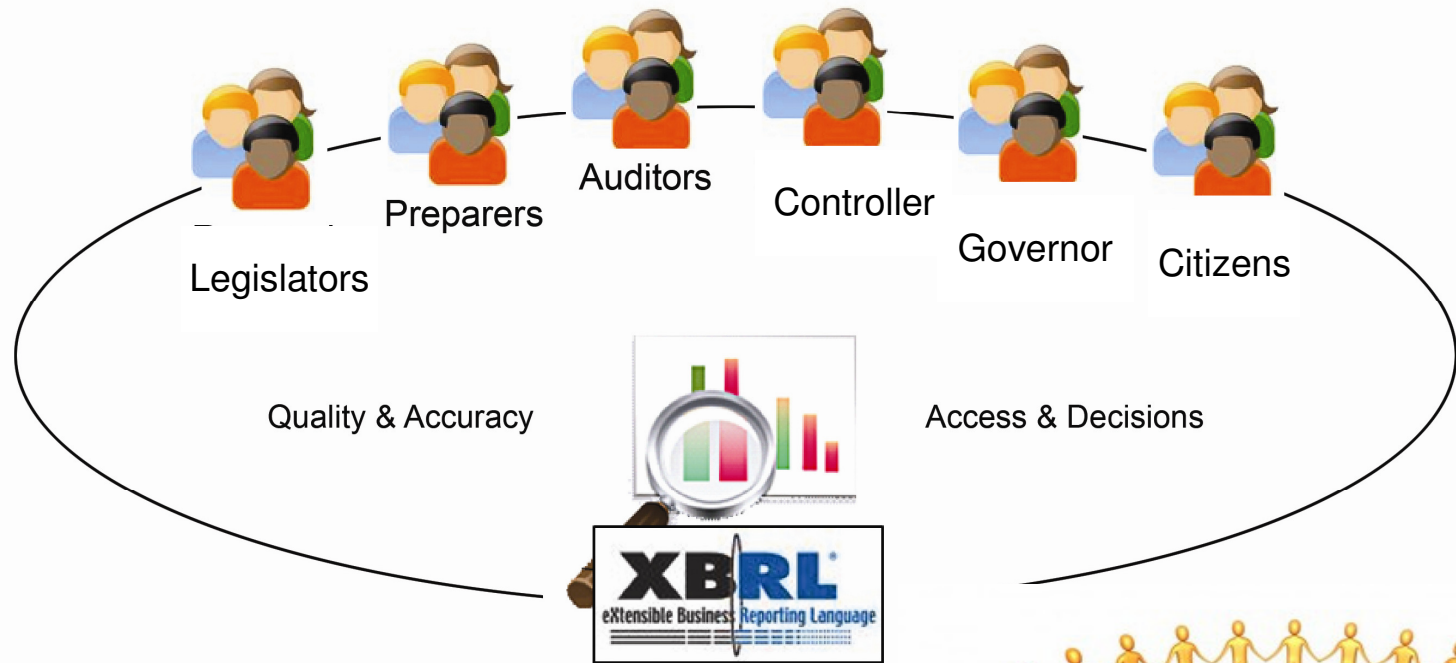
# What is CAFR Today?



# CAFR Life Cycle

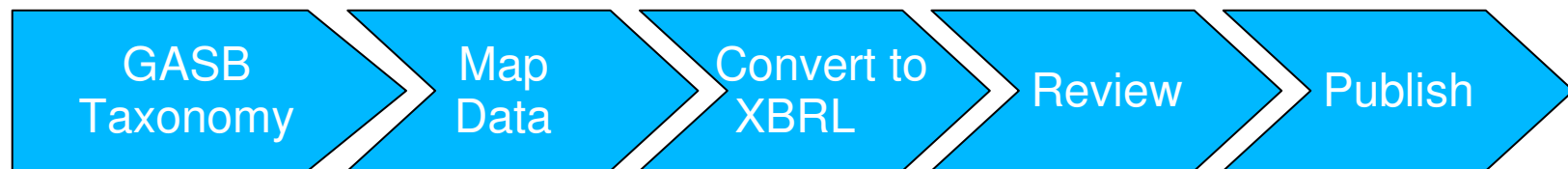
- ▶ Created by
  - Department of Administrative
    - Division of State Controller's Office
- ▶ Audited by
  - Secretary of State Audits Division
- ▶ Published for
  - Public Consumption
  - Governor and Citizens of the State of Oregon

# Who Benefits from an XBRL-tagged CAFR?



# Project Plan


- ▶ Development of US-GASB taxonomy
  - Statement of Net Assets & Statement of Activities
- ▶ Mapping Legacy Accounting Systems
  - To new taxonomy
- ▶ Generation of CAFR statements
- ▶ Review of and Report on CAFR content





# Vendors

- ▶ Taxonomy Development
  - PricewaterhouseCoopers
- ▶ Mapping Legacy Data to XBRL
  - Allocation Solutions' DataXchanger
- ▶ Review & Reports from XBRL instance
  - JustSystems' xfy XBRL Report

PRICEWATERHOUSECOOPERS 

 Allocation  
Solutions

 JUST.  
SYSTEMS  xfy XBRL  
Report

# GASB vs. FASB

- ▶ Governmental Accounting Standards Board (GASB)
- ▶ independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.
- ▶ official source of generally accepted accounting principles (GAAP) for state and local governments.



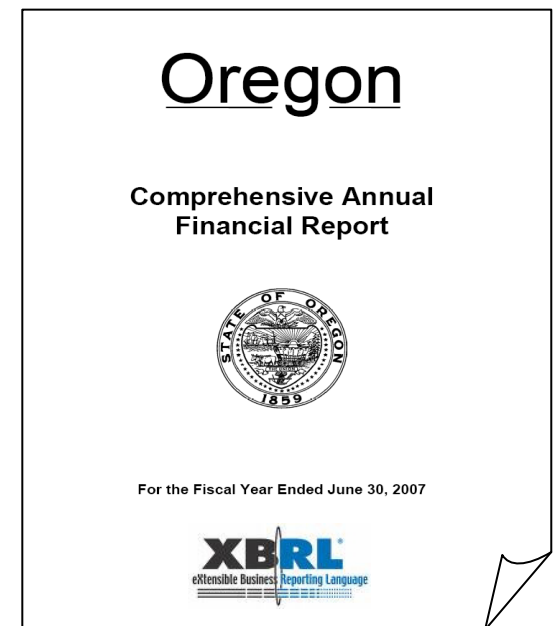
*GASB Board Members and Director of Research and Technical Activities*



*Back row from left to right: Girard Miller, Richard C. Tracy, James M. Williams, William W. Holder, David R. Bean. Seated from left to right: Jan L. Sylvis, Robert H. Almouy, Marcia L. Taylor.*

# A Complete CAFR consists of

- ▶ INDEPENDENT AUDITOR'S REPORT
- ▶ MANAGEMENT'S DISCUSSION AND ANALYSIS
- ▶ BASIC FINANCIAL STATEMENTS
  - Statement of Net Assets
  - Balance Sheet
  - Statement of Activities
  - Statement of Revenues
  - Statement of Cash Flows
  - Notes to the Financial Statements



# Taxonomy Development Participants

- ▶ State of Oregon
  - John Radford, Oregon State Controller\*
  - Linda Tullis, Datamart Manager, Oregon State Controller's Division\*
  - Jean Gabriel, Manager Statewide Accounting and Reporting – Oregon State Controller's Division\*
  - Kathy Ross, Internal Control Officer – Oregon State Controllers Division
- ▶ AGA
  - Anna Miller, Research Director\*
  - Relmond Van Daniker, Director of Research
  - Joseph Jozefczyk, Education Director
- ▶ GASB
  - Robert Atmore, Chainman
  - David Bean, Director of Research and Technical Activities
  - Michelle Czerkawski, Project Manager
  - Ken Schermann , Senior Technical Advisor\*
- ▶ PricewaterhouseCooper
  - Joseph Kull, Project Lead
  - Miho Saito, XBRL Technical Lead
  - Ashley Reisinger, Functional Lead and Project Manager
  - Brian Hankin, Project Manager

- ▶ Allocations Solutions
  - Map once, auto-generate XBRL instances

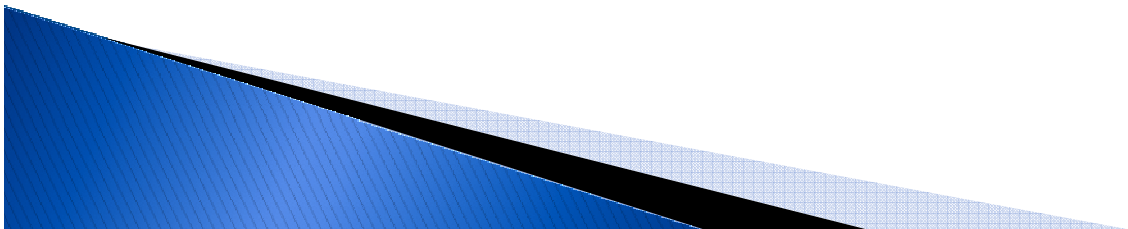
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# Each CAFR instance consists of:

- ▶ Instance file with reported facts
  - ▶ Numeric and textual facts
  - ▶ Dates and periods
  - ▶ Reporting dimensions
- ▶ Schema for the instance file
  - ▶ Definitions of markup elements
  - ▶ References to the reporting taxonomy
- ▶ Taxonomy extensions
  - ▶ Labels for reporting concepts
  - ▶ Additional reporting concepts
  - ▶ Relationships between these concepts



# Render, Review, and Report on CAFR

Demo

**Income Statement**

	Jan. 1, 2008 Dec. 31, 2008	Jan. 1, 2007 Dec. 31, 2007	Jan. 1, 2006 Dec. 31, 2006
Revenue			
Sales Revenue			
Sales Revenue, Net	25,269	24,462	22,923
Revenue	25,269	24,462	22,923
Cost of Goods and Services Sold			
Cost of Goods and Services Sold	13,379	12,735	11,713
Gross Profit	11,890		
Operating Expenses			
Selling, General and Administrative Expenses			
Selling, General and Administrative Expenses	5,245		
Research and Development Expense			
Research Development and Engineering Expense			
Research and Development Expense (Excluding In - Process)	1,404		
Research Development and Engineering Expense - Total	1,404		
Research and Development Expense - Total	1,404		
Operating Expenses excluding costs - Total	6,649		
Cost and Operating Expenses	20,051		
Operating Income/(Loss)	5,218		
Nonoperating Income/(Expense)			
Interest Income/(Expense)			
Interest Expense	215		
Interest Income	105		
Interest Income/(Expense), Net	(110)		
Nonoperating Gains/(Losses)			
Gain/(Loss) on Sale of Business	(23)		
Nonoperating Gains/(Losses)	(23)		
Nonoperating Income/(Expense)	(110)		
Income/(Loss) from Continuing Operations Before Income Taxes	5,108		
Income Taxes			
Income Loss Continuing Operations Before Income Taxes Minority Interest	5,108		
Provision for Income Taxes			

**JUST. SYSTEMS** **xfy XBRL Report**

**JUST Investment Research**

3M COMPANY - Large Accelerated Filer CIK CODE: 1

Competitive Information

	0000096740	0000090554
	3M Company	Dupont
	Jan. 1, 2009	Jan. 1, 2009
	Mar. 31, 2009	Mar. 31, 2009
Market Capitalization - Basic	34,400,820,000	20,179,703,704
Market Capitalization - Diluted	34,400,140,000	20,179,703,704
Earnings Per Share - Basic	1	1
Earnings Per Share - Diluted	1	1
Price / Earnings	11.56	16.62
Price to Sales	1.45	0.67
Dividend	2	2
Dividend Yield	0.0409	0.0743
Dividend Payout	0.497	1.1600
Price to Free Cash Flow	24.6440	(114.0000)
Profitability Ratios		
EBITDA	1,074,000,000	1,254,000,000
Gross Margin	0.4537	0.2315
Operating Margin	0.1962	0.0959
Pre-Tax Margin	0.1939	0.0951
Profit Margin	0.1251	0.0400
EBIT	803,000,000	655,000,000

**Findings: Reports Solid First Quarter Earnings**

- M&M reported Q1 EPS of \$1.
  - M&M reported Q1 EPS of \$0.89, which includes a \$60 million per share gain from the sale of a partnership interest and \$60 million in restructuring charges. Revenues grew 12% to \$2.2 billion, with organic growth of 5%. FCF was \$1.18 billion (115% of net income in Q1).
- M&M raised its 2009 EPS guidance range to \$0.65-\$0.80.
  - M&M raised its 2009 EPS guidance to \$0.65-\$0.80 (from \$0.60-\$0.80). Management's revised full year 2009 guidance implies a Q4 earnings forecast range of \$0.70-\$0.80 per share (from \$0.60-\$0.80). M&M expects full year FCF to equal to or exceed net income. For 2007, M&M expects EPS growth of 10%+, which implies EPS of \$4.02 at a minimum (from \$4.10).
- Valuation: We are raising our target price to \$60 per share.
  - We are raising our target price to \$60 per share (from \$50) to reflect our revised 2007 EPS estimate and a higher market multiple. Our revised target price reflects a 5%-10% premium (unchanged) to the market multiple on our revised 2007 earnings estimate, and excess cash of roughly \$0 per share. We maintain our Neutral 1 rating on M&M.

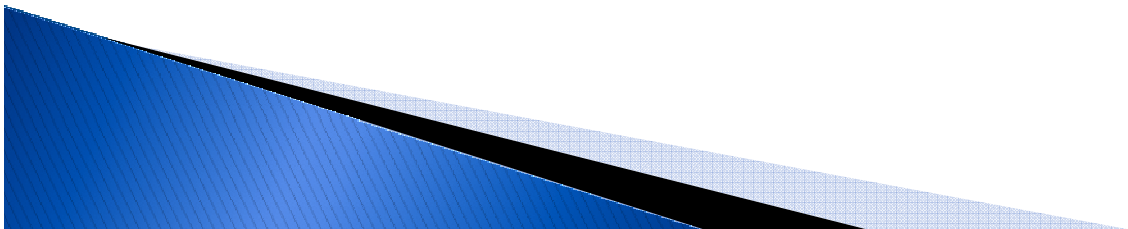
**Basic Earnings Per Share Details**

	Jan. 1, 2008 Dec. 31, 2008	Jan. 1, 2007 Dec. 31, 2007
Income Statement		
Basic Earnings Per Share Details		
Basic Earnings Per Share	4.95	5.70
Weighted-Average Shares Outstanding - Basic	660,300,000	718,300,000

<http://na.justsystems.com/xfyXBRLReport>

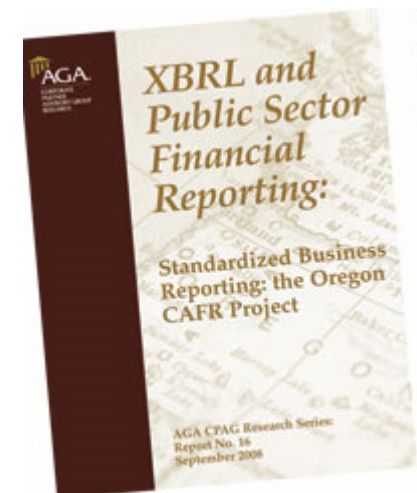
# Conclusions

- ✓ Ensures Valid Data, Comparability, and Consistency
- ✓ Out of the ashes come a new beginning
  - Financial scandals and crises stimulate new ideas*
  - Citizen Scrutiny of Government Financial Data*
- ✓ Greater transparency of risks
- ✓ National mandate for reporting in XBRL
  - XBRL is just one piece of this story*
  - ...There are still lots of challenges*



# AGA Report on Project

- ▶ AGA's Report: [XBRL and Public Sector Financial Reporting](http://www.agacgfm.org/research/publications/default.aspx)
  - <http://www.agacgfm.org/research/publications/default.aspx>
- ▶ JustSystems [Public Sector Solutions](http://na.justsystems.com/xbrl)
  - <http://na.justsystems.com/xbrl>



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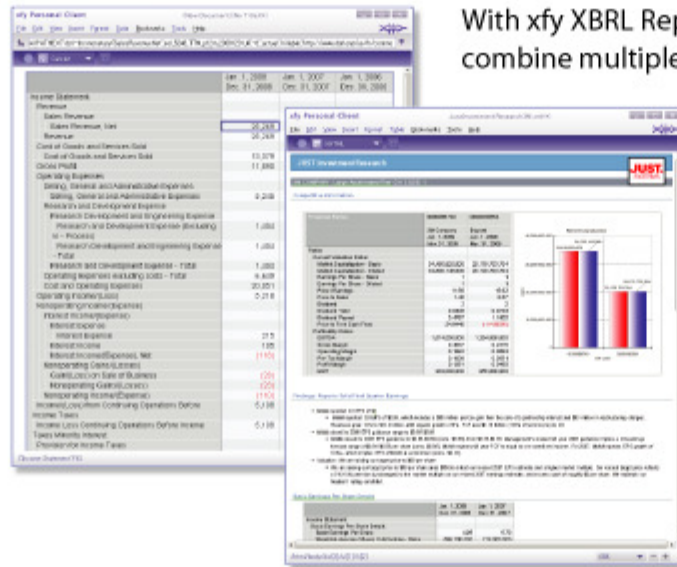
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Thanks for listening!

*Questions?*

Diane Mueller, JustSystems/Canada  
<http://na.justsystems.com/xbrl>

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