

# Learning a New Language

## The Impact of XBRL on Accounting Research and Data Analytics

2010 Deloitte Foundation / FSA Faculty Consortium

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### Exercise 1: Mapping the Balance Sheet

One of the first steps in preparing XBRL-formatted financial statements is to “map” the financial statements. As we have discussed “mapping” is when an element is selected from the US GAAP taxonomy, or in certain instances created by a company, to describe the contents of a financial statement line item or footnote.

In this exercise you will have the opportunity to map a portion of the balance sheet. The mapping exercise that Company’s will go through involves a significant degree of judgment and mapping is critical to the effective use of the data by those consuming it for research and analysis.

For this exercise you will need the following:

- ABC Company Consolidated Balance Sheet on the following page
- “Balance Sheet” mapping Excel workbook (or printout)
- Access to the XBRL US taxonomies viewer (the Yeti)  
<http://xbrl.us/taxonomies/Pages/US-GAAP2009.aspx>

Click on “All taxonomies”

**XBRL US GAAP Taxonomies Viewer**

2009 Release

**All Taxonomies**

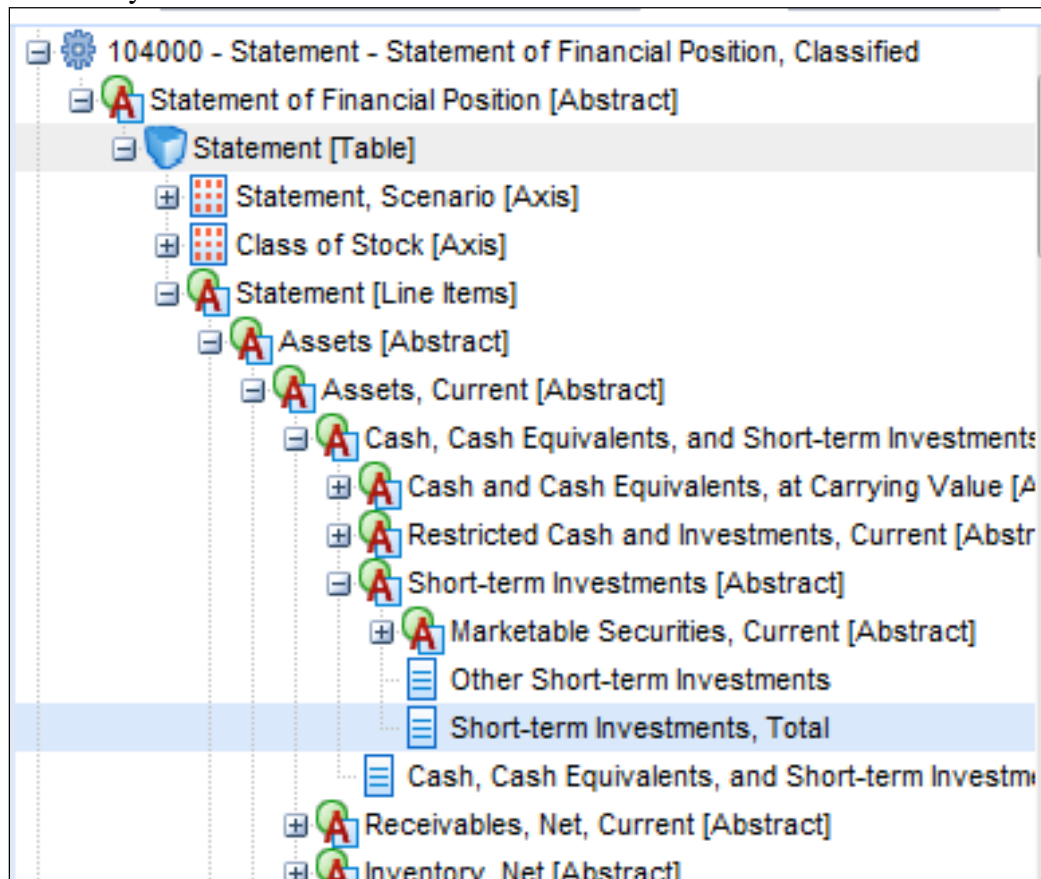
- [Document and Company Information \(all companies\)](#)
- [Commercial and Industrial Taxonomy \(most companies\)](#)
- [Banking and Savings Institutions Taxonomy](#)
- [Brokers and Dealers Taxonomy](#)
- [Insurance Taxonomy](#)
- [Real Estate Taxonomy](#)
- [Schedule of Investments](#)

From here you can begin searching for an appropriate XBRL element. There are two common approaches to start your search. The first is to browse through the section of the taxonomy that corresponds to the financial statement section that you are mapping. Within the taxonomy viewer on the left hand side you will see a tree for each financial statement section. For this exercise you can begin with section **104000 – Statement – Statement of Financial Position – Classified**. Alternatively you can type the concept names you are looking for into the search box to begin your element search.

Begin with each line item on the balance sheet and use key words you think would be helpful to find the correct element. The first element that comes up is not always the best. While the taxonomy is separated by statement and this is a good place to start, an element can be selected from anywhere in the taxonomy. If there is no element that you feel matches the nature of the financial statement line item, a company specific extension might be necessary.

Document your findings in the accompanying printed worksheet or the electronic excel worksheet. One item, highlighted in yellow, has been completed as an illustration. The screenshot below illustrated where the highlighted element and related information is located in the taxonomy:

Taxonomy viewer – balance sheet “tree view”



## Taxonomy viewer – element detail

Details			Relationships	Tree Locations
<b>Short-term Investments</b>				
<b>Labels</b>				
Type	Lang	Label		
Standard Label	en-US	Short-term Investments		
Documentation	en-US	Investments which are intended to be sold in the short term (usually less than one year or the normal operating cycle, whichever is longer) including trading securities, available-for-sale securities, held-to-maturity securities, and other short-term investments not otherwise listed in the existing taxonomy.		
Total Label	en-US	Short-term Investments, Total		
<b>References</b>				
Type	Reference			
Presentation Reference	Article	7		
	Name	Regulation S-X (SX)		
	Number	210		
	Paragraph	1		
	Publisher	SEC		
	Section	03		
	Subparagraph	g		

**ABC company balance sheet excerpt**

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<b>ABC Company Consolidated Balance Sheets</b>	
(Amounts in thousands, except share and per share amounts)	<b>December 31, 2009</b>
<b>ASSETS</b>	
Cash and cash equivalents	554,321
Restricted cash	30,242
Investment in partially owned entity, General Ledger Industries	105,000
Investment in partially owned entity, Link Role Soup	75,011
Investment in partially owned entity, Trial to Balance Investments	143,677
Short-term investments	15,000
Accounts receivable, net of allowance \$4,215	59,801
Prepaid and other current assets	39,076
Deferred income taxes	<u>5,707</u>
Total current assets	1,027,835
Property and equipment, net	4,111,734
Goodwill	222,689
Other intangible assets, net	1,735
Deferred income taxes	6,394
Notes receivable and other long-term assets	<u>24,319</u>
<b>Total assets</b>	<b><u>5,394,706</u></b>

ABC Company

Name Symbol	Element selected	Other elements considered	Company specific Extension (Y / N)	Other comments
Period Date				
Document Type				
Consolidated Balance Sheets				
<i>ASSETS</i>				
<i>CURRENT ASSETS:</i>				
Cash and cash equivalents				
Restricted cash				
Investment in partially owned entity, General Ledger Industries				
Investment in partially owned entity, Link Role Soup				
Investment in partially owned entity, Trial to Balance Investments				
Short-term investments and available-for-sale securities	<b>us-gAAP:ShortTermInvestments</b>		<b>N</b>	
Accounts receivable, (net of allowance 4,215)				
Prepaid and other current assets				
Deferred income taxes				
Total current assets				
Property And Equipment, Net				
Goodwill				
Other Intangible Assets, Net				
Deferred Income Taxes				
Notes Receivable And Other Long-Term Assets				
Total				

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### Exercises 2 and 3: Bridging the Gap

There is a wealth of information on public companies that is available "off the shelf", whether free or for purchase. Much of this information is derived from actual filings submitted by companies to the SEC, however it can be difficult to bridge the gap between what is filed with the SEC and what is provided for analysis from third parties.

The "black box" i.e. the approaches and choices that are used by third parties to derive many of the financial metrics that are relied upon by investors and researchers makes it difficult to gauge the consistency, accuracy and comparability of this data.

The following exercises are intended to provide examples of analysis data that seems straight forward, but a deeper look points out complexities and potential issues.

**Exercise 2**  
**Where did that come from?**  
**Cost of goods sold (COGS) and Citigroup**

In this exercise you will determine how an amount reported by a data vendor as COGS for Citigroup relates to the information reported by the company on its SEC Form 10-Q filing.

For this exercise you will be provided with:

- Quarterly income statement data for Citigroup Inc. as provided by an established commercial data provider (provided)
- Citigroup 10-Q for the period ended 2009-09-30 (income statement excerpt) (provided)

The objective is to establish how the reported COGS amount is derived from the 10-Q income statement data.

### **Exercise 3**

#### **What's in a Ratio?**

In this exercise you will work to re-perform the calculation of a financial ratio that was obtained from purchased data, by using the source information as provided in the company's SEC filings.

For this exercise you will be provided with:

- Purchased financial ratio (AR to Sales) as of January 31, 2010, see below
- Formula used to calculate ratio, see below
- Related Balance Sheet and Income Statements for the relevant reporting periods (provided)

The objective is to establish how the reported AR to Sales ratio is derived from the Sales and Receivables amounts reported by the company.

## Purchased financial ratio

AR to sales = .93

Computed based on 21,224 / 22801.3

Q1 (1/31/10)

Asset Quality	Latest Data	Company Value	Prior Year	Index	Industry	Prior Year Rank	Index Rank	Industry Rank
Accounts Receivable to Sales	1/31/2010	0.93	0.73		0.15	79%		100%
Inventory to Cost of Goods Sold	1/31/2010	0.18	0.20		0.30	31%		8%
Long-term Return on Pension Assets	1/31/2010	0.08						
Other Assets to Total Assets	1/31/2010	0.14	0.14		0.14	44%		46%
Pension Liabilities to Total Assets	1/31/2010	-3.18		-1.58			34%	
PP&E (Gross) to Total Assets	1/31/2010							
Total Goodwill to Total Assets	1/31/2010	0.02	0.03					

## Formula to calculate ratio

### Accounts Receivable to Sales

#### Description and Relevance

This metric measures the portion of annual sales that is included in the current balance of accounts receivable. A high or increasing value may indicate uncollectible receivables and/or inappropriate revenue recognition practices. However, an adverse value may also result from normal business conditions (e.g., large legitimate sales at the end of the current period change in payment terms).

#### Formula

Receivables T / Sales TTM

Where:

Receivables = Trade receivables, net of allowances + Other receivables

T = Date of latest financial statements

TTM = Trailing twelve months through date of latest financial statements

Quarterly income statement data for Citigroup Inc. as provided by an established commercial data provider

**CITIGROUP INC - Income Statement Data**

Close

(Currency is displayed in U.S. millions)

	3/31/2010	12/31/2009	9/30/2009	6/30/2009	3/31/2009	12/31/2008	9/30/2008	6/30/2008	3/31/2008
Sales	31712.0000	21999.0000	25368.0000	25733.0000	31059.0000	16340.0000	29150.0000	30608.0000	27100.0000
Cost of Goods Sold		21129.0000	22820.0000	26701.0000	25090.0000	28623.0000	26879.0000	26396.0000	26218.0000
Gross Profit		870.0000	2548.0000	-968.0000	5969.0000	-12283.0000	2271.0000	4212.0000	882.0000
SG&A Expenses									
Operating Income (Before Depreciation)		870.0000	2548.0000	-968.0000	5969.0000	-12283.0000	2271.0000	4212.0000	882.0000
Depreciation & Amortization		1563.0000	431.0000	846.0000	13.0000	513.0000	543.0000	598.0000	812.0000
Operating Income									
Interest Expense		4382.0000	4382.0000	4002.0000	4809.0000	6520.0000	7811.0000	8269.0000	9879.0000
Non-Operating Income/ (Expense)		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Special Items	3.0000	-10018.0000	1736.0000	11110.0000	1382.0000	-12375.0000	-733.0000	-121.0000	737.0000
Pretax Income	5285.0000	-15093.0000	-529.0000	5294.0000	2529.0000	-31691.0000	-6816.0000	-4776.0000	-9072.0000
Income Tax Provision	1036.0000	-7353.0000	-1122.0000	907.0000	835.0000	-10698.0000	-3295.0000	-2447.0000	-3886.0000
Minority Interest	32.0000	71.0000	74.0000	-34.0000	-16.0000	-306.0000	-93.0000	72.0000	-16.0000
Net Income (Before Extra Items & Disc Ops)	4217.0000	-7811.0000	519.0000	4421.0000	1710.0000	-20687.0000	-3428.0000	-2401.0000	-5170.0000
Preferred Dividends	0.0000	187.0000	3343.0000	1549.0000	2559.0000	899.0000	389.0000	361.0000	83.0000
Net Income Available for Common	4217.0000	-7998.0000	-2824.0000	2872.0000	-849.0000	-21586.0000	-3817.0000	-2762.0000	-5253.0000
Savings Due to Common Stock Equivalents	0.0000	0.0000	0.0000	-82.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Adjusted Available for Common	4217.0000	-7998.0000	-2824.0000	2790.0000	-849.0000	-21586.0000	-3817.0000	-2762.0000	-5253.0000
Extraordinary Items	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Discontinued Operations	211.0000	232.0000	-418.0000	-142.0000	-117.0000	3424.0000	613.0000	-94.0000	59.0000
Adjusted Net Income	4428.0000	-7766.0000	-3242.0000	2648.0000	-966.0000	-18162.0000	-3204.0000	-2856.0000	-5194.0000

**CONSOLIDATED FINANCIAL STATEMENTS**

**CITIGROUP INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF INCOME (Unaudited)**

*Citigroup Inc. and Subsidiaries*

<i>In millions of dollars, except per share amounts</i>	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
<b>Revenues</b>				
Interest revenue	\$ 18,678	\$ 26,130	\$ 58,932	\$ 82,628
Interest expense	6,680	12,726	21,179	42,150
<b>Net interest revenue</b>	<b>\$ 11,998</b>	<b>\$ 13,404</b>	<b>\$ 37,753</b>	<b>\$ 40,478</b>
Commissions and fees	\$ 3,218	\$ 3,208	\$ 12,823	\$ 10,348
Principal transactions	1,660	(3,013)	5,763	(15,447)
Administration and other fiduciary fees	1,085	2,081	4,163	6,479
Realized gains (losses) on sales of investments	427	150	1,719	376
Other-than-temporary impairment losses on investments(1)				
Gross impairment losses	(2,453)	(755)	(6,161)	(1,239)
Less: Impairments recognized in OCI	1,741	—	4,006	—
Net impairment losses recognized in earnings	\$ (712)	\$ (755)	\$ (2,155)	\$ (1,239)
Insurance premiums	763	823	2,263	2,513
Other revenue	1,951	360	12,551	2,445
<b>Total non-interest revenues</b>	<b>\$ 8,392</b>	<b>\$ 2,854</b>	<b>\$ 37,127</b>	<b>\$ 5,475</b>
<b>Total revenues, net of interest expense</b>	<b>\$ 20,390</b>	<b>\$ 16,258</b>	<b>\$ 74,880</b>	<b>\$ 45,953</b>
<b>Provisions for credit losses and for benefits and claims</b>				
Provision for loan losses	\$ 8,771	\$ 8,943	\$ 30,919	\$ 21,503
Policyholder benefits and claims	324	274	964	809
Provision for unfunded lending commitments	—	(150)	195	(293)
<b>Total provisions for credit losses and for benefits and claims</b>	<b>\$ 9,095</b>	<b>\$ 9,067</b>	<b>\$ 32,078</b>	<b>\$ 22,019</b>
<b>Operating expenses</b>				
Compensation and benefits	\$ 6,136	\$ 7,544	\$ 18,730	\$ 24,798
Premises and equipment	1,035	1,342	3,209	3,983
Technology/communication	1,114	1,515	3,410	4,534
Advertising and marketing	317	496	1,002	1,713
Restructuring	(34)	8	(79)	(21)
Other operating	3,256	3,102	9,236	9,591
<b>Total operating expenses</b>	<b>\$ 11,824</b>	<b>\$ 14,007</b>	<b>\$ 35,508</b>	<b>\$ 44,598</b>
<b>Income (loss) from continuing operations before income taxes</b>	<b>\$ (529)</b>	<b>\$ (6,816)</b>	<b>\$ 7,294</b>	<b>\$ (20,664)</b>
Provision (benefit) for income taxes	(1,122)	(3,295)	620	(9,628)
<b>Income (loss) from continuing operations</b>	<b>\$ 593</b>	<b>\$ (3,521)</b>	<b>\$ 6,674</b>	<b>\$ (11,036)</b>
<b>Discontinued operations</b>				
Income (loss) from discontinued operations	\$ (204)	\$ 507	\$ (635)	\$ 898
Gain (loss) on sale	—	9	2	(508)
Provision (benefit) for income taxes	214	(97)	44	(188)
<b>Income (loss) from discontinued operations, net of taxes</b>	<b>\$ (418)</b>	<b>\$ 613</b>	<b>\$ (677)</b>	<b>\$ 578</b>
<b>Net income (loss) before attribution of noncontrolling interests</b>	<b>\$ 175</b>	<b>\$ (2,908)</b>	<b>\$ 5,997</b>	<b>\$ (10,458)</b>
Net Income (loss) attributable to noncontrolling interests	74	(93)	24	(37)
<b>Citigroup's net income (loss)</b>	<b>\$ 101</b>	<b>\$ (2,815)</b>	<b>\$ 5,973</b>	<b>\$ (10,421)</b>
<b>Basic earnings per share(2)</b>				
Income (loss) from continuing operations	\$ (0.23)	\$ (0.72)	\$ (0.10)	\$ (2.28)
Income (loss) from discontinued operations, net of taxes	(0.04)	0.11	(0.09)	0.11

<b>Net income (loss)</b>	<b>\$ (0.27)</b>	<b>\$ (0.61)</b>	<b>\$ (0.19)</b>	<b>\$ (2.17)</b>
<b>Weighted average common shares outstanding</b>	<b>12,104.3</b>	<b>5,341.8</b>	<b>7,629.6</b>	<b>5,238.3</b>
<b>Diluted earnings per share(2)</b>				
Income (loss) from continuing operations	\$ (0.23)	\$ (0.72)	\$ (0.10)	\$ (2.28)
Income (loss) from discontinued operations, net of taxes	(0.04)	0.11	(0.09)	0.11
<b>Net income (loss)</b>	<b>\$ (0.27)</b>	<b>\$ (0.61)</b>	<b>\$ (0.19)</b>	<b>\$ (2.17)</b>
<b>Adjusted weighted average common shares outstanding</b>	<b>12,216.0</b>	<b>5,831.1</b>	<b>8,045.7</b>	<b>5,727.9</b>

#### 4. INTEREST REVENUE AND EXPENSE

For the three- and nine-month periods ended September 30, 2009 and 2008, interest revenue and expense consisted of the following:

<i>In millions of dollars</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
<b>Interest revenue</b>				
Loan interest, including fees	\$ 11,601	\$ 15,528	\$ 36,385	\$ 47,883
Deposits at interest with banks	313	792	1,126	2,329
Federal funds sold and securities purchased under agreements to resell	728	2,215	2,407	7,751
Investments, including dividends	3,283	2,597	9,894	7,832
Trading account assets(1)	2,654	4,137	8,526	13,562
Other interest	99	861	594	3,271
<b>Total interest revenue</b>	<b>\$ 18,678</b>	<b>\$ 26,130</b>	<b>\$ 58,932</b>	<b>\$ 82,628</b>
<b>Interest expense</b>				
Deposits(2)	\$ 2,298	\$ 4,915	\$ 7,986	\$ 16,191
Federal funds purchased and securities loaned or sold under agreements to repurchase	772	2,721	2,807	9,559
Trading account liabilities(1)	43	285	220	1,064
Short-term borrowing	350	924	1,128	3,233
Long-term debt	3,217	3,881	9,038	12,103
<b>Total interest expense</b>	<b>\$ 6,680</b>	<b>\$ 12,726</b>	<b>\$ 21,179</b>	<b>\$ 42,150</b>
<b>Net interest revenue</b>	<b>\$ 11,998</b>	<b>\$ 13,404</b>	<b>\$ 37,753</b>	<b>\$ 40,478</b>
Provision for loan losses	8,771	8,943	30,919	21,503
<b>Net interest revenue after provision for loan losses</b>	<b>\$ 3,227</b>	<b>\$ 4,461</b>	<b>\$ 6,834</b>	<b>\$ 18,975</b>

- (1) Interest expense on trading account liabilities of the ICG is reported as a reduction of interest revenue for *Trading account assets*.
- (2) Includes FDIC deposit insurance fees and charges.

## 17. FAIR-VALUE MEASUREMENT

Effective January 1, 2007, the Company adopted ASC 820-10 (SFAS 157). ASC 820-10 (SFAS 157) defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements about fair-value measurements. Among other things, the standard requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. In addition, it precludes the use of block discounts when measuring the fair value of instruments traded in an active market; such discounts were previously applied to large holdings of publicly traded equity securities. It also requires recognition of trade-date gains related to certain derivative transactions whose fair value has been determined using unobservable market inputs. This guidance supersedes the guidance in Emerging Issues Task Force Issue No. 02-3, "Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management Activities" (EITF Issue 02-3), which prohibited the recognition of trade-date gains for such derivative transactions when determining the fair value of instruments not traded in an active market.

As a result of the adoption of the standard, the Company made some amendments to the techniques used in measuring the fair value of derivative and other positions. These amendments change the way that the probability of default of a counterparty is factored into the valuation of derivative positions, include for the first time the impact of Citigroup's own credit risk on derivatives and other liabilities measured at fair value, and also eliminate the portfolio servicing adjustment that is no longer necessary.

### Fair-Value Hierarchy

ASC 820-10 (SFAS 157) also specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair-value hierarchy:

- Level 1—Quoted prices for *identical* instruments in active markets.
- Level 2—Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable*.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible. The frequency of transactions, the size of the bid-ask spread and the amount of adjustment necessary when comparing similar transactions are all factors in determining the liquidity of markets and the relevance of observed prices in those markets.

### Determination of Fair Value

For assets and liabilities carried at fair value, the Company measures such value using the procedures set out below, irrespective of whether these assets and liabilities are carried at fair value as a result of an election whether they were previously carried at fair value.

When available, the Company generally uses quoted market prices to determine fair value and classifies such items in Level 1. In some cases where a market price is available, the Company will make use of acceptable practical expedients (such as matrix pricing) to calculate fair value, in which case the items are classified in Level 2.

If quoted market prices are not available, fair value is based upon internally developed valuation techniques that use, where possible, current market-based or independently sourced market parameters, such as interest rates, currency rates, option volatilities, etc. Items valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some significant inputs that are readily observable.

Where available, the Company may also make use of quoted prices for recent trading activity in positions with the same or similar characteristics to that being valued. The frequency and size of transactions and the amount of the bid-ask spread are among the factors considered in determining the liquidity of markets and the relevance of observed prices from those markets. If relevant and observable prices are available, those valuations would be classified as Level 2. If prices are not available, other valuation techniques would be used and the item would be classified as Level 3.

Fair-value estimates from internal valuation techniques are verified, where possible, to prices obtained from independent vendors

[Table of Contents](#)**Changes in Level 3 Fair-Value Category**

The following tables present the changes in the Level 3 fair-value category for the three months ended September 30, 2009 and December 31, 2008. The Company classifies financial instruments in Level 3 of the fair-value hierarchy when there is reliance on at least one significant unobservable input to the valuation model. In addition to these unobservable inputs, the valuation models for Level 3 financial instruments typically also rely on a number of inputs that are readily observable either directly or indirectly. Thus, the gains and losses presented below include changes in the fair value related to both observable and unobservable inputs.

The Company often hedges positions with offsetting positions that are classified in a different level. For example, the gains and losses for assets and liabilities in the Level 3 category presented in the tables below do not reflect the effect of offsetting losses and gains on hedging instruments that have been classified by the Company in the Level 1 and Level 2 categories. In addition, the Company hedges items classified in the Level 3 category with instruments also classified in Level 3 of the fair-value hierarchy. The effects of these hedges are presented gross in the following tables.

<i>In millions of dollars</i>	June 30, 2009	Net realized/ unrealized gains (losses) included in		Transfers in and/or out of Level 3	Purchases, issuances and settlements	Sept. 30, 2009	Unrealized gains (losses) still held(3)
		Principal transactions	Other(1)(2)				
<b>Assets</b>							
<b>Trading securities</b>							
<b>Trading mortgage-backed securities</b>							
U.S. government sponsored	\$ 1,244	\$ (71)	\$ —	\$ 127	\$ (138)	\$ 1,162	\$ (116)
Prime	623	(76)	—	(39)	(50)	458	(37)
Alt-A	777	18	—	(75)	(158)	562	18
Subprime	10,001	1,752	—	(515)	(1,480)	9,758	1,785
Non-U.S. residential	345	(3)	—	(142)	90	290	(3)
Commercial	2,808	(1)	—	114	(190)	2,731	2
<b>Total trading mortgage-backed securities</b>	<b>\$ 15,798</b>	<b>\$ 1,619</b>	<b>\$ —</b>	<b>\$ (530)</b>	<b>\$ (1,926)</b>	<b>\$ 14,961</b>	<b>\$ 1,649</b>
<b>U.S. Treasury and federal agencies securities</b>							
U.S. Treasury	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Agency obligations	49	9	—	5	16	79	9
<b>Total U.S. Treasury and federal agencies securities</b>	<b>\$ 49</b>	<b>\$ 9</b>	<b>\$ —</b>	<b>\$ 5</b>	<b>\$ 16</b>	<b>\$ 79</b>	<b>\$ 9</b>
<b>State and municipal</b>	<b>\$ 109</b>	<b>\$ (49)</b>	<b>\$ —</b>	<b>\$ 300</b>	<b>\$ 92</b>	<b>\$ 452</b>	<b>\$ (49)</b>
<b>Foreign government</b>	<b>590</b>	<b>24</b>	<b>—</b>	<b>(134)</b>	<b>(36)</b>	<b>444</b>	<b>4</b>
<b>Corporate</b>	<b>9,435</b>	<b>404</b>	<b>—</b>	<b>(764)</b>	<b>(446)</b>	<b>8,629</b>	<b>431</b>
<b>Equity securities</b>	<b>1,866</b>	<b>161</b>	<b>—</b>	<b>(899)</b>	<b>27</b>	<b>1,155</b>	<b>25</b>
<b>Other debt securities</b>	<b>16,846</b>	<b>1,133</b>	<b>—</b>	<b>(1,122)</b>	<b>(491)</b>	<b>16,366</b>	<b>1,018</b>
<b>Total trading securities</b>	<b>\$ 44,693</b>	<b>\$ 3,301</b>	<b>\$ —</b>	<b>\$ (3,144)</b>	<b>\$ (2,764)</b>	<b>\$ 42,086</b>	<b>\$ 3,087</b>
<b>Derivatives, net(4)</b>	<b>\$ 1,180</b>	<b>\$ (2,407)</b>	<b>\$ —</b>	<b>\$ (1,107)</b>	<b>\$ 2,866</b>	<b>\$ 532</b>	<b>\$ (3,064)</b>
<b>Investments</b>							
<b>Mortgage-backed securities</b>							
U.S. government sponsored	\$ 78	\$ —	\$ 1	\$ —	\$ (79)	\$ —	\$ 1
Prime	775	—	50	99	(51)	873	59
Alt-A	271	—	11	(114)	(101)	67	16
Subprime	17	—	—	2	—	19	—
Commercial	719	—	62	2	(19)	764	14
<b>Total investment mortgage-backed debt securities</b>	<b>\$ 1,860</b>	<b>\$ —</b>	<b>\$ 124</b>	<b>\$ (11)</b>	<b>\$ (250)</b>	<b>\$ 1,723</b>	<b>\$ 90</b>
<b>U.S. Treasury and federal agencies securities</b>							
U.S. Treasury	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Agency obligations	9	—	—	—	(5)	4	—
<b>Total U.S. Treasury and federal agencies securities</b>	<b>\$ 9</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (5)</b>	<b>\$ 4</b>	<b>\$ —</b>
<b>State and municipal</b>	<b>\$ 252</b>	<b>\$ —</b>	<b>\$ 2</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 254</b>	<b>\$ —</b>
<b>Foreign government</b>	<b>168</b>	<b>—</b>	<b>—</b>	<b>89</b>	<b>14</b>	<b>271</b>	<b>—</b>
<b>Corporate</b>	<b>1,688</b>	<b>—</b>	<b>3</b>	<b>(86)</b>	<b>(200)</b>	<b>1,405</b>	<b>\$ 5</b>

<b>Equity securities</b>	2,818	—	(15)	(22)	(239)	2,542	10
<b>Other debt securities</b>	8,429	—	523	(194)	(156)	8,602	454
<b>Non-marketable equity securities</b>	7,800	—	(40)	(8)	(106)	7,646	(226)
<b>Total investments</b>	<u>\$ 23,024</u>	<u>\$ —</u>	<u>\$ 597</u>	<u>\$ (232)</u>	<u>\$ (942)</u>	<u>\$ 22,447</u>	<u>\$ 333</u>

DEERE & COMPANY  
**STATEMENT OF CONSOLIDATED INCOME**  
**For the Years Ended October 31, 2009, 2008 and 2007**  
(In millions of dollars and shares except per share amounts)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Net Sales and Revenues</b>			
Net sales	\$ 20,756.1	\$ 25,803.5	\$ 21,489.1
Finance and interest income	1,842.1	2,068.4	2,054.8
Other income	514.2	565.7	538.3
Total	<u>23,112.4</u>	<u>28,437.6</u>	<u>24,082.2</u>
<b>Costs and Expenses</b>			
Cost of sales	16,255.2	19,574.8	16,252.8
Research and development expenses	977.0	943.1	816.8
Selling, administrative and general expenses	2,780.6	2,960.2	2,620.8
Interest expense	1,042.4	1,137.0	1,151.2
Other operating expenses	717.4	698.7	565.1
Total	<u>21,772.6</u>	<u>25,313.8</u>	<u>21,406.7</u>
<b>Income of Consolidated Group before Income Taxes</b>	1,339.8	3,123.8	2,675.5
Provision for income taxes	460.0	1,111.2	883.0
<b>Income of Consolidated Group</b>	879.8	2,012.6	1,792.5
Equity in income (loss) of unconsolidated affiliates	(6.3)	40.2	29.2
<b>Net Income</b>	<u>\$ 873.5</u>	<u>\$ 2,052.8</u>	<u>\$ 1,821.7</u>
<b>Per Share Data</b>			
Net Income - basic	\$ 2.07	\$ 4.76	\$ 4.05
Net Income - diluted	\$ 2.06	\$ 4.70	\$ 4.00
Dividends declared	\$ 1.12	\$ 1.06	\$ .91
<b>Average Shares Outstanding</b>			
Basic	422.8	431.1	449.3
Diluted	424.4	436.3	455.0

The notes to consolidated financial statements are an integral part of this statement.

ITEM 1. FINANCIAL STATEMENTS  
DEERE & COMPANY  
STATEMENT OF CONSOLIDATED INCOME  
For the Three Months Ended January 31, 2010 and 2009  
(In millions of dollars and shares except per share amounts) Unaudited

	2010	2009
<b>Net Sales and Revenues</b>		
Net sales	\$ 4,237.3	\$ 4,560.2
Finance and interest income	467.2	466.6
Other income	130.3	119.1
Total	<u>4,834.8</u>	<u>5,145.9</u>
<b>Costs and Expenses</b>		
Cost of sales	3,205.5	3,542.5
Research and development expenses	235.7	219.4
Selling, administrative and general expenses	642.1	638.9
Interest expense	218.5	274.5
Other operating expenses	168.7	196.8
Total	<u>4,470.5</u>	<u>4,872.1</u>
<b>Income of Consolidated Group</b>		
<b>before Income Taxes</b>	364.3	273.8
Provision for income taxes	109.9	73.5
<b>Income of Consolidated Group</b>	<u>254.4</u>	<u>200.3</u>
Equity in income (loss) of unconsolidated affiliates	(8.8)	3.7
<b>Net Income</b>	<u>245.6</u>	<u>204.0</u>
Less: Net income attributable to noncontrolling interests	2.4	.1
<b>Net Income Attributable to Deere &amp; Company</b>	<u>\$ 243.2</u>	<u>\$ 203.9</u>
<b>Per Share Data</b>		
Basic	\$ .57	\$ .48
Diluted	\$ .57	\$ .48
<b>Average Shares Outstanding</b>		
Basic	423.6	422.5
Diluted	427.5	423.7

See Condensed Notes to Interim Financial Statements.

DEERE & COMPANY  
CONDENSED CONSOLIDATED BALANCE SHEET  
(In millions of dollars) Unaudited

	January 31 2010	October 31 2009	January 31 2009
<b>Assets</b>			
Cash and cash equivalents	\$ 5,043.3	\$ 4,651.7	\$ 5,004.1
Marketable securities	206.4	192.0	230.5
Receivables from unconsolidated affiliates	38.4	38.4	45.3
Trade accounts and notes receivable - net	3,120.5	2,616.9	3,475.4
Financing receivables - net	14,686.7	15,254.7	13,379.3
Restricted financing receivables - net	2,603.9	3,108.4	3,268.9
Other receivables	774.5	864.5	688.8
Equipment on operating leases - net	1,613.1	1,733.3	1,543.7
Inventories	2,752.5	2,397.3	3,836.6
Property and equipment - net	4,424.8	4,532.2	4,149.4
Investments in unconsolidated affiliates	220.4	212.8	213.7
Goodwill	1,010.1	1,036.5	1,241.0
Other intangible assets - net	130.6	136.3	152.0
Retirement benefits	124.0	94.4	1,131.8
Deferred income taxes	2,750.2	2,804.8	1,419.9
Other assets	1,281.3	1,458.4	1,559.2
<b>Total Assets</b>	<b>\$ 40,780.7</b>	<b>\$ 41,132.6</b>	<b>\$ 41,339.6</b>
<b>Liabilities and Stockholders' Equity</b>			
Short-term borrowings	\$ 7,679.4	\$ 7,158.9	\$ 9,333.2
Payables to unconsolidated affiliates	77.4	55.0	118.6
Accounts payable and accrued expenses	4,777.3	5,371.4	5,524.5
Deferred income taxes	155.4	167.3	166.2
Long-term borrowings	17,090.6	17,391.7	16,574.7
Retirement benefits and other liabilities	6,014.6	6,165.5	3,062.7
Total liabilities	35,794.7	36,309.8	34,779.9
Commitments and contingencies (Note 12)			
Common stock, \$1 par value (issued shares at January 31, 2010 – 536,431,204)	3,040.1	2,996.2	2,968.2
Common stock in treasury	(5,540.8)	(5,564.7)	(5,582.7)
Retained earnings	11,105.0	10,980.5	10,666.1
Accumulated other comprehensive income (loss)	(3,624.7)	(3,593.3)	(1,496.7)
Total Deere & Company stockholders' equity	4,979.6	4,818.7	6,554.9
Noncontrolling interests	6.4	4.1	4.8
Total stockholders' equity	4,986.0	4,822.8	6,559.7
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 40,780.7</b>	<b>\$ 41,132.6</b>	<b>\$ 41,339.6</b>

# Learning a New Language

## The Impact of XBRL on Accounting Research and Data Analytics

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### Exercise 4: Company “extensions”, the good and the bad

As you have seen in the mapping exercise, there are instances when the US GAAP taxonomies do not contain an element that accurately capture the nature of a financial statement line item or footnote reported by a company.

This exercise will revisit the judgment that companies must use when creating extension elements for their XBRL-formatted financial statements.

In this exercise you will be provided with three company names. For each company you will need to identify both the percentage of extensions elements used in the company’s most recent XBRL-formatted financial statements as well as the number of extension elements used.

Additionally for each filing select one extension element for further analysis. Consider if that extension element appears to be appropriate. Refer back to Exercise 1 for a refresh on how to search the US GAAP taxonomies viewer.

Company 1 – 3M Co, filing date – 5/5/2010

Company 2 – Goldman Sachs, filing date – 5/10/2010

Company 3 – Harley Davidson, filing date – 2/23/2010

In order to perform this exercise you can utilize the listing of XBRL submissions available on the XBRL Cloud website. XBRL Cloud is a vendor website that provides analysis of XBRL data submitted to the SEC.

The site can be accessed at [www.xbrlcloud.com](http://www.xbrlcloud.com) and follow the instructions below.

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**Disclaimer:** The information provided in this report should not be used to evaluate the quality of the XBRL filings or the effectiveness of XBRL software, filers, filing agents, printers, or other service providers.

The percentage extended is in a column near the far right.

#	Company Name	CIK	SIC	Form Type	Filing Date	Detail	EDGAR Filing Manual What's this?						U S GAAP Architecture Information Model What's this?						Percent Extended	
							E	W	C	P	I	=	[Table]			[Calculation]				=
													E	P	I	P	I			
1	3M CO	0000066740	3841	10-K	2010-02-16	<a href="#">Detail</a>	0	0	0	0	2	2	0	0	1	2	0	2	4%	<a href="#">XML</a>
2	3M CO	0000066740	3841	10-Q	2010-05-05	<a href="#">Detail</a>	0	0	0	2	4	12	0	0	1	2	0	10	2%	<a href="#">XML</a>

To access a detail listing of the extension elements used, click on the XML link next to the right of the percentage extended. This will open a window of XBRL source code.

For example, below is an extension element for a footnote (text block). The first row lists the element name (computer readable), followed by the label (human readable), definition and fact count – or number of times this element was used in the XBRL-formatted financial statements.

```

- <concept>
  <qname>mmm:BalanceSheetSupplementalDisclosuresTextBlock</qname>
  <standard-label>Balance Sheet Supplemental Disclosures [Text Block]</standard-label>
  <documentation>This provides disclosure of supplemental balance sheet information, such
    more detail on what is included in other balance sheet accounts, such as other current
    liabilities.</documentation>
  <fact-count>1</fact-count>
</concept>

```