

XBRL INTERNATIONAL, INC.

**FINANCIAL REPORT
JUNE 30, 2010**

XBRL INTERNATIONAL, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Steering Committee
XBRL International, Inc.

We have audited the accompanying statements of financial position of XBRL International, Inc. (a nonprofit corporation) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects the financial position of XBRL International, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Curchin Group

THE CURCHIN GROUP, LLC

Red Bank, New Jersey
September 27, 2010

THE CURCHIN GROUP LLC

ASSURANCE SERVICES :: TAX :: FINANCIAL PLANNING :: BUSINESS ADVISORY

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XBRL INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS	<u>2010</u>	<u>2009</u>
CURRENT ASSETS:		
Cash and equivalents	\$ 624,658	\$ 712,954
Dues receivable	332,680	364,131
Contributions receivable	50,000	-
Co-sponsorship conference fees receivable, net of allowance	9,595	154,854
Investments	16,800	114,730
Prepaid expenses and other assets	<u>11,080</u>	<u>6,656</u>
Total Current Assets	1,044,813	1,353,325
Property and equipment, net of accumulated depreciation of \$1,167 and \$700, respectively	<u>233</u>	<u>700</u>
	<u>\$ 1,045,046</u>	<u>\$ 1,354,025</u>
 LIABILITIES AND NET ASSETS 		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 45,255	\$ 178,255
Unearned dues	297,423	267,136
Reserve - jurisdictional direct participants	4,500	4,500
Co-sponsorship conference fees payable	37,438	11,391
Deferred compensation	<u>24,845</u>	<u>17,558</u>
Total Liabilities	409,461	478,840
Net assets - unrestricted	<u>635,585</u>	<u>875,185</u>
	<u>\$ 1,045,046</u>	<u>\$ 1,354,025</u>

See accompanying notes to financial statements.

XBRL INTERNATIONAL, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
SUPPORT AND REVENUE:		
Dues income	\$ 636,012	\$ 757,975
Co-sponsorship conference fee	106,464	298,726
Contributions	100,000	-
Consulting services	-	2,187
Interest income	2,503	11,341
Unrealized (loss) on investments	<u>1,893</u>	<u>(3,104)</u>
 Total Support and Revenue	 <u>846,872</u>	 <u>1,067,125</u>
EXPENSES:		
Program services:		
Salaries and benefits	698,735	612,891
XBRL EU funding	36,125	40,000
Meeting expense	92,040	139,180
Professional and commercial fees	1,514	163,938
Depreciation and amortization	467	1,292
Web site maintenance	22,087	38,987
Meals and entertainment	16,929	3,554
Consulting fees	94,732	30,419
Marketing and communications	-	3,159
Supporting services:		
Legal and accounting fees	71,704	81,636
Insurance expense	12,785	11,060
Office, telephone and sundry	22,627	22,639
Bank charges	10,891	6,723
Bad debt	<u>5,836</u>	<u>10,000</u>
 Total Expenses	 <u>1,086,472</u>	 <u>1,165,478</u>
 CHANGE IN UNRESTRICTED NET ASSETS	 (239,600)	 (98,353)
 UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	 <u>875,185</u>	 <u>973,538</u>
 UNRESTRICTED NET ASSETS, END OF YEAR	 <u>\$ 635,585</u>	 <u>\$ 875,185</u>

See accompanying notes to financial statements.

XBRL INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in unrestricted net assets	\$ (239,600)	\$ (98,353)
Adjustments to reconcile change in nets assets to net cash flows from operating activities:		
Depreciation and amortization	467	1,292
Bad debt	(10,000)	10,000
Deferred compensation	7,287	9,391
Unrealized (gain) loss on investments	(1,893)	3,104
Changes in operating assets and liabilities:		
Dues receivable	31,451	(26,985)
Contributions receivable	(50,000)	-
Co-sponsorship conference fees receivable	155,259	(93,557)
Prepaid expenses and other assets	(4,424)	(1,094)
Accounts payable	(133,000)	102,118
Unearned dues	30,287	43,268
Reserve - jurisdictional direct participants	-	4,500
Co-sponsorship conference fees payable	<u>26,047</u>	<u>(106,293)</u>
Net cash flows from operating activities	<u>(188,119)</u>	<u>(152,609)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(177)	(717,834)
Sale of investments	<u>100,000</u>	<u>600,000</u>
Net cash flows from investing activities	<u>99,823</u>	<u>(117,834)</u>
NET CHANGE IN CASH AND EQUIVALENTS	(88,296)	(270,443)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>712,954</u>	<u>983,397</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 624,658</u>	<u>\$ 712,954</u>

See accompanying notes to financial statements.

XBRL INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009

NOTE 1 - NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of the Organization – XBRL International, Inc. (the “Corporation”) was incorporated in the state of Delaware in 2007. The Corporation is a global consortium of about 550 of the world’s leading technology, accounting, financial services and regulatory organizations devoted to developing and promoting the adoption of the eXtensible Business Reporting Language (“XBRL”) as a global standard.

XBRL is a royalty-free, open specification. It is designed to benefit everyone involved in the preparation or collection of business information by utilizing a platform independent, standards-based method with which users can prepare, publish in a variety of formats, exchange and analyze business reports and the information they contain. It can be used to express a wide range of reports and disclosures for both internal and external reporting purposes. Business reporting includes, but is not limited to, financial statements, financial information, non-financial information, general ledger transactions and regulatory filings such as annual and quarterly accounting, tax and industry reports.

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations are classified as unrestricted net assets.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Corporation and/or the passage of time are classified as temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. When temporarily restricted net assets are received and the restriction expires in the same reporting period, these assets are classified as unrestricted. There were no temporarily restricted net assets at June 30, 2010 and 2009.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Corporation are classified as permanently restricted net assets. Generally, the donors of these assets permit the Corporation to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted net assets at June 30, 2010 and 2009.

Cash Equivalents – The Corporation considers money market funds and highly liquid investments with maturities of three months or less to be cash equivalents.

Investments – Investments are stated at fair value based upon quoted market price from various national exchanges.

Equipment – Equipment is stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which is three years for computer and office equipment.

XBRL INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009

NOTE 1 - NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Concentration of Credit Risk – The Corporation closely monitors the extension of credit to the membership while maintaining allowances for potential credit losses. Membership is located in several countries throughout the world. On a periodic basis, the Corporation evaluates its dues receivable and co-sponsorship fees receivable and establishes an allowance for doubtful accounts based on its history of past write-offs and collections and current credit considerations.

Financial instruments which potentially subject the Corporation to significant concentrations of credit risk consist principally of cash and investments with various financial institutions. These institutions are located throughout New Jersey, and the Corporation's policy is to limit exposure to any one institution. At times, cash balances may exceed insured limits.

Dues Income – Dues are recognized as support and revenue during the applicable membership period.

Co-sponsorship Conference Fee Income – The Corporation co-sponsors with international countries to achieve networking, educational and outreach goals. The Corporation shares revenue with the jurisdictional countries under various revenue splits.

Tax Exempt Status – The Corporation is a qualified tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code and is exempt from Federal and State income taxes.

In 2009, the Corporation adopted FASB ASC 740-10-05, *Accounting for Uncertainty in Income Taxes*. Under this standard, reporting entities utilize different recognition thresholds and measurement requirements than in prior FASB pronouncements. Accordingly, the Corporation would recognize tax benefits from uncertain tax positions only if it is more likely than not that a tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. There was no cumulative effect on the Corporation resulting from the adoption of this new accounting principle. Management has determined that there are no unrecognized tax benefits that will significantly increase or decrease over the next twelve months, nor has the Corporation incurred any interest or penalties related to income tax expense during the year ended June 30, 2010.

Advertising – Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2010 and 2009 were \$0 and \$3,159, respectively.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Subsequent Events – The Corporation has evaluated events and transactions for potential recognition or disclosure through September 27, 2010, which is the date the financial statements were available to be issued.

XBRL INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009

NOTE 2 - INVESTMENTS:

Investments consist of the following:

	2010		2009	
	Cost	Market Value	Cost	Market Value
Mutual funds	\$18,000	\$16,800	\$ 17,834	\$ 14,730
Certificate of deposit	-	-	<u>100,000</u>	<u>100,000</u>
	<u>\$18,000</u>	<u>\$16,800</u>	<u>\$117,834</u>	<u>\$114,730</u>

NOTE 3 - FAIR VALUE MEASUREMENTS:

Financial Accounting Standards Board Statement Codification ASC No. 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Statement Codification ASC No. 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active market;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2010.

Common Stock, Corporate Bonds and U.S. Government Securities – Value at the closing price reported on the active market on which the individual securities are traded.

XBRL INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED):

Mutual Funds – Valued at the net asset value (NAV) of shares held by the plan at year end.

Collective Investment Trust – Valued at fair value by discounting the related cash flow based on current yields or similar instruments with comparable durations considering the credit-worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Corporation's assets at fair value at June 30:

	<u>Fair Value</u>	<u>Fair Value Measurement at Reporting Date Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>June 30, 2010:</u>				
Mutual funds	<u>\$16,800</u>	<u>\$16,800</u>	<u>\$ -</u>	<u>\$ -</u>
<u>June 30, 2009:</u>				
Mutual funds	<u>\$14,730</u>	<u>\$14,730</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 - RETIREMENT PLAN:

The Corporation established a Safe Harbor 401(k) Profit Sharing Plan in July 2007 which covers all of the Corporation's U.S. based employees. Employees become eligible after turning the age of twenty-one and serving twelve months of service to the Corporation. Employees may contribute a portion of their compensation subject to federal law limits.

The Corporation matches 100% of the employees' contribution up to 3% of compensation, plus 50% of the portion of the employee's 401(k) contribution between 3% and 6% of compensation.

At June 30, 2010 and 2009, the Corporation made matching contributions to the plan in the amounts of \$6,397 and \$4,620, respectively.

XBRL INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009

NOTE 5 - DEFERRED COMPENSATION PLAN:

The Corporation adopted the XBRL International, Inc. Executive Retention Long-Term Deferred Compensation Plan (the "Plan"), effective December 31, 2007, pursuant to the provisions of Section 457 of the Internal Revenue Code of 1986, as amended.

The Plan currently provides benefits for the Chief Executive Officer only, however, there are provisions to include other management and highly compensated associates where needed.

Under the Plan, the Corporation accrues an amount equal to the dollar amount specified under Section 457(e)(15) less any matching contributions made under the Corporation Safe Harbor 401(k) plan.

The deferred compensation plan is currently unfunded; therefore, benefits are paid from the general assets of the Corporation. The total of deferrals, reflected in long-term liabilities, was \$24,845 and \$17,558 at June 30, 2010 and 2009, respectively. The participant contributions are deposited into a restricted account as chosen by the employee. All resulting income or losses to the restricted account shall be allocated to each participant.