

XBRL INTERNATIONAL, INC.
(A Nonprofit Corporation)

REPORT ON FINANCIAL STATEMENTS

**YEAR ENDED JUNE 30, 2003 AND THE PERIOD
FROM OCTOBER 1, 2001 (COMMENCEMENT
OF OPERATIONS) TO JUNE 30, 2002**

XBRL INTERNATIONAL, INC.
(A Nonprofit Corporation)

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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, 2003 and 2002, and the related statements of activities and cash flows for the year ended June 30, 2003 and the period from October 1, 2001 (commencement of operations) to June 30, 2002. 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 audit 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, 2003 and 2002, and the changes in its net assets and cash flows for the year ended June 30, 2003 and the period from October 1, 2001 (commencement of operations) to June 30, 2002, in conformity with accounting principles generally accepted in the United States of America.

J.H. Cohn LLP

Roseland, New Jersey
August 1, 2003

XBRL INTERNATIONAL, INC.
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2003 AND 2002

<u>ASSETS</u>	<u>2003</u>	<u>2002</u>
Cash	\$261,398	
Dues receivable, net of allowance of \$2,500	148,100	\$245,167
Co-sponsorship conference fees receivable	45,804	26,069
Prepaid expenses and other assets	<u>16,188</u>	
Total current assets	471,490	<u>271,236</u>
 Web site development costs, net of accumulated amortization of \$15,062	 <u>94,063</u>	 <u> </u>
Totals	<u>\$565,553</u>	<u>\$271,236</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 33,323	\$ 65,008
Unearned dues	111,665	109,584
Due to related party	<u>158,125</u>	<u>80,847</u>
Total liabilities	303,113	255,439
 Net assets - unrestricted	 <u>262,440</u>	 <u>15,797</u>
Totals	<u>\$565,553</u>	<u>\$271,236</u>

See Notes to Financial Statements.

XBRL INTERNATIONAL, INC.
(A Nonprofit Corporation)

STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2003 AND THE PERIOD FROM OCTOBER 1, 2001
(COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2002

	<u>2003</u>	<u>2002</u>
Changes in unrestricted net assets:		
Support and revenue:		
Dues income	\$321,923	\$208,777
Co-sponsorship conference fee	87,844	13,625
Contributed services	<u>33,251</u>	
Total support and revenue	<u>443,018</u>	<u>222,402</u>
Expenses:		
Program services:		
Salaries and benefits	77,700	54,840
Contributed services	10,251	
Meeting expense	13,264	6,695
Professional and commercial fees	3,006	85,120
Amortization	15,062	
Web site maintenance	10,356	
Tradeshaw expense	13,780	
Supporting services:		
Legal and accounting fees	44,526	59,950
Insurance expense	7,903	
Sundry	<u>527</u>	
Total expenses	<u>196,375</u>	<u>206,605</u>
Change in unrestricted net assets	246,643	15,797
Net assets, beginning of period	<u>15,797</u>	<u>-</u>
Net assets, end of period	<u>\$262,440</u>	<u>\$ 15,797</u>

See Notes to Financial Statements.

XBRL INTERNATIONAL, INC.
(A Nonprofit Corporation)

STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2003 AND THE PERIOD FROM OCTOBER 1, 2001
(COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2002

	<u>2003</u>	<u>2002</u>
Operating activities:		
Change in net assets	\$246,643	\$ 15,797
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	15,062	
Changes in operating assets and liabilities:		
Dues receivable	97,067	(245,167)
Co-sponsorship conference fees receivable	(19,735)	(26,069)
Prepaid expenses and other assets	(16,188)	
Accounts payable	(31,685)	65,008
Unearned dues	2,081	109,584
Due to related party	<u>77,278</u>	<u>80,847</u>
Net cash provided by operating activities	370,523	-
Investing activities - change in web site development costs	<u>(109,125)</u>	<u>-</u>
Net increase in cash	261,398	-
Cash, beginning of period	<u>-</u>	<u>-</u>
Cash, end of period	<u>\$261,398</u>	<u>\$ -</u>

See Notes to Financial Statements.

XBRL INTERNATIONAL, INC.
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization:

XBRL International, Inc. (the "Corporation") is a global consortium of over 200 of the world's leading companies, associations and government agencies devoted to developing and promoting the adoption of eXtensible Business Reporting Language ("XBRL") as a global standard. The Corporation is developing XBRL for the preparation and exchange of business reports and data.

XBRL is an XML-based framework that allows businesses to prepare, exchange and analyze financial statements and the information they contain.

Note 2 - Summary of significant accounting policies:

Accounting method:

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash:

The Corporation maintains its cash investments with creditworthy, high quality financial institutions. These bank deposits may, at times, exceed Federally insured limits. At June 30, 2003, the Corporation has cash balances in excess of Federally insured limits of approximately \$161,000.

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.

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NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (concluded):

Web site development costs:

The Corporation accounts for costs incurred in connection with the development of its web site in accordance with Statement of Position 98-1, "Accounting for Costs of Computer Software Developed or Obtained for Internal Use" and Emerging Issues Task Force Issue No. 00-2. "Accounting for Web Site Development Costs." Accordingly, all costs incurred in planning the development of a web site are expensed as incurred. Costs, other than general and administrative and overhead costs, incurred in the web site application and infrastructure development stage, which involves acquiring or developing hardware and software to operate the web site, are capitalized. Fees paid to an Internet service provider for hosting a web site on its server(s) connected to the Internet are expensed over the estimated period of benefit. Other costs incurred during the operating stage, such as training, administration and maintenance costs, are expensed as incurred. Costs incurred during the operating stage for upgrades and enhancements of a web site are capitalized if it is probable that they will result in added functionality. Capitalized web site development costs are amortized on a straight-line basis over their estimated useful life.

Contributed services:

The Corporation recognizes contribution revenue for certain contributed services received from a related party consistent with an annual agreement dated April 1, 2003. The revenue is recognized at the fair value of those services, which included organizational support valued at \$10,251 for the year ended June 30, 2003.

In addition, the Corporation received contribution revenue from an outside source for services relating to the web site development. The fair value of those services is \$23,000 for the year ended June 30, 2003.

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 sharing agreement is 80% to the Corporation and 20% to the jurisdictional country unless otherwise stated.

Income taxes:

The Corporation is exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code.

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NOTES TO FINANCIAL STATEMENTS

Note 3 - Related party transactions:

The Corporation receives one-third of the XBRL-US membership dues collections as organizational support from a related party on behalf of XBRL-US. Approximately \$140,000 and \$102,000 of such dues are included in dues income for the year ended June 30, 2003 and the period from October 1, 2001 (commencement of operations) to June 30, 2002, respectively. At June 30, 2003 and 2002, the Corporation owed a related party approximately \$158,000 and \$81,000, respectively.

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