

XBRL International, Inc.
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2004 AND 2003

(in dollars)

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 459,406	\$ 261,398
Dues receivable, net of allowance of \$12,445 and \$2,500	168,377	148,100
Co-sponsorship conference fees receivable	20,322	45,804
Prepaid expenses and other assets	12,527	16,188
Total current assets	<u>660,632</u>	<u>471,490</u>
Web site development costs, net of accumulated amortization of \$30,125 and \$15,062	63,938	94,063
Totals	<u>\$ 724,570</u>	<u>\$ 565,553</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 26,564	\$ 33,323
Unearned dues	113,811	111,665
Due to AICPA	85,454	158,125
Total liabilities	<u>225,829</u>	<u>303,113</u>
Net assets - unrestricted	<u>498,741</u>	<u>262,440</u>
Totals	<u>\$ 724,570</u>	<u>\$ 565,553</u>

See Notes to Financial Statements

**XBRL International, Inc.
(A Nonprofit Corporation)**

**STATEMENTS OF ACTIVITIES
JUNE 30, 2004 AND 2003**

(in dollars)

	<u>2004</u>	<u>2003</u>
Changes in unrestricted net assets:		
Support and revenue:		
Dues income	\$ 342,108	\$ 321,923
Co-sponsorship conference fee	116,224	87,844
Contributed services	76,589	33,251
Sponsorship Income	38,333	
Interest income	5,283	
Total support and revenue	<u>578,537</u>	443,018
Expenses:		
Program Services:		
Salaries and benefits	110,534	77,700
Contributed services	76,589	10,251
Meeting expense	14,547	13,264
Professional and commercial fees	6,262	3,006
Amortization	30,125	15,062
Web site maintenance	27,565	10,356
Tradeshaw expense		13,780
Provision for bad debts	12,445	
Supporting services:		
Legal and accounting fees	13,336	44,526
Consulting fees	27,000	
Insurance expense	20,014	7,903
Meals and entertainment	2,589	
Sundry	1,230	527
Total expenses	<u>342,236</u>	196,375
Change in unrestricted net assets	<u>236,301</u>	246,643
Net assets, beginning of year	<u>262,440</u>	15,797
Net assets, end of year	<u>\$ 498,741</u>	<u>\$ 262,440</u>

See Notes to Financial Statements

**XBRL International, Inc.
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**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2004 AND 2003**

(in dollars)

	<u>2004</u>	<u>2003</u>
Operating Activities:		
Change in unrestricted net assets	\$ 236,301	\$ 246,643
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	30,125	15,062
Changes in operating assets and liabilities:		
Dues receivable	-20,277	97,067
Co-sponsorship conference fees receivable	25,482	-19,735
Prepaid expenses and other assets	3,661	-16,188
Accounts payable	-6,759	-31,685
Unearned dues	2,146	2,081
Due to AICPA	-72,671	77,278
Net cash provided by operating activities	<u>198,008</u>	370,523
Investing activities - web site development costs		<u>-109,125</u>
Net increase in cash and cash equivalents	198,008	261,398
Cash and cash equivalents, beginning of year	<u>261,398</u>	
Cash and cash equivalents, end of year	<u>\$ 459,406</u>	<u>\$ 261,398</u>

See Notes to Financial Statements

**XBRL International, Inc.
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization:

XBRL International, Inc. (the "Corporation") is a global consortium of over 250 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 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, nonfinancial information, general ledger transactions and regulatory filings such as annual and quarterly accounting, tax and industry reports.

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.

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.

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 including the services of the President received from the American Institute of Certified Public Accountants (the "AICPA") consistent with an annual agreement dated April 1, 2003, which was renewed for one year on April 1, 2004. The revenue is recognized at the fair value of those services, which included organizational support valued at \$76,589 and \$10,251 for the years ended June 30, 2004 and 2003, respectively.

During 2003, the Corporation received contribution revenue from an outside source for services relating to the web site development. The fair value of those services was \$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.

Note 3: Significant transactions:

The Corporation receives one-third of the XBRL-US membership dues collections as organizational support from the AICPA on behalf of XBRL-US. Approximately \$127,000 and \$140,000 of such dues are included in dues income for the years ended June 30, 2004 and 2003, respectively. At June 30, 2004 and 2003, the Corporation owed the AICPA approximately \$85,000 and \$158,000, respectively. Salaries and benefits include approximately \$85,000 and \$78,000 of charges from the AICPA for payroll and employee benefits for the years ended June 30, 2004 and 2003, respectively.

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, 2004 and 2003, 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 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, 2004 and 2003, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/
J.H.
Cohn

Roseland, New Jersey

August 16, 2004
