# Understanding Why Many SEC XBRL Financial Filing Disclosures are Hard to Read

This document walks the reader through why many SEC XBRL financial filings are a challenge to read. Basically, representing information incorrectly is most often the cause of hard to read representations. Other times rendering engines impacts readability. Being able to sort these moving pieces out is helpful in understanding how to represent financial information digitally using XBRL.

Premises and Equipment (Detail) (USD					12 Mon	ths Ended	
\$) In Thousands, unless otherwise specified	Sep. 30, 2013	Sep. 30, 2012	Sep. 30, 2013 Office Building	Sep. 30, 2013 Leasehold Improvements Minimum	Sep. 30, 2013 Leasehold Improvements Maximum	Sep. 30, 2013 Furniture, Fixtures and Equipment Minimum	Sep. 30, 2013 Furniture, Fixtures and Equipmen Maximum
Property, Plant and Equipment [Line Items]							
Office Building	\$ 11,608	\$ 11,508					
Leasehold improvements	1,341	1,234					
Furniture, fixtures and equipment	9,174	9,641					
Property, Plant and Equipment, Gross, Total	22,123	22,383					
Accumulated depreciation	(12,215)	(12,303)					
Premises and equipment, net	\$ 9,908	\$ 10,080					
Property, plant and equipment, useful life			40 years	7 years	31 years	5 years	10 years

Consider this disclosure from a public company who filed with the SEC:

The above information can be seen in the SEC Interactive Viewer by clicking on the link below and then navigating to the "Notes Detail" section on the left and then to the "Premises and Equipment (Detail)" subsection:

http://www.sec.gov/cgi-bin/viewer?action=view&cik=1391137&accession\_number=0001193125-13-482166&xbrl\_type=v#

Below is what the disclosure looks like in the HTML version of their financial filing:

Note 6 - Premises and Equipment, net

Premises and equipment at September 30, 2013 and 2012 are summarized by major classification as follows:

	Septem	ber 30,	
(in thousands)	2013	2012	Life
Office Building	\$ 11,608	\$ 11,508	40 Years
Leasehold improvements	1,341	1,234	7-31 Years
Furniture, fixtures and equipment	9,174	9,641	5-10 Years
	22,123	22,383	
Accumulated depreciation	(12,215)	(12,303)	
	\$ 9,908	\$ 10,080	

You can get to the HTML version by using this link:

http://www.sec.gov/Archives/edgar/data/1391137/000119312513482166/d587032d10k.htm

A third party tool for viewing SEC XBRL financial filings is provided by the software vendor XBRL Cloud. I prefer to use that viewer to walk through this analysis because the viewer is easier to read and because you can get to the details of every piece of the report. If you wanted to use that resource you need a subscription to XBRL Cloud and then you could follow along by going to this link:

# https://eri.xbrlcloud.com/edgar-report-information/rest/entities/0001391137/filings/0001193125-13-482166/components/6928276/rendering

## Here is what the disclosure looks like in the XBRL Cloud viewer:

#### Rendering

Component: (N	etwork and Table)
	1077 - Disclosure - Premises and Equipment (Detail) (http://www.baltcosavings.com/taxonomy/role/DisclosurePremisesAndEquipment)
Table	Property, Plant and Equipment [Table]

# Slicers (applies to each fact value in each table cell) Reporting Entity [Axis] 0001391137 (http://www.sec.gov/CIK) Legal Entity [Axis] Entity [Domain]

				Period [/	Axis]								
			2012- 2013-	10-01 - 09-30			2012-09-30						
		Property Plant And Equipment By Type [Axis]											
	Office Building [Member]	Improv	ehold rements mber]	And Eq	e Fixtures uipment nber]	Property Plant And Equipment Type [Domain]	Property Plant And Equipment Type [Domain]						
	Range [Axis]	Range	e [Axis]	Range	[Axis]	Range [Axis]	Range [Axis]						
Property, Plant and Equipment [Line Items]	Range [Member]		Maximum [Member]		Maximum [Member]	Range [Member]	Range [Member]						
Office Building						11,608,000	11,508,000						
Leasehold improvements						1,341,000	1,234,000						
Furniture, fixtures and equipment						9,174,000	9,641,000						
Property, Plant and Equipment, Gross, Total						22,123,000	22,383,000						
Accumulated depreciation						(12,215,000)	(12,303,000)						
Premises and equipment, net						9,908,000	10,080,000						
Property, plant and equipment, useful life	P40Y	P7Y	P31Y	P5Y	P10Y								

### Notice the following

First, the creator of this representation chose to combine the breakdown of the components of property, plant and equipment and the estimated useful lives of property, plant, and equipment into the same disclosure. This is likely because that is the way the information is presented in their HTML disclosure. However, because the characteristics of the two disclosures are different; combining them causes two things. First, it causes a lot of empty cells in the disclosure. Second, it makes both disclosures harder to read.

Contrast that to the following two separate disclosures shown below. These are from separate companies, but it makes the point. Simply separating the two disclosures makes both disclosures easier to read:

Here is the estimated useful lives disclosure:

Reporting Entity [Axis]	0001308711 (http://www.sec.gov/CIK)
Period [Axis]	2012-01-01 - 2012-12-31

		Property, Plant and Equipment, Type [Axis]														
	Commercial Real Estate [Member]	Hotel [Member]		provements mber]	Land Improvements [Member]	and Eq	e, Fixtures uipment mber]	Leasehold Improvements [Member]								
	Range [Axis]	Range [Axis]	Range	e [Axis]	Range [Axis]	Range	e [Axis]	Range [Axis]								
Real Estate	Range [Domain]	Range [Domain]	Minimum [Member]	Maximum [Member]	Range [Domain]	Minimum [Member]	Maximum [Member]	Range [Domain]								
Estimated useful lives	P25Y	P39Y	P7Y	P25Y	P15Y	P5Y	P7Y	P99Y								

Here is the components of property, plant, and equipment disclosure:

Reporting Entity [Axis]	0001444310 (http	://www.sec.gov/CIk								
Scenario [Axis]	Scenario, Unspecified [Domain]									
	Period [Axis]									
Statement [Line Items]	2013-07-31	2012-07-31								
Furniture and fixture	27,634	27,635								
Machinery and equipment	26,305	25,229								
Software	359,417	359,417								
Leasehold Improvements	5,985	5,985								
Property, Plant and Equipment, Gross	419,341	418,266								
Accumulated depreciation	(404,140)	(397,953)								
Property and equipment, net	15,201	20,313								

Notice how each is easier to read simply by separating the disclosures into two logical pieces rather then combining them.

A second reason for the hard to read disclosure is the representation is fundamentally flawed. If you look closely at the disclosure you see that the filer represented the components of PPE using both concept and as [Member]s of an [Axis].

				Period [/	Axis]								
			2012-09-30										
		Property Plant And Equipment By Type [Axis]											
	Office Building [Member]	Leas Improv	ehold rements mber]	Furniture And Equ		Property Plant	By Type [Axis] Property Plant And Equipment Type [Domain]						
	Range [Axis]	Range	e [Axis]	Range	[Axis]	Range [Axis]	Range [Axis]						
Property, Plant and Equipment [Line Items]	Range [Member]		Maximum [Member]		Maximum [Member]	Range [Member]	Range [Member]						
Office Building						11,608,000	11,508,000						
Leasehold improvements						1,341,000	1,234,000						
Furniture, fixtures and equipment						9,174,000	9,641,000						
Property, Plant and Equipment, Gross, Total						22,123,000	22,383,000						
Accumulated depreciation						(12,215,000)	(12,303,000)						
Premises and equipment, net						9,908,000	10,080,000						
Property, plant and equipment, useful life	P40Y	P7Y	P31Y	P5Y	P10Y								

Now, either of those two approaches if fine, however COMBINING the approaches in the same representation is fundamentally flawed and contributes to a hard to read representation of the financial information.

In the example below, the filer represented the PPE components separately from the estimated useful lives and the filer used a representation approach where the components of PPE are expressed using the [Member]s of an [Axis]:

Reporting Entity [	Axis]				(http://www.sec.	.gov/CIK)													
		Period [Axis]																	
		201	2-12-31			201	1-12-31												
	Prop	erty, Plant and	d Equipmen	t, Type [Axi	is]	Property, Plant and Equipment, Type [Axis]													
Property, Plant and Equipment [Line Items]	Leasehold Improvements [Member]	Technology Equipment [Member]	Furniture and Fixtures [Member]	Tools, Dies and Molds [Member]	Property, Plant and Equipment, Type [Domain]	Leasehold Improvements [Member]	Technology Equipment [Member]	Furniture and Fixtures [Member]	Tools, Dies and Molds [Member]	Property, Plant and Equipment, Type [Domain]									
Summary of Property and equipment, net																			
Property and equipment, Gross	20,501	315,243	108,878	253,976	698,598	20,501	302,390	108,878	215,806	647,575									
Less: accumulated depreciation and amortization					(432,461)					(340,135)									
Property and equipment, net					266,137					307,440									

https://eri.xbrlcloud.com/edgar-report-information/rest/entities/0000006494/filings/0001145443-13-000876/components/5481471/rendering

In this example, the filer uses an approach where the components of PPE are expressed as concepts:

Slicers (applies to each fact value in each table cell)		
Reporting Entity [Axis]	0000750574 (http	://www.sec.gov/C
	Period	[Axis]
Premises and Equipment	2012-12-31	2011-12-31
Premises and Equipment		
Property, Plant and Equipment, Net, by Type [Abstract]		
Land	4,983,000	4,983,000
Buildings and Improvements	9,110,000	7,784,000
Furniture, Fixtures, And Equipment	3,132,000	3,200,000
Total Premises and Equipment	17,225,000	15,967,000
Less: Accumulated Depreciation and Equipment	(6,697,000)	(6,622,000)
Premises and equipment, net	10,528,000	9,345,000

https://eri.xbrlcloud.com/edgar-report-information/rest/entities/0000750574/filings/0001193125-13-122456/components/5431663/rendering Either of these approaches is logical. There are pros and cons to each approach. Sometimes a filer can pick between the two different options. Other times filers are locked into one option by how they represented something else in their filing. Combining both options in the same report component is never appropriate.

An extreme example of what combining too many disclosures together into one representation:

	t kethe		Months Ended			12 Months Ended	0 Marsha	1 Martin	3 Months Evaluat	4 Months	0 Marche	Ended						2 Mirchs Ende	<b>i</b> (		12 Manthe	 12 Martha	12 Bloritha Ended		1 Months Ended		1 Munitive Ended	12 Months Ended							1
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Annual increase in consumer price index																							303.025			2.58%									
semult rapits expenditures related in tround facilities per located and																							42												
A share received a per constant see																																			
Total required capital expenditures during remaining lease term																							17.751.00												
Letters of credit security depend for a																							4 551.00												
None Number of Iconsed warring bods		3.538																																	
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Tatal cast of reglacement facility																									7,792,000										
Renovation funding amount																											1003 000	30.000.00	0						
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starra																22.746.000																			
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Non-current receivables for variant compensation policy		1,258,008	750,000																																
Professional Lability insurance, annual coverage kmil per facility																			3.000.00	90															
Liability for workers compensation claims		257,008																																	
Workers compensation insurance, non- current inconveniently occase provincing		101.000																																	
Heads insurance, watchum self-resured arrowd arrowd per individual		175.000																																	
Liability for reported claims and antimulter. for incurred but unexported claims																			879.00	90															
Salary multiple		2																																	
Maximum contrigant Ratellity		3,095,000																																	
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Research period his mighture agreements Severance and other costs	19	**						1258.008																											
Amount received per month per commuting agreement								1254.008		24,892																									
See salary							452.00				225.000	275.890																							
Reserved and alter expenses									\$ 258.000																										
Number of legal actions																																			
Number of purported collective action					7																														
Period that the defendents breached them a database and contractual obligations	1985																																		
Percentage of Litil pelient and residential						30.80% 62.20																													
INVESTIGATION OF CONTRACT OF CONTRACT.																																			

http://www.xbrlsite.com/2014/ScreenShots/ReallyBadRepresentation.jpg

Here is a link to this filing. In the SEC Interactive Data viewer go to the "Notes Details", and then "Commitments and Contingencies (Narrative) (Details)". <u>http://www.sec.gov/cgi-bin/viewer?action=view&cik=919956&accession\_number=0001445305-13-000523&xbrl\_type=v#</u>

And here is the HTML version of the filing:

http://www.sec.gov/Archives/edgar/data/919956/000144530513000523/0001445305-13-000523index.htm

That disclosure is impossible to read and comprehend. Like I said, it is an extreme example. Notice all the white space, the empty cells. That is a clue that the representation is not correct.

Generally, if disclosures are represented correctly they are easy to read and understand. If the rendering engine is not very good, that can cause issues in reading a digital representation of the information.