

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.

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

Premises and Equipment (Detail) (USD \$) In Thousands, unless otherwise specified	12 Months Ended						
	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 Equipment 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

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:

(in thousands)	September 30,		Life
	2013	2012	
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)	
	<u>\$ 9,908</u>	<u>\$ 10,080</u>	

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: (Network and Table)	
Network	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]

Property, Plant and Equipment [Line Items]	Period [Axis]					
	2012-10-01 - 2013-09-30					2012-09-30
	Property Plant And Equipment By Type [Axis]					Property Plant And Equipment By Type [Axis]
	Office Building [Member]	Leasehold Improvements [Member]	Furniture Fixtures And Equipment [Member]	Property Plant And Equipment Type [Domain]	Property Plant And Equipment Type [Domain]	Property Plant And Equipment Type [Domain]
	Range [Axis]	Range [Axis]	Range [Axis]	Range [Axis]	Range [Axis]	Range [Axis]
	Range [Member]	Minimum [Member] Maximum [Member]	Minimum [Member] Maximum [Member]	Range [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]	Building Improvements [Member]		Land Improvements [Member]	Furniture, Fixtures and Equipment [Member]		Leasehold Improvements [Member]
	Range [Axis]	Range [Axis]	Range [Axis]		Range [Axis]	Range [Axis]		Range [Axis]
	Range [Domain]	Range [Domain]	Minimum [Member]	Maximum [Member]	Range [Domain]	Minimum [Member]	Maximum [Member]	Range [Domain]
Real Estate								
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]

Statement [Line Items]	Period [Axis]	
	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 than 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]					
	2012-10-01 - 2013-09-30					2012-09-30
	Property Plant And Equipment By Type [Axis]					Property Plant And Equipment By Type [Axis]
	Office Building [Member]	Leasehold Improvements [Member]	Furniture Fixtures And Equipment [Member]		Property Plant And Equipment Type [Domain]	Property Plant And Equipment Type [Domain]
Property, Plant and Equipment [Line Items]	Range [Axis]	Range [Axis]	Range [Axis]	Range [Axis]	Range [Axis]	Range [Axis]
	Range [Member]	Minimum [Member] Maximum [Member]	Minimum [Member] Maximum [Member]	Range [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 is 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]:

Slicers (applies to each fact value in each table cell)

Reporting Entity [Axis]	0000006494 (http://www.sec.gov/CIK)
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Property, Plant and Equipment [Line Items]	Period [Axis]									
	2012-12-31					2011-12-31				
	Property, Plant and Equipment, Type [Axis]					Property, Plant and Equipment, Type [Axis]				
	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/CIK)
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Premises and Equipment	Period [Axis]	
	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>

