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UNIVERSITY OF  
SOUTH FLORIDA

# Accounting Conference

Oct. 27-28, 2011 • Tampa



# Class Act

**IFCPA**

# University of South Florida Accounting Conference

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### Thursday, October 27, 2011

8:00am-8:50am	<a href="#"><u>Economic Market Outlook 2011 .....</u></a> 1 Daniel A. Morgan, MBA Vice President & Portfolio Manager/Synovus Trust Company
8:50am-9:40am	<a href="#"><u>Fair Value for Financial Reporting .....</u></a> 19 Michael J. Mard, CPA/ABV/CFF, ASA Principal/The Financial Valuation Group
9:55am-11:35am	<a href="#"><u>GAAP and IASB Update .....</u></a> 32 Edward W. Trott, CPA, MBA Former Boardmember of FASB
11:35am-12:25pm	<a href="#"><u>The SEC and Dodd-Frank.....</u></a> 49 Curt P. Creely, Esq Partner/Foley & Lardner LLP and Brian M. Zophin, CPA Partner/Cherry, Bekaert & Holland, LLP
12:25am-1:25pm	<b>Lunch</b>
1:25pm-2:15pm	<a href="#"><u>Real Estate Update: The Economy and Proposed Accounting Changes .....</u></a> 67 Lee Arnold, Jr., CCIM, CRE Chairman of the Board & CEO/Colliers International and Robert A. Busch, CFF, CITP, CPA Partner/Cherry, Bekaert & Holland, LLP
2:15pm-3:05pm	<a href="#"><u>Technology: What You Need to Know.....</u></a> 78 Uday Murthy, MD, ACA Professor & Quinn Eminent Scholar/USF, School of Accountancy

3:20pm-4:10pm [Tax Implications of Health Care Reform.....](#) 93  
Scott Buchanan, MBA, CPA  
President & CEO/Human Resources, Inc

4:10pm-5:00pm [Auditing Standards Update.....](#) 106  
Ralph Nach, CPA  
Senior Advisor/AuditSense, LLC

### Friday, October 28, 2011

8:00am-8:50am [Estate Planning for the Florida Accountant.....](#)109  
G. Ryan Huston, Ph.D., CPA  
Assistant Professor/University of South Florida School of Accountancy

8:50am-9:40am [PCI Compliance: Current Issues and Trends.....](#) 120  
Brandon Lowther, CISSP, PCI-QSA, GIAC  
Associate Director/Protiviti Consulting

9:55am-10:45am [The Role of the Accounting Profession in the Financial Crisis:  
Where Does the Profession Go From Here? .....](#) 129  
Gary L. Holstrum, Ph.D., CPA, CFE, CFF  
Consultant, Audit & Acct. Litigation/Gary Holstrum Consulting

10:45am-11:35am [SBA Program and Regulatory Updates .....](#) 144  
Jack Barrett  
President & CEO/First Citrus Bank  
and  
Brian Lamb  
Market President (Tampa Bay)/Fifth Third Bank

11:35am-12:35pm **Lunch**

12:35pm-1:25pm [Panel: Work Life Balance: Where Does  
Your Life Fit Into Your Work? .....](#) 157  
William G. Cummings, CPA, PFS  
President/Cummings Financial Organization, Inc  
And  
Lissette Baker  
Partner/Vaco  
And  
Marissa Fassino  
Intern/Accell Audit and Compliance

1:25pm-2:25pm [How to Make the Best Out of the XBRL Situation .....](#)163  
Robert M. Willis, CPA  
Partner/PricewaterhouseCoopers LLP

2:40pm-3:30pm [Fraud Detection: How to See it Coming .....](#)186  
Gary B. Jordan, CPA, CIA  
Senior VP and Chief Auditor/Primerica

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# ***Economic Market Outlook 2011***

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*Daniel A. Morgan, MBA*

**Daniel Morgan**  
Vice President  
Portfolio Manager  
Synovus Trust Company

Daniel Morgan is a Vice President & Senior Portfolio Manager with twenty-three years of experience in investment management. Daniel earned a BS degree in Business from the University of Florida and an MBA in Finance from the University of Miami. Prior to joining Synovus Trust Company, he served as senior portfolio manager at Noble Capital Management. Daniel started his career with Kidder Peabody on Wall Street in 1987. Daniel works with a team of investment professionals that manages assets in excess of \$3.5 billion.

In addition to his extensive experience as a Portfolio Manager, Daniel makes regular appearances on major financial television networks, including: CNBC's "Wake Up Call", "Street Signs", "Squawk Box", "Closing Bell" and "Power Lunch", CNN's "Money Line", PBS's "Nightly Business Report", Bloomberg's "Financial News", CNNfn's "New Economy Watch", FOX's "Your Turn", PAX's "Money Watch TV", and WXEL-CH42 "Wealth & Wisdom". He also is a frequent guest on nationally broadcast radio stations, such as "National Public Radio", San Francisco's "BizNews1" and Boston's "WBIX-1260".

His market comments appear in national recognized financial publications that include: Wall Street Journal, Barrons, New York Times, Investor's Business Daily, Los Angeles Times, Dow Jones News Wire, Reuters, Boca Raton News, Miami Herald, Palm Beach Post, St. Petersburg Times, Tampa Business Journal, Today's Investor, Dick Davis Digest, Bull & Bear's Monetary Digest, Business Week, South Florida Business Journal, Your Money, Daily Business Review, Investor's Digest, Sun Sentinel, RadioWallStreet.com, Zacks Research.com, StockHouse.com, Bloomberg, and TheStreet.com. Daniel gives economic outlook presentations throughout the Southeast and is an approved speaker for the Florida Institute of CPA's and the Georgia Society of CPA's. Daniel is currently working in the Atlanta office and can be reached by phone at 678-302-1114.

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## Synovus Trust Company, N.A.

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Vice President  
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## Synovus Financial Corp. Organizational Overview

*The expertise you need.*

*From the people you know.*

**Synovus is a partner you can trust:**

- A respected group of affiliated banks and financial firms
- As of December 31<sup>st</sup> 2010, Synovus had the strength of more than \$30 billion in assets to customers in more than 328 offices throughout Georgia, Alabama, South Carolina, Florida and Tennessee
- A company-wide focus on people—consistently ranking us among the 100 best places to work by Fortune magazine
- A complete array of financial management and banking services
- A heritage of fiduciary responsibility dating back to 1888
- Committed to designing the right solution for every client



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## Synovus Trust Company. N.A.

*An individualized approach to managing your trust's investments*

**Your Synovus portfolio manager:**

- Helps to design an asset allocation that is shaped by your goals for your trust and your family
- Provides focused guidance to help you find the right investments for your needs
- Monitors your portfolio, making changes as appropriate to help ensure your goals are met



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## Today's Special Guest Speaker - Daniel Morgan



- Daniel Morgan, Portfolio Manager at Synovus Trust Company N.A., and Financial Consultant with Synovus Securities Inc., has worked in the investment industry since 1987. He makes regular appearances on major financial television networks, including: CNBC's *Power Lunch*, *Squawk Box*, *Street Signs*, *Closing Bell* and *Wake Up Call*, CNN's *Money Line*, PBS's *Nightly Business Report*, and Bloomberg's *Financial News*. His market comments appear in nationally recognized financial publications, including: *The Wall Street Journal*, *Barrons*, *New York Times*, *Los Angeles Times* and *Investor's Business Daily*.

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- "The budget should be balanced, the Treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and the assistance to foreign lands should be curtailed lest Rome become bankrupt. People must again learn to work, instead of living on public assistance."

Cicero - 55 BC

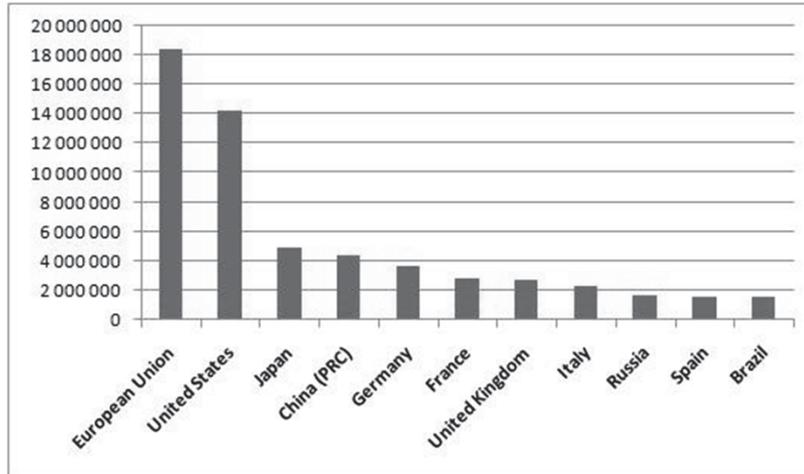
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## Today's Economy and Financial Markets

- **Economy**
  - 2Q11 GDP +1.0%
  - 1H11 GDP +0.8%
  - 2Q11 Consumer Spending +0.1%
  - Consumer Price Index (August y/y) +3.8%
  - Oil per Barrel \$89
  - Unemployment Rate (July) 9.1%
  - Underemployment Rate (July) 16.1%
  - Private Payrolls +17,000
  - Number of Jobs Lost Since Recession 8.7 Million
- **Federal Reserve Policy**
  - Fed's tightening cycle is tied to a Recovery in the Housing Market, which is contingent on Job Growth!
  - Jobless Recovery!!! Current Economic Growth of 1.5% - 2% is not enough to substantially lower the National Unemployment Rate! The Economy needs to produce at least 140,000 new jobs a month to just keep up with population growth.
  - The likelihood of a QE3 is dwindling! With the recent pick up in CPI, +3.6% a YoY.
- **Stock Market**
  - Even though Large Multi-national Companies are Reporting Record Profit Growth, the Disconnect Between the Recent Run Up in the Stock Market and the Domestic Economy is Narrowing!
- **Double Dip Recession?**
  - With Economic Growth in the 1H2011 of just .8%, coupled with a slowdown in Government Consumption to just 1.1%, the possibility of another Recession is Rising!
  - Double Dip Recessions are extremely rare. There have been only two episodes that could be considered double dips in the US - the recessions of 1937 and 1981. The first occasion was triggered by the premature tightening of fiscal policy by President Roosevelt. The second was result of Paul Volker raising the fed funds rate to a record high of 20% to combat inflation.

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## World's Major Economies Gross Domestic Product

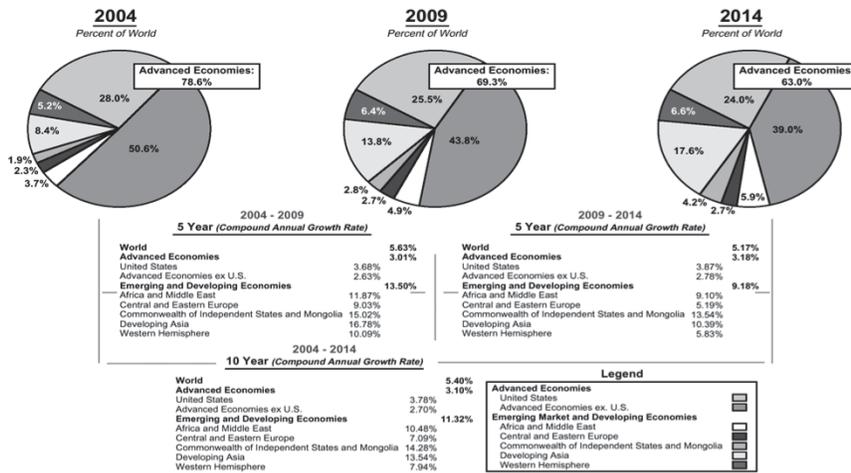


Source: International Monetary Fund 2008

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## World Economies - Share and Growth

Gross Domestic Product in U.S. Dollars



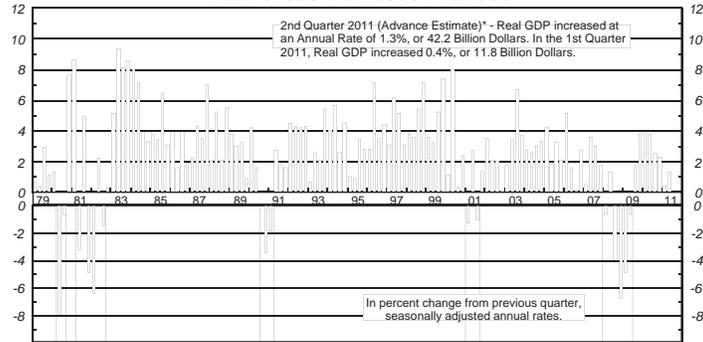
Data: Year-end Gross Domestic Product, current prices, in U.S. Dollars; 2009 and 2014 data are estimates. Due to rounding, share numbers may not equal 100%.

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### Real Gross Domestic Product



\*Data Released July 29, 2011

Shaded areas represent recessionary periods.

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### Easy Money Didn't Spur Growth

Annual growth rates of private GDP<sup>®</sup>, net exports and producer prices

	Real GDP	Government GDP	Private GDP	Contribution of net exports	Producer prices
2009 Q3	1.7%	0.3%	1.4%	-0.6%	3.5%
2009 Q4	3.8	-0.2	4.0	0.2	6.1
2010 Q1	3.9	-0.3	4.2	-1.0	7.4
2010 Q2	3.8	0.8	3.0	-1.9	0.3
2010 Q3	2.5	0.2	2.3	-0.7	1.1
2010 Q4	2.3	-0.6	2.9	1.4	6.5
2011 Q1	0.4	-1.2	1.6	-0.3	12.6
2011 Q2	1.3	-0.2	1.5	0.6	7.7
Average	2.5	-0.15	2.6	-0.3	5.7

<sup>®</sup>Private GDP=Real GDP-Government GDP

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics

\*\*\* Government Stimulus Spending in 2011 will be \$650 Billion, but will slow to \$400 billion in 2012. This gap is equivalent to 1.6 percentage points of GDP!!!

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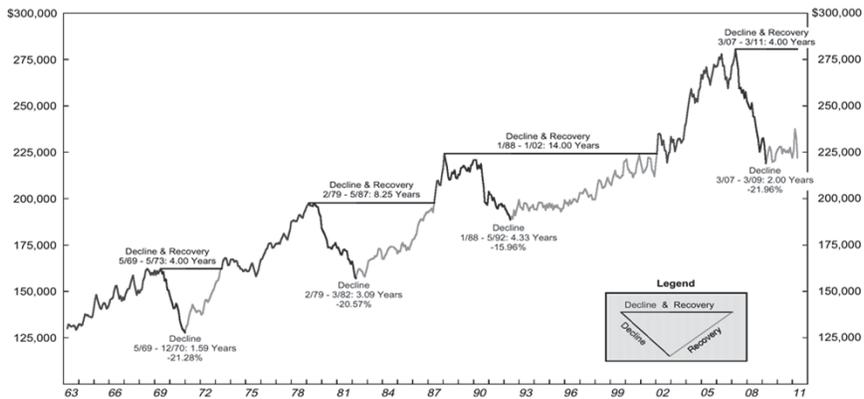
## Changes in Economic Indicators!

	January 2009	Today	Change	
Dow Jones Industrial Average	9,034	10,849	+20.1%	2
10-Year U.S. Government Treasury Bond Yield	3.08%	2.46%	-.20%	2
U.S. Gross Domestic Product (1Q), in trillions	14.075	15.010	+6.6%	7
National Debt, in trillions	\$10.627	\$14.052	+32.2%	8
Avg. Retail price/gallon gas in U.S.	\$1.83	\$3.81	+108%	1
Gold: London (per troy oz.)	\$853.25	\$1,369.50	+107%	2
Corn, No.2 yellow, Central IL	\$3.56	\$7.20	+102%	2
Sugar, cane, raw, world, lb. Fob	\$13.37	\$27.49	+105%	2
Unemployment rate, non-farm, overall	7.6%	9.1%	+19.7%	3
Number of unemployed	11,616,000	14,485,000	+24.7%	3
Number of Federal Government Employees	2,779,000	2,840,000	+2.2%	3
Number of food stamp recipients	31,983,716	43,595,794	+36.3%	5
Number of unemployment benefit recipients	7,526,598	9,193,838	+22.2%	6
Number of long-term unemployed	2,600,000	6,400,000	+146%	3
People in poverty in U.S.	39,800,000	43,600,000	+9.5%	4

Sources: (1) U.S. Energy Information Administration; (2) Wall Street Journal; (3) Bureau of Labor Statistics; (4) Census Bureau; (5) USDA; (6) U.S. Dept. Of Labor; (7) U.S. Department of Commerce; (8) U.S. Treasury

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### Median New Home Sales Prices - Adjusted for Inflation Declines & Recoveries



The compound annual rate for Inflation-Adjusted Median New Home Sales Prices, 3/31/63 through 3/31/11 (48.00 Years), was 1.12%.  
Data: Monthly Median New Home Sales Prices, adjusted for inflation (Consumer Price Index), 3 month moving average, March 2011 dollars

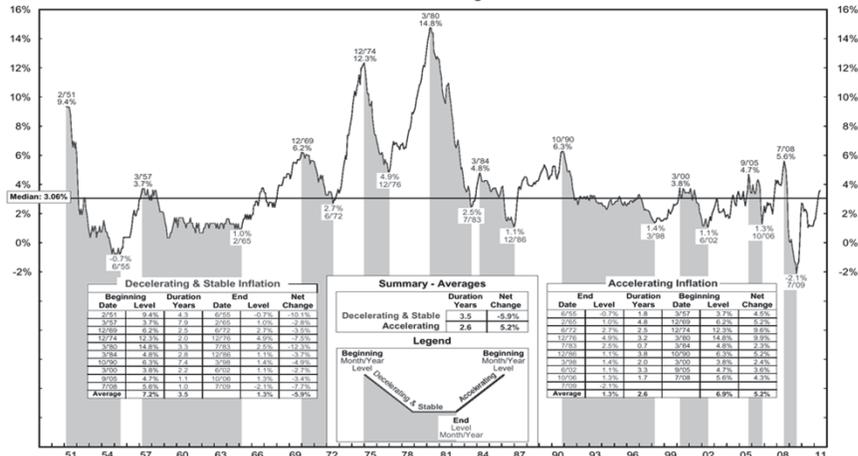
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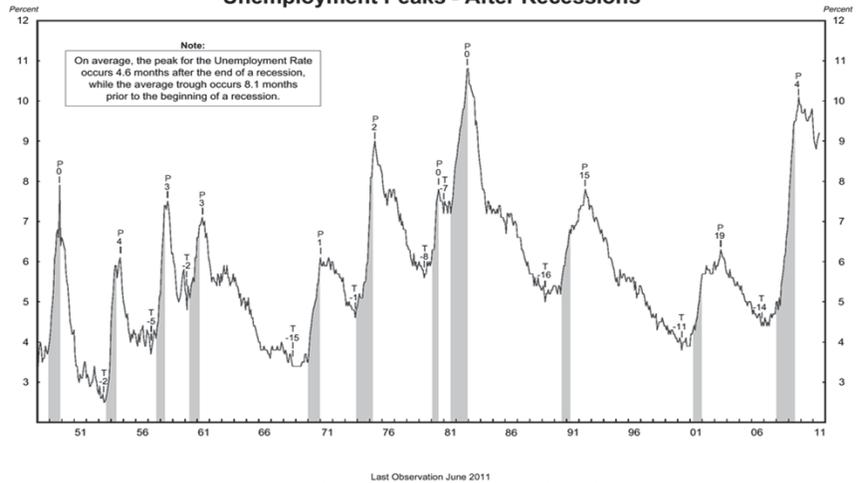
### Inflation Momentum The Consumer Price Index Annual Rates: 1950 through June 2011



Data: Rolling 1 Year percentage changes using monthly data (738 Observations)  
 Criteria: Decelerating & Stable / Accelerating - Minimum net change of -1.5% / +1.5%, minimum duration of 6 consecutive observations  
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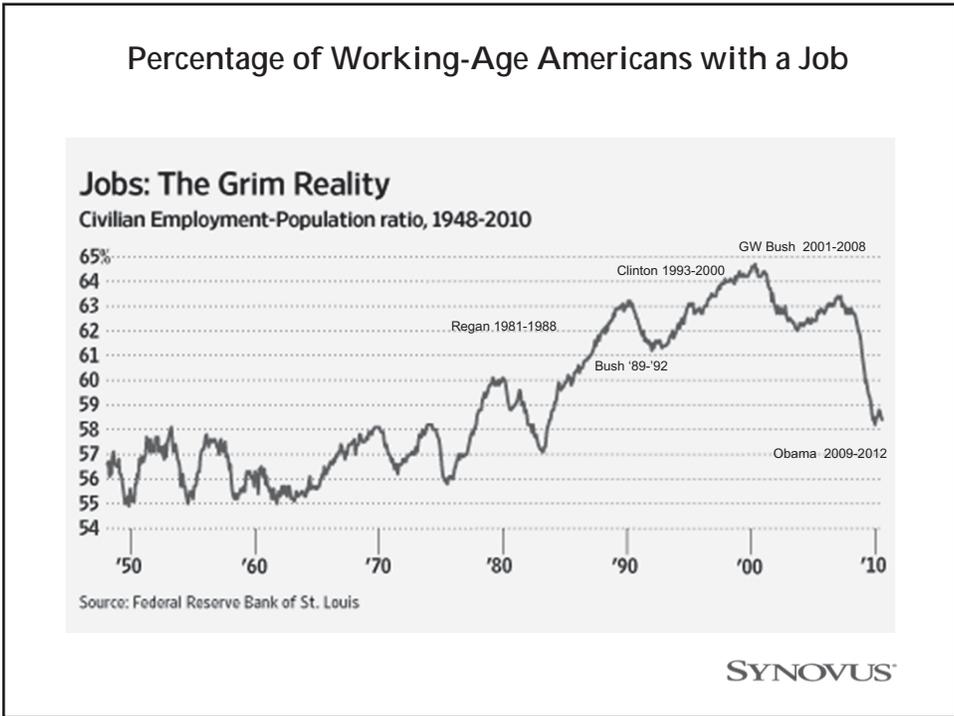
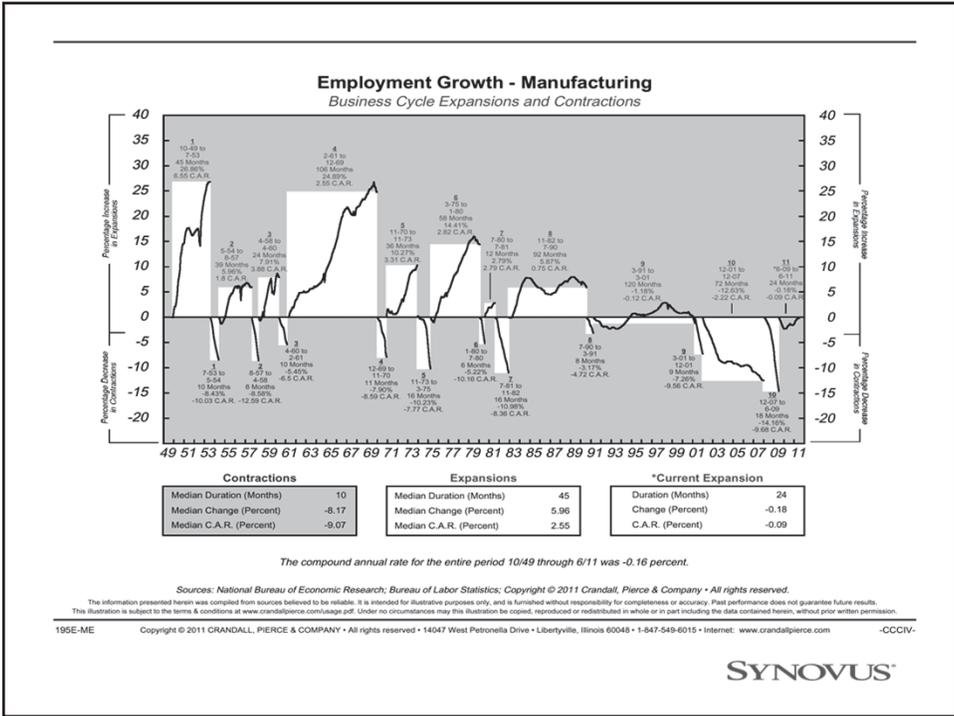


### Unemployment Peaks - After Recessions

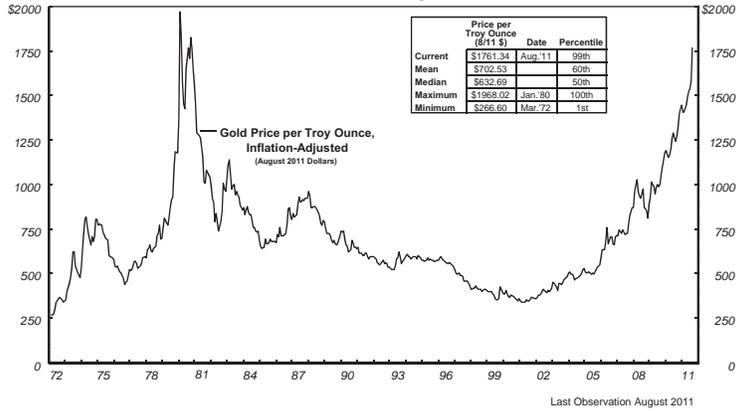


Last Observation June 2011  
 The shaded areas represent recessionary periods as defined by the National Bureau of Economic Research. T or P signifies the actual peak or trough for the series.  
 Negative numbers signify months prior to the NBER recession peak. Positive numbers signify months after the NBER recession trough.  
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### Gold Price Perspective



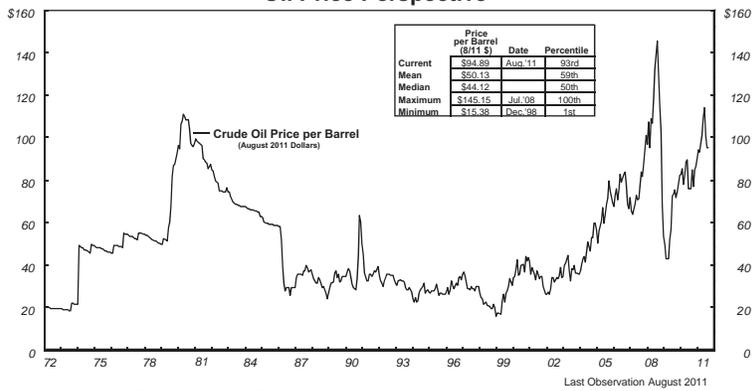
Note: Percentiles are relative to all prices back to January 1972.  
 Line: Gold Price per Troy Ounce (Engelhard Industrial Bullion, Monthly Average) adjusted by inflation (Consumer Price Index)

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### Oil Price Perspective



**A \$10 drop in oil prices creates 0.5% increase in global economic output.**

Note: Percentiles are relative to all prices back to January 1972.  
 Line: Crude Oil Price per Barrel ( West Texas Intermediate, First of Month ) adjusted by inflation (Consumer Price Index)

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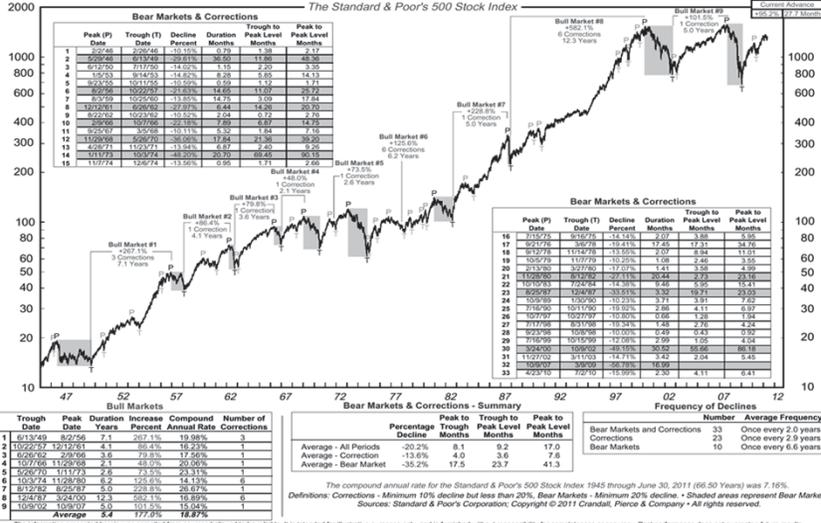
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## Bulls, Bears & Corrections

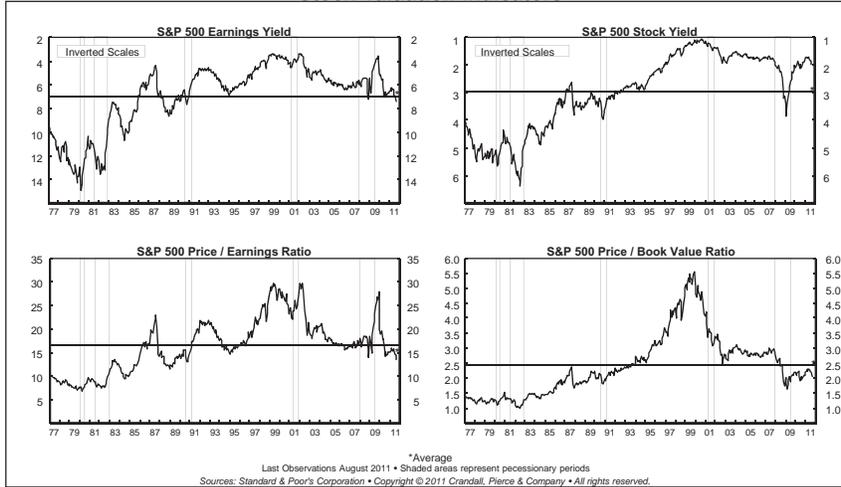
### Frequency, Magnitude and Duration



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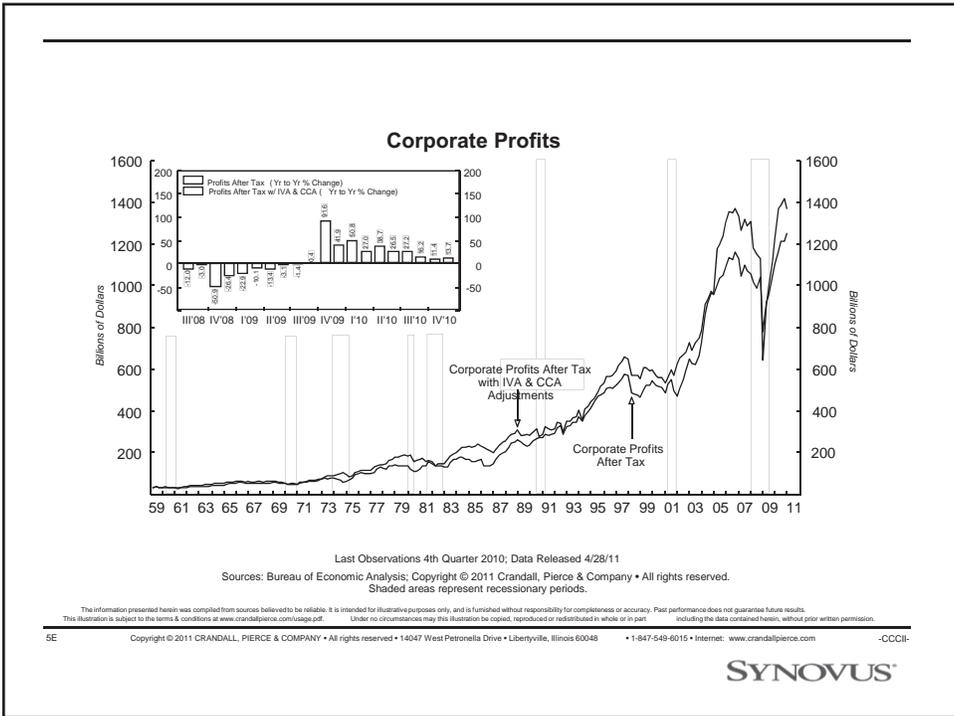
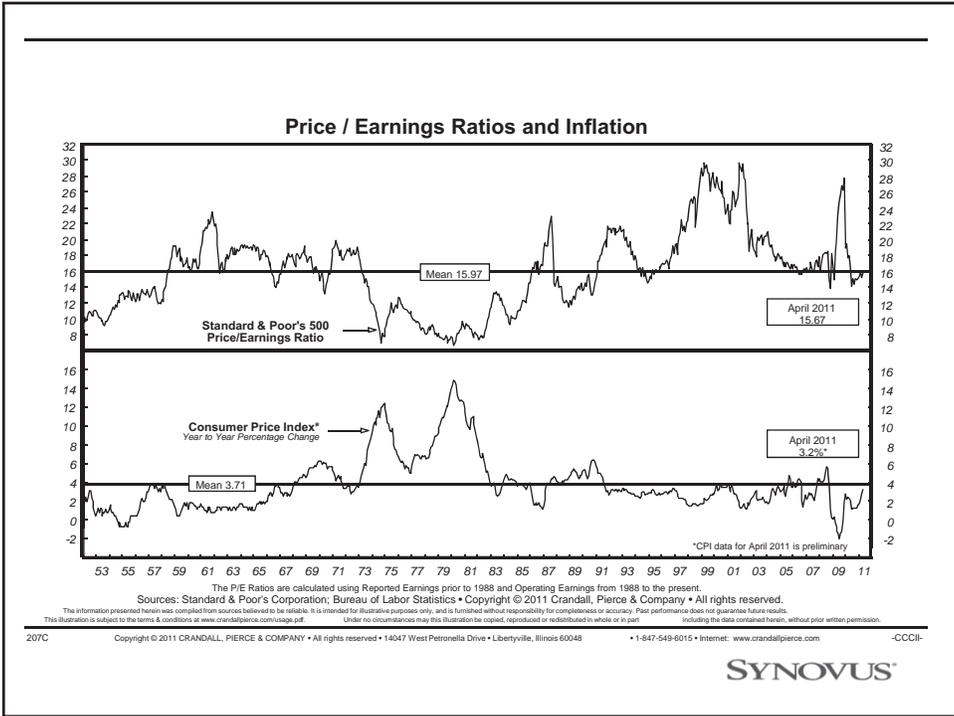
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## Stock Valuation Indicators

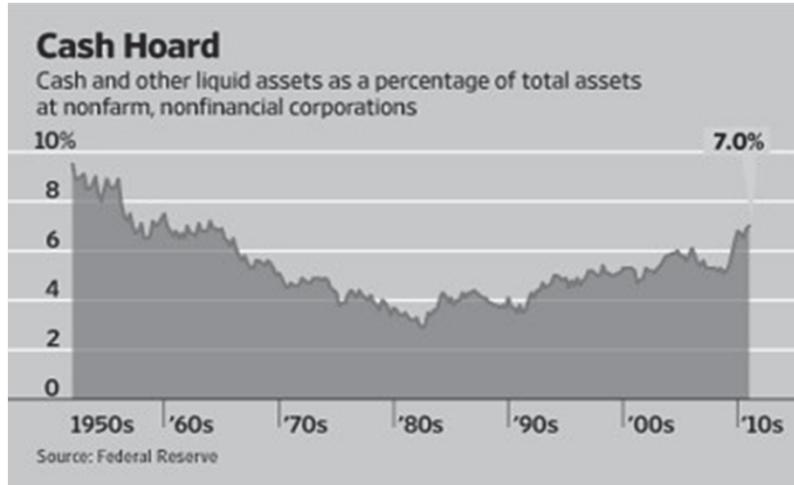


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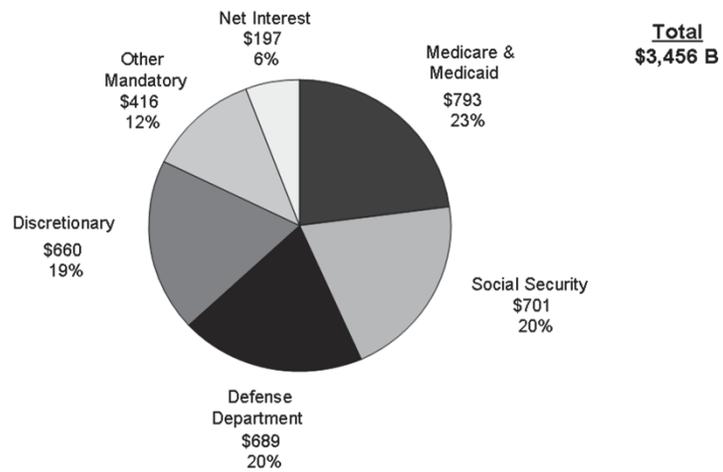


## U.S. Firms Sitting on Record Cash Pile of \$2 Trillion



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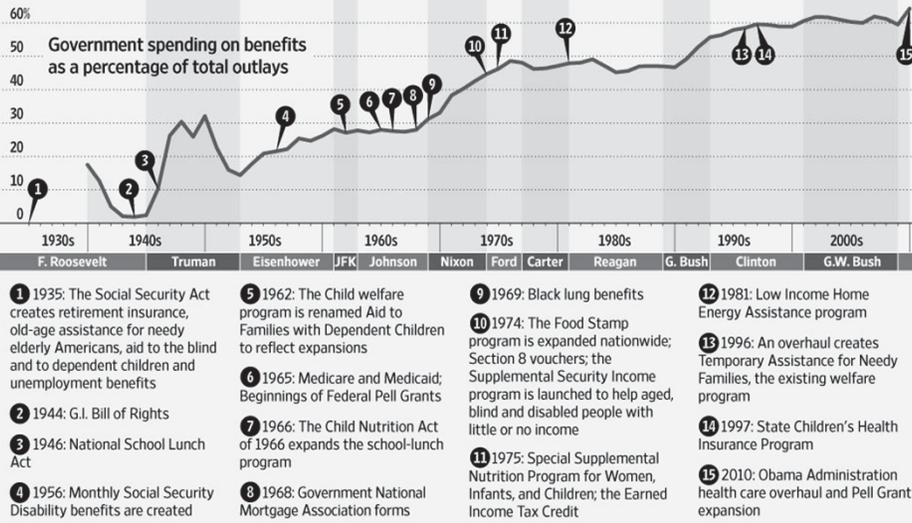
## U.S. Federal Spending – Fiscal Year 2010 (\$ Billion)



Source Data: CBO Historical Tables

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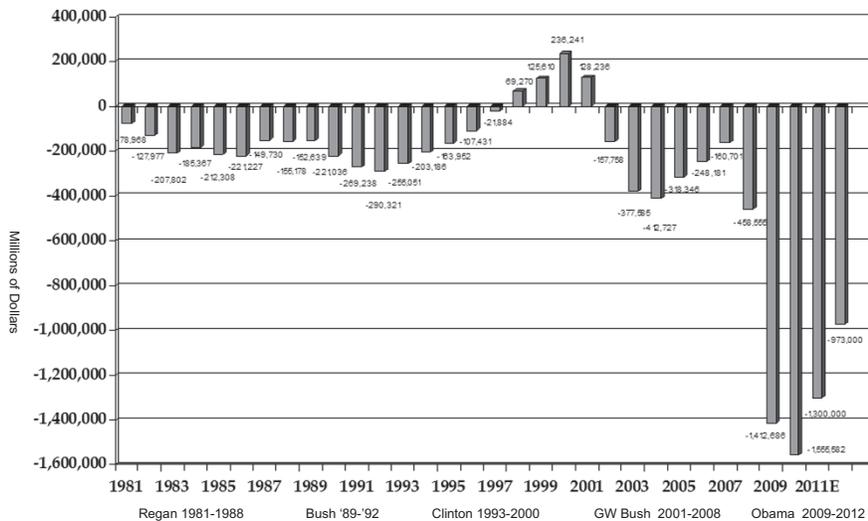
## The Entitlement State | History of major government benefits programs



Notes: 2010 spending is an estimate. Data before 1940 unavailable. Source: Price Fishback, University of Arizona; WSJ research



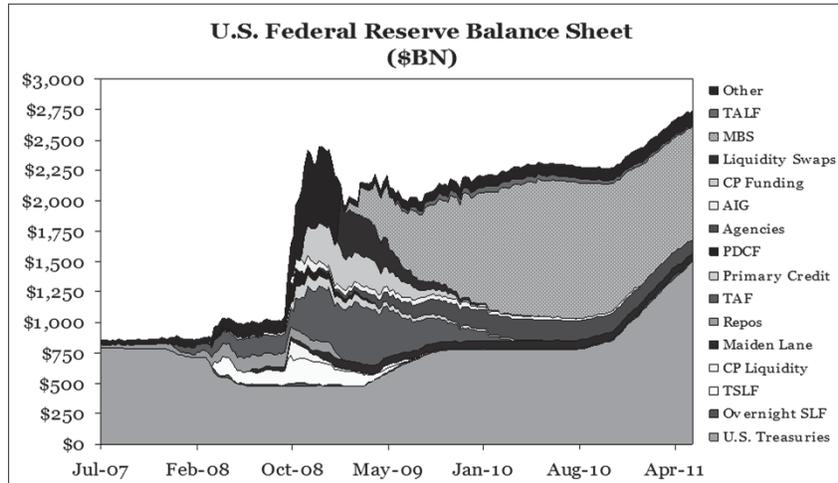
## Deficits Projected to Reach Record Levels



Source: Office of Management and Budget February 23, 2010



## The Federal Reserve's Massive Liability



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## Economic Market Outlook Second Half 2011

- **Economic Recovery has Stalled**
  - GDP is now expected to grow only 1.7% in FY2011 and grow only 1.5% in 2012. Consumer Spending grew only 0.1% in 2Q11.
  - The ongoing threat of Foreign Government Bonds (Greece) defaulting, crippling Euro Banks continues to loom!
  - Washington's Stimulus is Winding Down! Stimulus Spending will fall an estimated \$240 billion from 2011 to 2012, that will equate to an annual 1.6% reduction in GDP.
- **Stocks Have Hit a Brick Wall**
  - So far, S&P Multinational's profits have benefited from increased globalization as demand for U.S. products in emerging economies (China, South America, India and Russia) have off-sets tepid domestic growth.
  - Strength in Corporate Profits is waning. S&P 500 Profits are expected to continue to be strong in FY11 growing 13% YoY, however growth is expected to slowdown dramatically in FY12, to an increase of just 4.7% YoY.
  - A Trailing P/E ratio for the S&P 500 of 13x earnings appears reasonable, however P/E ratios will contract if profit growth slows down or inflation accelerates.
- **Consumer Still Struggling**
  - Unemployment rate is still high (9%) and is expected to stay above 8% into 2012.
  - Unemployment will continue to stay high as Corporation America continues to hoard cash reluctant to invest.
  - Today's consumer is still trying to repair their balance sheets shredded by the housing bust and recession.
- **Fed on Hold**
  - Another Downgrade of US Debt is likely if the \$2.4 trillion proposed spending cuts do not take place!
  - The Fed is Hand Cuffed and has committed to keeping rates low through mid-2013!
  - In the short-term rates will most likely continue to Fall as the Economy weakens!
  - Long-term rates should rise as the Tripling of the Federal Government deficit to over \$14 trillion raises credit quality fears with international investors, causing international creditors to demand a larger yield premium for buying U.S. Treasuries.
- **Bottom Line**
  - The US will most likely endure a prolonged period of disappointing growth, although escape a double dip recession, which is consistent with a "No Tightening Policy" even beyond mid 2013. Unemployment will most likely stay high in the 8%-9% range as US Companies Push Back at Washington's Increased Regulations, inability to Balance the Budget and lack of Confidence in Leadership. The Housing Market will not begin to repair itself until the Corporations Commit Capital to New Investment leading to Lower Unemployment Rate and Stronger Consumer Spending.

SYNOVUS

“I predict future happiness for  
Americans if they can prevent the  
government from wasting the labors  
of the people under the pretense of  
taking care of them.”

Thomas Jefferson

SYNOVUS<sup>®</sup>

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# ***Fair Value for Financial Reporting***

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*Michael J. Mard, CPA/ABV/CFF, ASA*

## **Michael J. Mard, CPA/ABV/CFF, ASA**

Principal

The Financial Valuation Group of Florida, Inc.

Michael J. Mard, CPA/ABV/CFF, ASA has been a full-time business appraiser and expert witness for over 28 years with a broad range of experience from small companies to very large billion dollar companies, both private and public. He has developed analyses that have been reviewed and accepted by the Securities and Exchange Commission, major accounting firms, the IRS and the courts. Mr. Mard has provided expert testimony approximately 125 times, in both Federal and state courts, related to intangible assets, intellectual property, business damages, marital dissolution, shareholder disputes and IRS matters.

Mr. Mard is lead author of eight books, most recently *Valuation for Financial Reporting: Fair Value, Business Combinations, Intangible Assets, Goodwill and Impairment Analysis, 3<sup>rd</sup> Edition*, and co-author of four additional books, all published by John Wiley & Sons, Inc. Mr. Mard has co-authored over sixteen courses and published over one hundred articles. He has been a presenter, speaker and instructor more than one hundred times.

In 1998, Mr. Mard was asked by the AICPA to assist the Financial Accounting Standards Board (FASB) staff in its research and development of procedures for valuing intangible assets including two educational presentations to the full Board. For the last twelve years, he has worked with various task forces of the FASB and he has served on the FASB's Valuation Resource Group since inception, 2000.

Mr. Mard has a Masters of Accountancy from the University of South Florida and is a Florida CPA. He has been elected into the AICPA Business Valuation Hall of Fame, holds the AICPA's Accreditation in Business Valuation (ABV), Certified in Financial Forensics (CFF) specialty designations, and the Accredited Senior Appraiser (ASA) with the American Society of Appraisers.

## *Fair Value for Financial Reporting*

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Presented by:

Michael J. Mard, CPA/ABV/CFF, ASA

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### Michael J. Mard, CPA/ABV/CFF, ASA

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Michael J. Mard, CPA/ABV/CFF, ASA has been a full-time business appraiser and expert witness for over 25 years with a broad range of experience from small companies to very large billion dollar companies, both private and public. He has developed analyses that have been reviewed and accepted by the Securities and Exchange Commission, major accounting firms, the IRS and the courts. Mr. Mard has provided expert testimony approximately 100 times, in both Federal and state courts, related to intangible assets, intellectual property, business damages, marital dissolution, shareholder disputes and IRS matters.

Mr. Mard is lead author of eight books, most recently *Valuation for Financial Reporting: Fair Value Measurements and Reporting, Intangible Assets, Goodwill, and Impairment, Third Edition* (November 2010), published by Wiley & Sons, Inc. He is a co-author of three additional books, all published by John Wiley & Sons, Inc. Mr. Mard has co-authored over 20 courses and published over 75 articles. He has been a presenter, speaker and instructor more than 125 times.

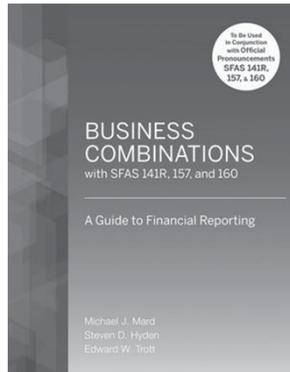
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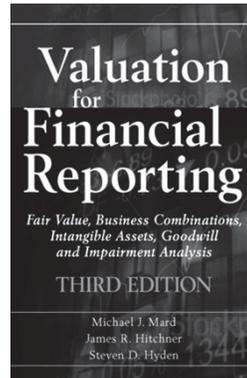
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## For a complete case study



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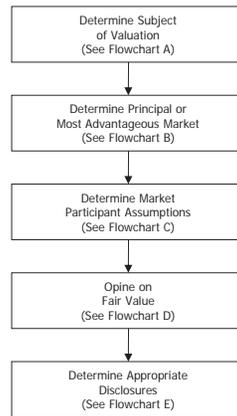
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## Key Issues under ASC 820, *Fair Value*

- ❖ Types of markets
- ❖ Market participant assumptions
- ❖ Highest and best use
- ❖ Premise of Value
- ❖ Disclosure levels and fair value hierarchy

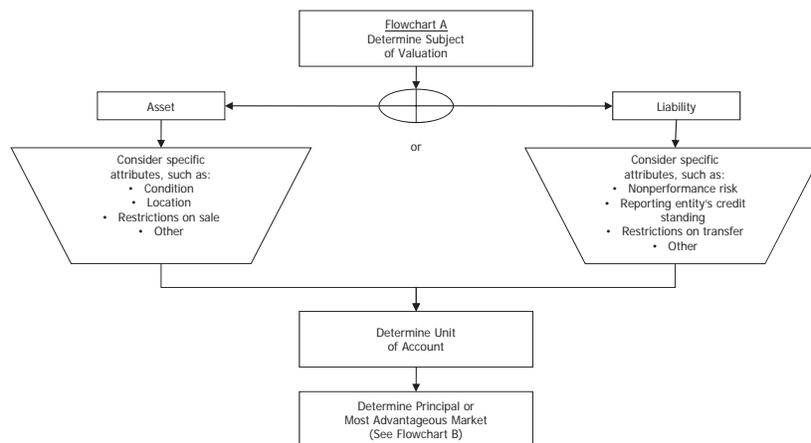
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## Fair Value Flowchart



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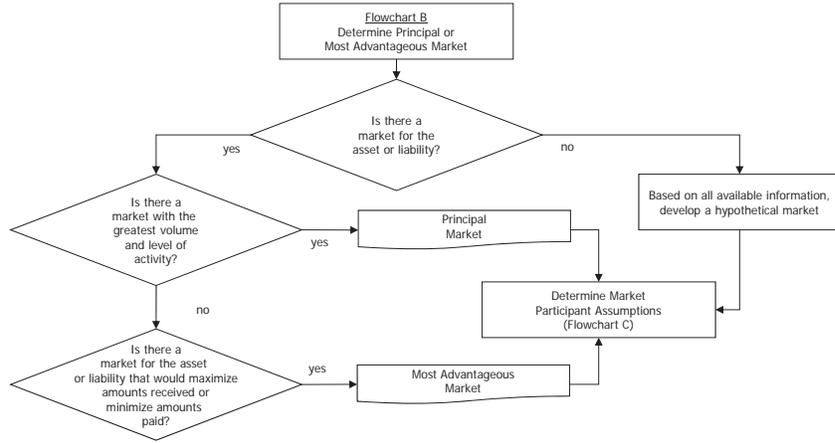
## Fair Value Flowchart



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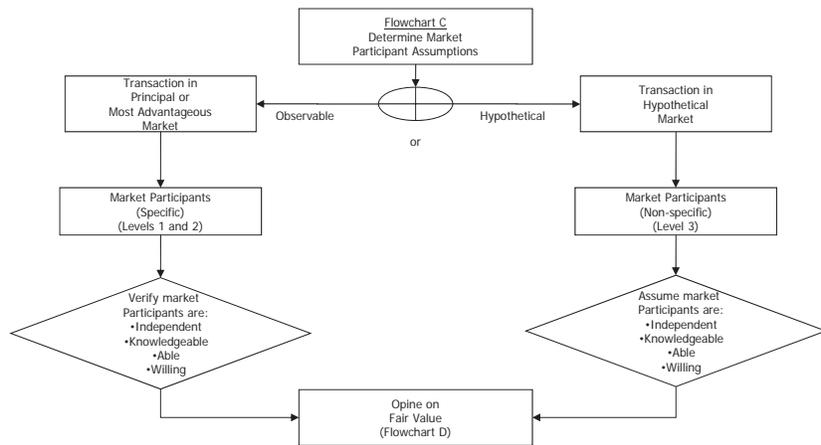
# Fair Value Flowchart

Note: per ASU 2011-04, highest and best use should only be applied when measuring the fair value of nonfinancial assets



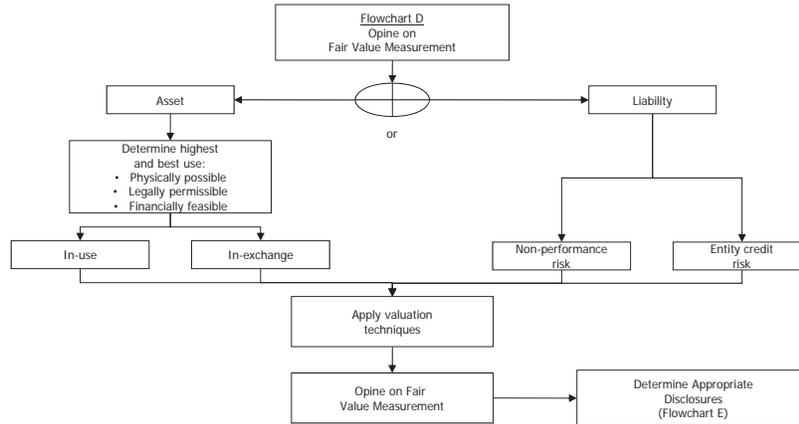
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# Fair Value Flowchart



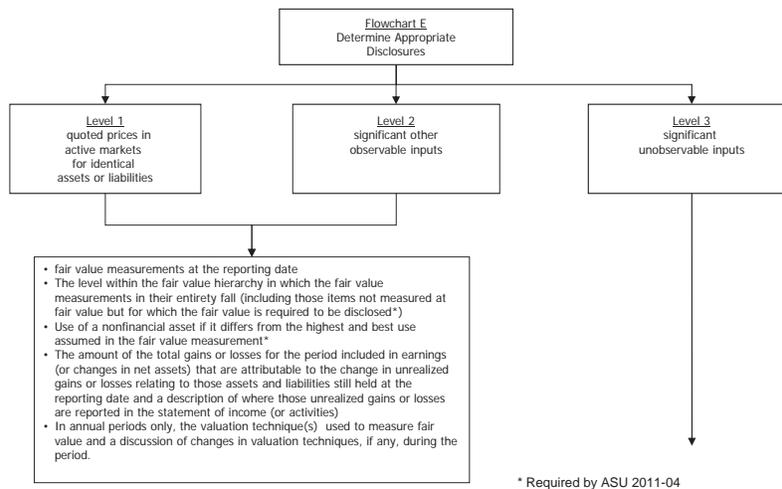
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## Fair Value Flowchart



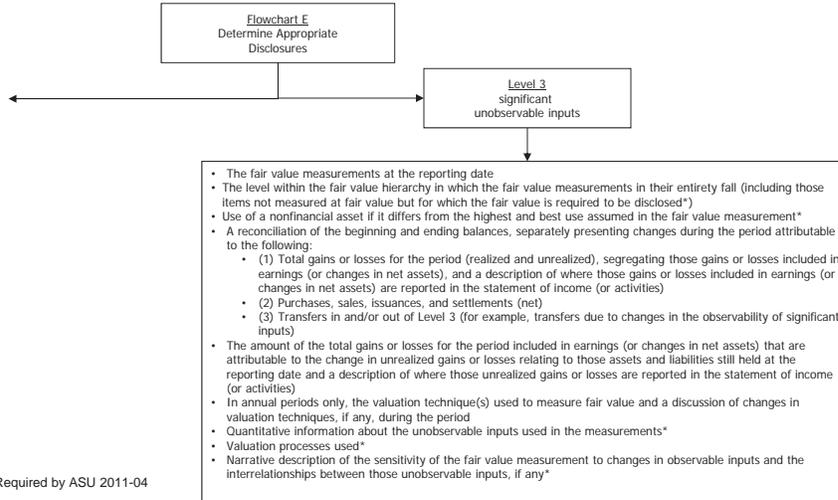
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## Fair Value Flowchart



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## Fair Value Flowchart



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## Implementation Aids

### ❖ ASC 820 Fair Value Worksheet

#### Preparer Worksheet

Measurement Date: December 31, 2009

Balance Sheet Account (Group or Individual)	Unit of Account / Unit of Valuation	Highest and Best Use	Principal (or Most Advantageous) Market	Market Participants	Hierarchy Level		
					1 Identical	2 Similar	3 Market Participant Assumptions
Cash and Equivalents: Operating Account	Balance Sheet Line Item	In Exchange	Fungible: Open Market	Financial Institutions	✓		
Cash and Equivalents: Savings Account	Balance Sheet Line Item	In Exchange	Fungible: Open Market	Financial Institutions	✓		
Cash and Equivalents: Money Market Account	Balance Sheet Line Item	In Exchange	Fungible: Open Market	Financial Institutions	✓		
Marketable Securities: Stocks (e.g., IBM, Exxon)	Per Stock Account	In Exchange (Blockage Discounts not Allowed)	Various Stock Markets	Various Public Investors	✓		
Marketable Securities: Bonds	Per Bond Account	In Exchange (Blockage Discounts not Allowed)	Various Stock Markets	Various Public Investors	✓		

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## Implementation Aids

### ❖ ASC 820 Fair Value Worksheet (continued)

Preparer Worksheet

Measurement Date: December 31, 2009

Balance Sheet Account (Group or Individual)	Unit of Account / Unit of Valuation	Highest and Best Use	Principal (or Most Advantageous) Market	Market Participants	Hierarchy Level		
					1 Identical	2 Similar	3 Market Participant Assumptions
Accounts Receivable	Individual Balances / Amount per account	In Exchange	Open Market	Financial Institutions or Factoring Companies		✓	
Inventories	Inventory Classification / Per Item	In Exchange	Industry	Peer Group		✓	
Prepaid Expenses and Other: Rent	Balance Sheet Line Item	In Use	Industry	Peer Group			✓
Prepaid Expenses and Other: Insurance	Balance Sheet Line Item	In Use	Industry	Peer Group			✓
Prepaid Expenses and Other: Phone	Balance Sheet Line Item	In Use	Industry	Peer Group			✓

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## Implementation Aids

### ❖ ASC 820 Fair Value Worksheet (continued)

Preparer Worksheet

Measurement Date: December 31, 2009

Balance Sheet Account (Group or Individual)	Unit of Account / Unit of Valuation	Highest and Best Use	Principal (or Most Advantageous) Market	Market Participants	Hierarchy Level		
					1 Identical	2 Similar	3 Market Participant Assumptions
Land	Balance Sheet Line Item / Per Acre	In Exchange	Industry	Peer Group		✓	
Improvements: Buildings	Balance Sheet Line Item / Per Building	In Exchange	Industry	Peer Group		✓	
Machinery and Equipment, Net	Balance Sheet Line Item / Per Item	In Exchange	Industry	Peer Group		✓	
Software	Balance Sheet Line Item	In Use	Industry	Peer Group			✓
Assembled Workforce	Classification of Employee	In Use	Industry	Peer Group			✓
Trade Name	Balance Sheet Line Item	In Use	Industry	Peer Group			✓

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# Implementation Aids

## ❖ ASC 820 Fair Value Worksheet (continued)

Preparer Worksheet

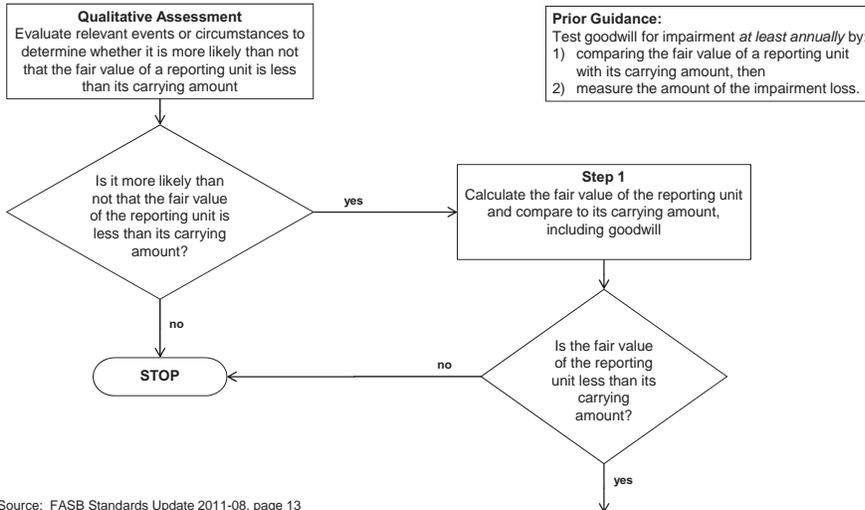
Measurement Date: December 31, 2009

Balance Sheet Account (Group or Individual)	Unit of Account / Unit of Valuation	Highest and Best Use	Principal (or Most Advantageous) Market	Market Participants	Hierarchy Level		
					1 Identical	2 Similar	3 Market Participant Assumptions
Noncompete Agreement	Balance Sheet Line Item	In Use	Industry	Competitor			✓
Technology	Balance Sheet Line Item	In Use	Industry	Competitor			✓
In Process Research & Development	Balance Sheet Line Item	In Use	Industry	Competitor			✓
Customer Relationships	Balance Sheet Line Item / Type of Customer	In Use	Industry	Competitor			✓

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## ASU 2011-08: Intangibles - Goodwill and Other (Topic 350)

### Goodwill Impairment Test – Qualitative Assessment

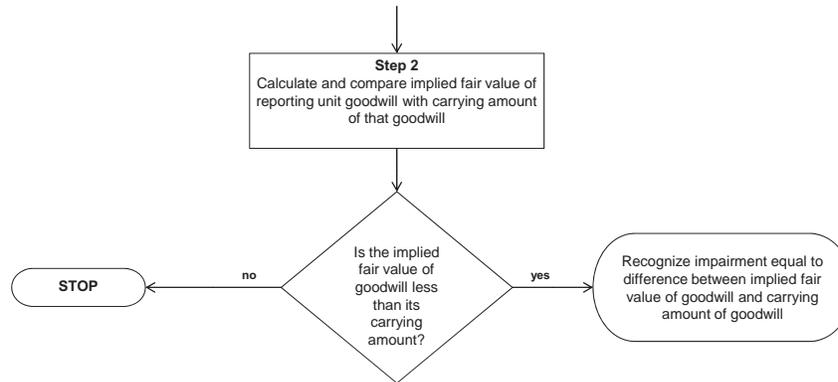


Source: FASB Standards Update 2011-08, page 13

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## ASU 2011-08: Intangibles - Goodwill and Other (Topic 350)

### Goodwill Impairment Test – Qualitative Assessment



Source: FASB Standards Update 2011-08, page 13

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## ASU 2011-04: Fair Value Measurement (Topic 820)

### ❖ Clarifications

- ◆ Concepts of highest and best use and valuation premise should only be applied when measuring the fair value of nonfinancial assets
- ◆ Fair value of an instrument classified within a reporting entity's shareholders' equity should be measured from the perspective of a market participant that holds that instrument as an asset
- ◆ Level 3 disclosures must include quantitative information about the unobservable inputs used in the measurements

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## ASU 2011-04: Fair Value Measurement (Topic 820)

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### ❖ Changes

- ◆ A reporting entity that holds a group of financial assets and financial liabilities that exposes it to market risks and counterparty credit risk may apply an exception to the requirements in Topic 820, which permits the fair value of those financial instruments to be measured on the basis of the reporting entity's net risk exposure
- ◆ Premiums or discounts may be applied in a fair value measurement to the extent that they are consistent with the unit of account and market participants would consider them in a transaction for the asset or liability
- ◆ Blockage factors are not permitted in fair value measurements

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## ASU 2011-04: Fair Value Measurement (Topic 820)

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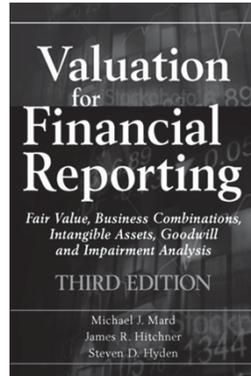
### ❖ Changes (continued)

- ◆ Disclosure requirements
  - ◇ Level 3 Measurements:
    - The valuation processes used
    - Narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs, if any
  - ◇ Use of a nonfinancial asset if it differs from the highest and best use assumed in the fair value measurement
  - ◇ Items not measured at fair value but for which the fair value is required to be disclosed:
    - Level of the fair value hierarchy in which that measurement is categorized.

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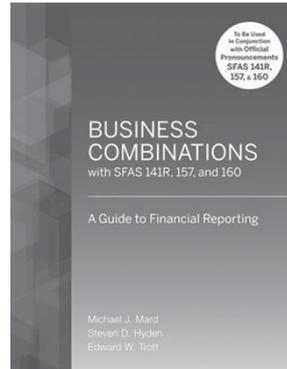
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# ***GAAP and IASB Update***

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*Edward W. Trott, CPA, MBA*

## **Edward W. Trott**

### **Former Board Member of FASB**

Ed Trott was a member of the Financial Accounting Standards Board (FASB) from October 1999 to June 2007. Prior to being appointed to the FASB, Ed was involved in accounting standard setting as a member of the FASB's Emerging Issues Task Force (EITF) for 7 years and the AICPA's Accounting Standards Executive Committee (AcSEC) for approximately 3 years.

Ed worked with KPMG for over 31 years. He started in the Greensboro, N.C. office in 1968 and was the head of the Firm's Accounting Group in the national office from 1992-1999. He also worked in the Tampa, FL. office for 7 years and the national office from 1977-1982 and 1989-1992.

Ed earned a bachelor's degree from the University of North Carolina and an MBA from the University of Texas.

# GAAP and IASB UPDATE

USFAC 10-27-2011  
Edward W Trott

## Recently Issued FASB Guidance

- REPORTING COMPREHENSIVE INCOME (June 2011)

Effective date-Public(interim periods for fiscal years beginning after 12-15-11); Nonpublic(12-15-12)

Applied Retrospectively-restate prior periods

Eliminates the option to report in Stockholders equity

CI reported in single performance statement or in TWO consecutive statements-net income and comprehensive income-plus presentation of reclassifications

## Fair Value Measurements(May 2011)

- Effective date-Public(periods beginning after 12-15-11);Nonpublic (years beginning after 12-15-11)
- Applied Prospectively
- Not expected to cause significant changes from SFAS 157;to conform with new IASB guidance
- More disclosures required

## Additional Guidance

- REPO ACCOUNTING(April 2011)
- TROUBLED DEBT RESTRUCTURING FOR LENDERS(April 2011)
- Various guidance for healthcare entities from the EITF
- Remember that the disclosure requirements about the credit quality of receivables and the allowance (June 2010) are effective for Nonpublics for 2011
- See “Effective Dates” on the FASB website

## Guidance Expected in 2011

- BALANCE SHEET-OFFSETTING

Convergence project but NOT converged

Will keep current GAAP but expand significantly disclosures

Effective for periods beginning on or after 1-1-13

## Disclosures about Multiemployer Plans by Employers

- Significantly expanded disclosures but not the separation liability
- Effective date-Public(annual periods ending after 12-15-11);Nonpublic(annual periods ending after 12-15-12)

# Goodwill Impairment Assessments

- Provides the option to first assess qualitative factors to determine if it is more likely than not that the FV of a reporting unit is less than its carrying amount
- Effective date-Public and Nonpublic(fiscal years beginning after 12-15-11 with early adoption permitted)

## EDs(other than the big 3) to be Issued

- CONSOLIDATION POLICY  
Part of a convergence effort but NOT converged  
IASB issued final guidance that calls for “effective control” consolidation and consideration of options and convertibles  
ED to propose converged guidance on AGENT/PRINCIPAL that could significantly change guidance for VIEs

# Consolidation for Investment Companies

- Part of a convergence effort but not sure it is converged
- ED to define what is an Investment Company; require consolidation of controlled investment and investment property entities and measure at FV all other investments-even if controlled

# Investment Properties

- ED to define an Investment Property Entity and require that its investment properties be carried at FV
- Additional guidance provided

# Going Concern

- Now called “ Disclosure about Risks and Uncertainties and the Liquidation Basis of Accounting”
- ED to put GC considerations and disclosures in GAAP rather than auditing guidance
- Provides a narrow window for use of the Liquidation basis of accounting

# REVENUE RECOGNITION

- Reexposure in 2011
- Retained basics of the ED

Identify Performance Obligations(PO)

Determine contract transaction price(including amounts that are variable)

Allocate transaction price to POs

Recognize revenue as POs are satisfied

## Changes made(not consistent with the Conceptual Framework)

- Record an asset for incremental contract acquisition cost
- Record an asset for contract fulfillment costs before a contract exists
- Most warranties will be accounted on a cost accrual approach
- Limit application for ONEROUS contracts

## Other Changes Include

- Fewer POs will be identified
- Fewer adjustments will be made for the TVM
- Additional guidance provided for determining when a good or service PO is satisfied(but no magic bullet)
- More use of POC method

# LEASES

- Reexposure in 2011; still discussing Lessor accounting but probably a derecognition approach
- The definition of a lease is more narrow than current GAAP
- Right-to-Use model being retained whereby an asset and a liability is recorded for leases that are not Short-Term (an option)

## Changes Made that reduce RF

- Reduce the determination of lease term-renewals included only if “significant economic incentive”
- Eliminate almost all variable (contingent) rent payments from the calculation of the asset and liability
- Continue to exclude from capitalized lease payments some contractual payments
- Continue to add incremental TC to the asset

## Short- Term Leases

- A lease that, at the date of commencement of the lease, has a maximum possible term, including any options to renew, of 12 months or less
- Have yet to discuss “month to month” leases that economically must be renewed or related party VIE leases

## Financial Instruments

- Although no decision has been made to reexpose, I expect a reexposure
- BACK TO THE PAST- 3 classifications of FIs held as assets with different initial and subsequent measurements
- Classifications to be made based on both the characteristics of the FI and the entity’s Business Strategy for the FI

## Characteristics FV-NI

- Equities (including nonmarketable) that do not require the equity method
- Derivatives not used as a cash flow hedge or a foreign operation net investment FV-OCI
- A few debt instruments that do not meet certain criteria-can be settled at a loss

## Business Strategy - Debt Instruments

- Amortized cost if held to collect contractual cash flows and the holder can negotiate credit issues directly with the counterparty - receivables and loans but not debt securities
- FV-OCI if held to collect contractual cash flows or to sell
- FV-NI if held for sale

## Additional guidance

- Transaction cost capitalized as part of cost for amortized cost and as a separate asset for FV-OCI--results in counterintuitive B/S presentation
- No changes to initial classification even if Amortized cost is now to be sold; no tainting rules(but what if the actions don't follow the Business strategy?)
- Full recycling from FV-OCI for sales but will require disclosure; also sale from amortized cost
- No fair value option for equities required to use the equity method

## Financial Liabilities

- Almost all reported at amortized cost
- No fair value option

# Impairments

- Being discussed jointly with the IASB
- Currently discussing a 3 bucket approach with the 1st bucket having 12 months of expected losses covered; the 2nd bucket having to-maturity or a longer period covered and the 3rd bucket having to- maturity covered
- Outcome of discussions is uncertain

# Hedging

- FASB has not started redeliberations of the hedging issues
- IASB expects to issue final guidance on most of hedging in 2011
- What was proposed by the FASB and that of the IASB are far apart- critical term match eliminated by the FASB; used as a key component by the IASB

# IASB Classification and Measurement

- IFRS 9 was issued in 2009 but has not been endorsed by the EU
- IASB has proposed to defer the effective date of IFRS 9; but it is being used in some parts of the world

## Convergence? or Use of IASB by US

- If convergence is not being obtained in projects whose objective is convergence(B/S-Offsetting and Consolidations), would there ever be ONE set of standards?
- If consistent application of IASB is NOT being obtained in the EU(treatment of Greek Bonds and the IASB letter) what is the hope for comparability using IASB-- Remember there is no SEC outside the US--You might ask where are the auditors?

# Convergence

- Would the approach being discussed by the SEC result in the standard setters having MORE political pressure and/or a US version of IASB
- What does the AICPA's call for optional use of IASB by US entities mean for F/s comparability?
- The SEC is expected to issue more on their efforts but an actual decision?

# Private Companies

- Blue Ribbon committee - a separate board under the FAF
- FAF has a Trustee Working Group looking at the standard needs for private companies and NFPs
- FASB staff has a paper on the difference between public and private for profit entities-how does the possibility that a private entity MAY give certain users more direct access to management affect standards?

# Private Companies

- Is the AICPA's e-mail campaign useful ? even if the fill in the blanks are left blank?
- At the NAATS conference many participants wanted to “protect” the GAAP brand! How does having different GAAPs for for profit businesses help do that? Why not call a Review or Compilation of financial statements just different forms of an Audit?

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# ***The SEC and Dodd-Frank***

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*Curt P. Creely, Esq  
and  
Brian M. Zophin, CPA*

**Curt Creely**  
Partner  
Foley & Lardner, LLP

Curt Creely is a member of Foley's Transactional & Securities and Private Equity & Venture Capital Practices. He is also a member of the firm's Life Sciences and Emerging Technologies Teams. Mr. Creely's practice focuses on securities law, mergers and acquisitions, and other corporate business transactions. He regularly serves as counsel to both private and public companies in connection with a wide variety of sophisticated transactions and business activities, including:

- Serving as issuer's counsel in initial public offerings by technology and life sciences companies;
- Representing issuers in venture capital and private equity transactions in a variety of industries;
- Regularly advising public companies on SEC compliance, reporting, and governance matters;
- Serving as counsel in merger and acquisition transactions involving private and public companies in various industries, including the healthcare, software, and defense industries; and
- Representing businesses in complex strategic transactions, including joint ventures, technology licensing transactions, and product development programs.

Mr. Creely also previously served as in-house general counsel to Liquidmetal Technologies, Inc., a publicly held materials technology company, where he was responsible for managing Liquidmetal's broad range of legal needs, including securities law compliance, strategic transactions, technology development and protection, foreign legal matters, and general corporate needs.

Mr. Creely graduated with high honors from the University of Florida College of Law in 1995, where he was a member of the *Florida Law Review* and was elected to Order of the Coif. He received his bachelor's degree *summa cum laude* in history and political science from Geneva College in 1992, where he was co-valedictorian of his graduating class.

He is a member of the Florida State Bar and is listed in *The Best Lawyers in America*®.

**Brian Zophin**  
CPA & Audit Partner  
Cherry, Bekaert & Holland, LLP

Brian is a Certified Public Accountant and an Audit Partner at CB&H with over 13 years of experience providing assurance and business advisory services to both publicly traded companies and private businesses. Based in CB&H's South Florida practice, Brian has extensive experience serving a broad range of industries, including the restaurant and hospitality industry, manufacturing, healthcare, not for profit, entertainment, timeshare, travel and leisure, employee benefit plan and technology sectors.

Prior to joining CB&H, Brian served as an assurance and business advisory senior manager with a large international accounting firm where he worked primarily on audit and attestation engagements, public and private offerings, registration statements, agreed-upon procedures and internal controls projects.

Brian received his Bachelor of Science and Master of Science degrees in Accounting from the University of Florida, where he was active in the Beta Alpha Psi national accounting honorary society and the Pi Kappa Alpha fraternity. Licensed as a Certified Public Accountant in Florida, Brian is a member of both the American Institute of Certified Public Accountants (AICPA) and the Florida Institute of Certified Public Accountants (FICPA). Brian is on the Board of Directors of the Florida Venture Forum and is a member of Leadership Tampa Alumni and the Association for Corporate Growth.



## LEGAL UPDATE: Dodd Frank Wall Street Reform and Consumer Protection Act

October 2011  
Tampa, Florida

Curt Creely  
Foley & Lardner LLP

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## Topics To Be Covered

- Broad overview of Dodd-Frank Act
- Executive compensation and corporate governance provisions applicable to public companies

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## Dodd-Frank Highlights

- Dodd-Frank Wall Street Reform and Consumer Protection Act contains over 2,000 pages
- The Act gives basic structure to the reform intended by Congress but it leaves it up to the regulators to fill in the details
- Nearly all the key issues are left to the discretion of the regulators

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## Dodd-Frank: Title I Overview

### Title I: Financial Stability

- Creates the Financial Stability Oversight Council (“FSOC”)
- FSOC will identify and regulate systemically significant nonbank financial entities

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## Dodd-Frank: Title II Overview

### Title II: Orderly Liquidation Authority

- Creates “orderly liquidation authority” (“OLA”)
- FDIC may take control of financial company whose imminent collapse is determined to threaten U.S. financial system
- Only option is liquidation; no reorganization
- Bankruptcy Code is preempted by OLA receivership

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## Dodd-Frank: Title III Overview

### Title III: Transfer of Powers to the Comptroller of the Currency, the Corporation, and the Board of Governors

- Disbands Office of Thrift Supervision (“OTS”) as the agency responsible for oversight of thrifts and thrift holding companies
- OTS responsibilities are re-delegated to:
  - Federal Reserve
  - FDIC
  - Office of the Comptroller of the Currency

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## Dodd-Frank: Title III Overview

- Deposit Insurance Fund has been altered
  - Assessments be imposed on a depository institution's total liabilities (not just its deposit liabilities).
  - Amends the FDIA by eliminating the 1.5% ceiling on the Fund's reserve ratio and authorizes the FDIC to waive dividends when the Fund exceeds the target reserve ratio of 1.35%
  - Permanently lifts the FDIC coverage limit to \$250,000 and extends the FDIC's Transaction Account Guarantee ("TAG") program, which provides unlimited coverage for certain non-interest-bearing commercial transaction accounts, for an additional two years

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## Dodd-Frank: Title III Overview

- Subtitle D of Title III - Requires each agency to create an Office of Minority & Women Inclusion
  - Director of each Office will develop standards for, *inter alia*, increased participation of minority-owned and women-owned businesses in the programs and contracts of the agency

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## Dodd-Frank: Title VI Overview

### Title VI: Improvements to Regulation of Bank and Savings Association Holding Companies and Depository Institutions

- Heightened regulation, supervision, examination and enforcement powers over depository institution holding companies and their subsidiaries
- Expands the federal affiliate and insider transaction restrictions (Sections 23A, 23B, and 22 of the Federal Reserve Act) in particular with respect to derivatives and sale-repurchase (“repo”) transactions

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## Dodd-Frank: Title VI Overview

- Imposes higher standards for BHCs to engage either in expanded “financial in nature” activities or in M&A activity, and expands the scope of existing national bank lending limits and requires state chartered banks to include derivatives within applicable state lending limits
- Imposes a new nationwide growth cap (applicable both to BHCs and systemically significant nonbank companies)
- Places a partial moratorium on the creation of, or changes of control in “nonbank banks”
- Repeals “Regulation Q”, thereby authorizing banks and thrifts to offer interest-bearing transaction accounts to commercial clients

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## Dodd-Frank: Title VI Overview

- Contains “Volcker Rule”
  - “Banking entity” may not engage in proprietary trading or sponsoring or investing in a hedge fund or private equity fund
  - Systemically significant *nonbank* financial companies are excluded from this prohibition

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## Dodd-Frank: Title VII Overview

### Title VII: Wall Street Transparency and Accountability

- Relates to derivatives legislation
- Commodity Futures Trading Commission (the “CFTC”) and the SEC have primary authority to regulate swaps market, including both participants and swap transactions

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## Dodd-Frank: Title VII Overview

- Changes include
  - Certain “swaps” be traded on exchanges that are centrally cleared and publicly reported
  - Registration of both dealers in swaps with one or both of the Commission
  - Mandates the creation of new swap market mechanisms, including exchanges, clearing organizations, and swap information repositories
  - Commissions are given broad powers that may often be required to be used jointly, and in certain instances in concert with bank regulators

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## Dodd-Frank: Title VIII Overview

### Title VIII: Payment, Clearing, and Settlement Supervision

- “Payment, Clearing and Settlement Supervision Act of 2010”
- Increased regulation of and emergency federal assistance to:
  - Financial market utilities and
  - Financial institutions that engage in payment, clearing, and settlement activities that are deemed to be systemically significant

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## Dodd-Frank: Title IX Overview

### Title IX: Investor Protections and Improvements to the Regulation of Securities

- Incorporates “skin in the game” for asset backed transactions
- Additional requirements for credit rating agencies Executive compensation and corporate governance rules
  - Compensation and governance rules apply to public companies
  - Not limited to entities engaged in financial activities

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## Dodd-Frank: Title X Overview

### Title X: Bureau of Consumer Financial Protection

- Establishes the Bureau of Consumer Financial Protection
- Bureau may issue rules relating to all financial institutions, *including depository institutions*, that offer financial products and services to consumers
- Bureau will have examination and enforcement authority with respect to consumer financial laws over very large banks and nonbank financial institutions
- Bureau does not have authority over insured depository institutions and credit unions **with assets of \$10 billion or less**

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## Dodd-Frank: Title XI Overview

### Title XI: Federal Reserve System Provisions

- Establishes the position of Vice Chairman for Supervision at the Federal Reserve
- Restricts the authority of the Federal Reserve to engage in emergency lending
- Requires certain audits of the Federal Reserve with respect to its emergency lending activities during the financial crisis

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## Dodd-Frank: Title XII Overview

### Title XII: Improving Access to Mainstream Financial Institutions

- Encourages initiatives for financial products and services for Americans who are not fully incorporated into the “financial mainstream.”

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## Dodd-Frank: Title XIII Overview

### Title XIII: Pay It Back Act

- The “Pay It Back Act” amends the:
  - Emergency Economic Stabilization Act of 2008
  - American Recovery and Reinvestment Act of 2009 (“ARRA”)
  - Other related acts to limit the Troubled Asset Relief Program (“TARP”)
- Reduces amount of TARP funds available to the Secretary of the Treasury by \$225 billion
- Ends Treasury Secretary’s ability to fund new programs under TARP as of June 25, 2010
- Requires certain funds received by Treasury Secretary to be used to reduce the deficit

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## Dodd-Frank: Title XIV Overview

### Title XIV: Mortgage Reform and the Anti-Predatory Lending Act

- “Mortgage Reform and Anti-Predatory Lending Act”
- Increases disclosure requirements with respect to origination of residential mortgage loans
- Increases regulation of mortgage loan origination and servicing practices
- Creates new criteria under the Truth in Lending Act for lenders to originate mortgage loans
- Limits certain lending activities with respect to certain high cost residential mortgage loans
  - Restrictions become effective six months following enactment of the statute
  - Remainder of the provisions become effective when regulations are promulgated pursuant to the Act

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## Executive Compensation and Corporate Governance

- This part of the presentation addresses only those provisions that are generally applicable to public companies, which most notably include:
  - SEC rules implementing proxy access adopted pursuant to authority granted under the Act, but later stayed in response to legal challenge
  - Mandating shareholder advisory votes on executive compensation and “golden parachutes”
  - Enhancing compensation committee and adviser independence requirements
  - Mandating executive compensation clawbacks
  - Increasing compensation and governance related disclosure in proxy statements
  - Rewarding and increasing protection of whistleblowers

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## Proxy Access

- “Proxy access” refers to the ability of shareholders to include their director nominees in the company’s proxy materials
- Act expressly authorized the SEC to issue rules to require public companies to provide proxy access
- SEC adopted final proxy access rules on August 25, 2010
- Proxy access rules would have become effective November 15, 2010 and applied to 2011 annual meetings for those companies who mailed their 2010 annual meeting proxy statements on or after March 13, 2010
- Implementation of proxy access rules became subject to stay by SEC in October 2010, and in July 2011, U.S. Court of Appeals vacated mandatory proxy access.
- In September 2011, SEC announced it will retain rules regarding shareholders proposals regarding proxy access

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## “Say on Pay” Vote on Executive Compensation

- Act requires companies to include in any annual meeting proxy statement a separate resolution subject to an advisory shareholder vote on the compensation of named executive officers (CEO, CFO and three other most highly compensated executive officers) disclosed in the proxy statement
  - Effective for shareholder meetings occurring after January 21, 2011
  - Vote is non-binding and will not be construed to:
    - Overrule any board or company decision;
    - Create or imply any change or addition to the fiduciary duty of the board or the company; or
    - Restrict or limit shareholder proposals relating to executive compensation

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## “Say on Pay” Vote on Executive Compensation

- “Say on pay” vote must be held at least once every three years
- Whether “say on pay” vote is held every one, two or three years must be included as separate resolution subject to shareholder vote in proxy statement for first annual shareholder meeting occurring after January 21, 2011
  - This “say when on pay” vote, like “say on pay,” is advisory
  - Vote must reoccur at least once every six years
- Act does not address what voting standard applies to “say on pay” and “say when on pay” votes

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## “Say on Pay” Vote on Executive Compensation

- The SEC issued final rules in February 2011:
  - The rules require disclosure in CD&A of how previous “say on pay” votes have been considered in determining compensation policies
  - Under the rules, shareholders need to be able to vote for any of the three “say when on pay” alternatives (every 1, 2 or 3 years) or abstain, but the Board may recommend one of the alternatives
  - No preliminary proxy statement required

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## Shareholder Approval of Golden Parachute Compensation

- Act requires proxy materials for shareholder meetings occurring after January 21, 2011 for the purpose of approving an acquisition, merger, consolidation, or proposed disposition of all or substantially all the assets of the company to include:
  - Disclosure of any golden parachute agreement with any named executive officer of the company (or of the acquirer) concerning any compensation based on or otherwise related to the business combination being voted on;
  - Disclosure of the aggregate total of all golden parachute compensation that may be paid to such named executive officer and the conditions under which it may be paid or become payable; and
  - A separate resolution subject to shareholder vote to approve the disclosed agreements and compensation
- This separate shareholder vote on golden parachute arrangements will not be required unless shareholder approval of a corporate transaction is being sought
- SEC adopted final rules in January 2011

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## Other Provisions

- Compensation Committee requirements for listed companies
- Disclosure regarding compensation consultants
- Compensation clawbacks
- Pay-versus-performance and pay disparity disclosure
- Disclosure regarding Chairman/CEO structure

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## Whistleblower Protection

- Act requires the SEC to pay an award to whistleblowers between 10% and 30% of any monetary sanctions exceeding \$1 million for voluntarily providing “original information” relating to a securities law violation if the enforcement action is successful
  - Monetary sanctions include penalties, disgorgement of profits, restitution and interest
  - Reward program includes recoveries in actions charging violation of the Foreign Corrupt Practices Act
- SEC adopted final rules in May 2011 Whistleblower Incentives & Protection Program; rules took effect August 2011
- Rule establishes Office of Whistleblower to administer program

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## Increasing Protection of Whistleblowers

- The Act and Rule expand protection of and remedies available to whistleblowers:
  - Prohibits employer from retaliating against a whistleblower and provides whistleblower with cause of action against employer for alleged retaliation
  - Extends statute of limitations to bring retaliation claims to six years
  - Exempts whistleblower claims from pre-dispute arbitration agreements
  - Provides for reinstatement, attorneys' fees and two years back pay with interest

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***Real Estate Update:  
The Economy and Proposed  
Accounting Changes***

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*Lee Arnold, Jr., CCIM, CRE  
and  
Robert A. Busch, CFF, CITP, CPA*

**Lee E. Arnold, Jr., CCIM, CRE**  
President & CEO, Chairman of the Board  
Colliers International

Lee is the Founder, Chairman of the Board and CEO of the Arnold Companies consortium of private companies including: Colliers Arnold, L.A. Financial, and Clearwater Bay Associates. Collectively, these companies provide commercial and investment brokerage, property management, valuation, development, and capital market services.

Lee's thirty-five years of real estate experience have centered around his specialization in large, one-of-a-kind marketing assignments with an emphasis on problem properties. Lee's development and investment activities have been conducted under various partnerships and corporations. Development projects have ranged from a 2,300 acre Development of Regional Impact (DRI) in New Tampa to five star mobile home parks, office buildings, shopping centers, self-storage facilities, free standing retail developments, multi-family projects, and industrial/office parks.

Lee actively establishes and manages numerous joint ventures including syndications in real estate, technology, and banking. Lee is an active first round investor in a variety of investment sectors.

Lee is a Founding Director of American Momentum Bank representing the largest financial institutional capitalization in Florida's history, exceeding \$100 million. [www.amomentumbank.com](http://www.amomentumbank.com)

Lee is a Principal and Director of:

Bayshore Solutions, an award winning interactive web marketing firm.  
[www.bayshorereresolutions.com](http://www.bayshorereresolutions.com)

FairWarning Audit, a software security company.  
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**Robert A. Busch, CFF, CITP, CPA**  
Audit Partner  
Cherry, Bekaert, Holland, LLP

Bob is a Certified Public Accountant and an Audit Partner at CBH with over 22 years of audit and accounting experience serving the needs of publicly traded and closely held companies across a diverse array of industries.

Based in the Firm's Tampa Bay practice, Bob serves as the local practice lead for the Firm's Government Contractor Services Group. Bob also assists the Firm's clients with complex debt and equity transactions, information technology systems and controls, and development-stage organization accounting and finance issues. Prior to joining CBH through the Firm's acquisition of Aidman, Piser & Company in 2008, Bob served as a senior manager with Aidman, Piser. He has worked in both public and private practice, providing audit services with a large international accounting firm and serving as a consultant to several large corporations.

Bob received his Bachelor of Arts degree from Claremont McKenna College, an independent liberal arts college in Claremont, California. He is licensed as a Certified Public Accountant in California and Florida, and is a member of the American Institute of Certified Public Accountants (AICPA) and the Florida Institute of Certified Public Accountants (FICPA).



**REAL-ESTATE UPDATE**  
THE ECONOMY AND PROPOSED ACCOUNTING CHANGES

**PRESENTERS:**

**Lee E. Arnold, Jr.,**  
**CCIM, CRE**

President & CEO  
Colliers Arnold

**Bob Busch**  
**CPA, CFE**

Audit Partner  
Cherry, Bekaert & Holland, L.L.P.

## AGENDA

- Economic Outlook
- New Proposed Accounting Standards
  - Leases
- Questions

# Lee Arnold

**ECONOMIC OUTLOOK**  
TAMPA BAY

# Bob Busch

PROPOSED ACCOUNTING  
FOR LEASES

## LEASE ACCOUNTING

- Project Objectives
  - Produce a converged standard that addresses current weaknesses in existing models.
- Current lease model viewed as broken
- Users commonly make adjustments to capitalize leases
- Dual model and “bright line” tests mean similar transactions can get vastly different accounting.
- Conceptual definitions of assets and liabilities are met, at least for simple leases.

## WHAT IS A LIABILITY?

The definition, in brief –

A probable future sacrifice of assets that arises from a past event

## WHAT IS A LEASE?

A contract in which the right to use a specified asset is conveyed, for a period of time, in exchange for consideration.

Does a lease meet this definition?

## PROJECT PROGRESS

- Exposure Draft ("ED") Issued August 2010
- Comments due December 2010
- Many points were re-deliberated
- Decision to re-expose based on changes from re-deliberation
- New ED expected later this year
- Hope for final standard mid-2012

## LEASE ED

- **At the date of commencement of a lease, a lessee shall recognize in the statement of financial position**
  - A right-of-use asset
  - A liability to make lease payments
- **Lessor**
  - Receivable
  - Adjust asset to residual value
  - Possible to record profit at inception, if reasonably assured, otherwise over lease term.

## LEASE ED

**At the date of inception of the lease, lessee shall measure:**

- the liability to make lease payments at the present value of the lease payments, discounted using the lessee's incremental borrowing rate or, if it can be readily determined, the rate the lessor charges the lessee
- the right-of-use asset at the amount of the liability to make lease payments, plus any initial direct costs incurred by the lessee.

**Similar treatment by lessor, but for receivable and residual value of asset.**

## LEASE ED

- **After the date of commencement of the lease, a lessee shall measure:**
  - The liability to make lease payments at amortized cost using the interest method.
  - The right-of-use asset at amortized cost.

## LEASE ED – THINGS TO CONSIDER

- All leases will appear on the balance sheet.
- Impacts EBITDA (rent expense, but now interest expense for lessee and interest income for lessor) - Check debt covenants now.
- Definition of lease may change, current consideration –
  - ED will likely define a specified asset as an asset that is uniquely identified or identifiable. The concept of right to control the leased asset would be similar to the revenue project currently under way – direct the use / receive the benefit
  - Example – two floors of a six floor building would meet the criteria of physically distinct, whereas a portion of the capacity of a pipeline would not.

## LEASE ACCOUNTING

- **Measurement of lease term**
  - Options to extend
  - Management intent and past business practice
- **Changes to Estimates at inception**
  - Current period changes through income statement
  - Changes for future against right to use asset.
- **Modifications**
  - Treated as new lease only when considered substantive
- **No grandfathering of existing leases (except certain capital leases)**

## SO – WHAT TO DO TODAY?

- **Begin to build an inventory of all leases**
- **Consider impact on financial measures**
  - Loan covenant issues
  - Impact on compensation arrangements
- **Plan for retrospective adoption**

**QUESTIONS? CONTACT INFORMATION**

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# ***Technology: What You Need to Know***

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*Uday Murthy, MD, ACA*

## **Dr. Uday Murthy**

Interim Director & Professor in the School of Accountancy  
University of South Florida

Dr. Uday Murthy is Interim Director and Professor in the School of Accountancy at the University of South Florida. He holds the Quinn Eminent Scholar Endowed Chair in the School of Accountancy. Professor Murthy has a PhD from Indiana University and an MBA from Drexel University. His teaching and research interests are in the area of accounting information systems. His research has been published in a number of journals including *The Accounting Review*, *Auditing: A Journal of Practice & Theory*, *Journal of Information Systems*, *Behavioral Research in Accounting*, *International Journal of Accounting Information Systems*, *Journal of Management Information Systems*, *Decision Support Systems*, and *Information & Management*. Professor Murthy has served as coeditor of the *Journal of Information Systems*, the leading academic journal for accounting information systems research, and currently serves on the editorial boards of *The Accounting Review*, *International Journal of Accounting Information Systems*, and *Journal of Emerging Technologies in Accounting*. A recent article ranked Professor Murthy second out of 152 researchers in the field of accounting information systems, in terms of research productivity over the 20-year window 1990-2009.



## Technology Update

### **XBRL, Cloud Computing, Mobile Computing**

**Presentation at FICPA Conference  
October 27-28, 2011**

**Uday Murthy, PhD, ACA**  
School of Accountancy  
*University of South Florida*

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## Agenda

- XBRL: Technical overview
- Producing XBRL-tagged financial statements
- Cloud computing: Technical overview and risks
- Mobile computing: Technical overview and risks

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## XBRL

- eXtensible Business Reporting Language
- Based on XML
- XBRL defines a set of generally accepted tagging elements (via a schema) for “marking up” financial information
- An XBRL tagged document includes critical information to make the document usable by users of financial statements
  - Context
  - Unit

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## Value of XBRL

- Improves dissemination and analysis of financial information
- XBRL documents are platform-independent
- Makes it easy to use automated analytical tools
- Greatly improves comparability of financial information across companies
- Reengineers the financial analysis process
- Tools such as Altova’s Mapforce harness the power of XBRL

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## **XBRL: Technical Aspects**

- Two major components to XBRL
  - XBRL Taxonomy
  - XBRL Instance Document

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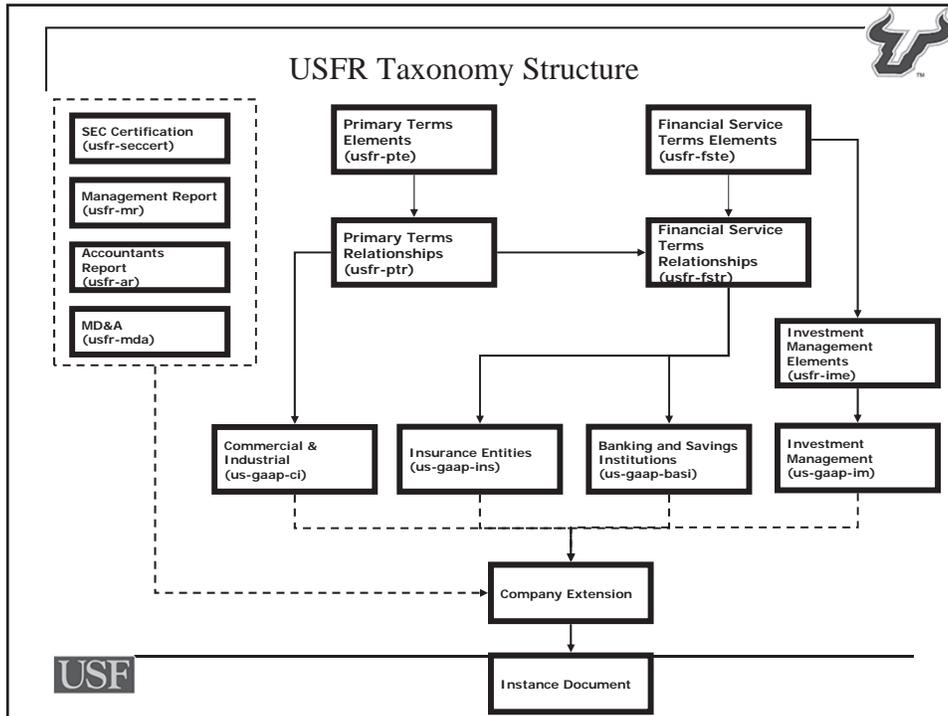


## **XBRL: Technical Aspects**

- XBRL Taxonomies
  - Collection of XBRL schema & linkbases
    - Specific to a jurisdiction: US Gaap, IFRS, etc.
- Schema files
  - Define legal elements for XBRL documents (file with .xsd extension)
- Linkbases
  - Mechanisms for providing additional meaning to XBRL documents

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### XBRL: Linkbases

- A linkbase is a file that contains explicit relationships
  - (1) between elements defined in an XBRL schema and
  - (2) between elements in an XBRL schema and other (external) resources.
- Types of linkbases
  - Label linkbase
  - Reference linkbase
  - Presentation linkbase
  - Calculation linkbase
  - Definition linkbase
  - Footnote linkbase

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## XBRL: Linkbases

- Label linkbase
  - Used for defining different roles and/or languages to a given concept
    - French, Spanish, and English label variants for an element
    - Short label PPE vs. long label “Property, Plant and Equipment.”
- Reference linkbase
  - Used to relate items to authoritative literature (e.g., FASB pronouncements, etc.)
- Presentation linkbase
  - Defines how items are nested and ordered for presentation purposes

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## XBRL: Linkbases

- Calculation linkbase
  - Used to define mathematical relationships between elements within an instance document; e.g., how one element is the summation of other elements
    - E.g. inventory, accounts receivable, cash & cash equivalents should sum up to “total current assets”
- Definition linkbase
  - Used to define additional semantics, such as elements that exist because of other elements, etc.
- Footnote linkbase
  - Allows the user to relate a footnote description to an item

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## XBRL: Instance Document

- **Tagged Value:** The main function of the instance document is to store financial data tagged with elements from a referenced taxonomy (containing element definitions and Meta data) for reporting.

### *Instance Component*

Tagged Value

Cash and cash Equivalents : US\$ 575,000,000 (1)

XBRL Name, i.e., tag

Usfr-pte:CashCashEquivalents

### *Example*

- **Unit:** An instance document contains a unit for each type of measured data tagged. Currencies and shares are the most common examples of Units of measure in Financial Reporting.

	<i>Attribute</i>	<i>Example</i>
UNIT	ID	USD
	Measure	\$ , Shares etc.

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## XBRL: Elements and Attributes

- There are several basic attributes of an XBRL element that provide the detail about them. In the example below, “CashCashEquivalents” has a unique element name which also identifies its source taxonomy, a data type (monetary), balance type (debit), and a period type (instant) which defines how it is reported at a given instant or duration.

	<i>Attribute</i>	<i>Example</i>
Basic Element Attributes	XBRL Name	Usfr-pte:CashCashEquivalents
	Data Type	Monetary/String, etc.
	Balance Type	Debit/Credit
	Period Type	Instant/Duration

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## XBRL: Instance Document

- Precision or Decimal are used on numeric values. In this example, a Precision of 9 is given. This means that the first 9 digits, counting from the left, starting at the first non-zero digit of the value are known to be trustworthy for the purposes of computations to be performed using that numeric fact. A Decimal value of 2 would indicate that the value of the numeric fact is known to be correct to 2 decimal places

Precision  
Or Decimal:

### Example

Precision = 9, Decimal = 2

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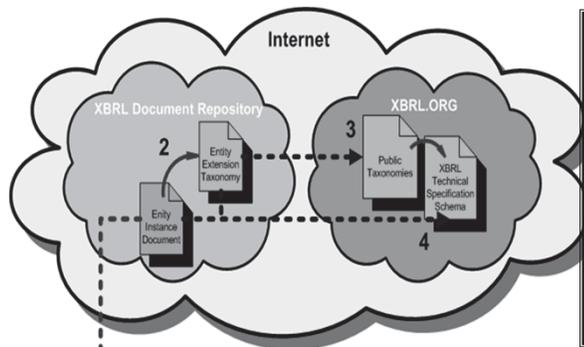
## XBRL: Instance Document

- Contexts: Every piece of financial data in an instance document must be associated with a context. A context provides additional meta data, particularly the period it is reported in. In addition, each context can also provide Segment (Ex. Business Unit or Revenue Center) and Scenario (Additional information Ex. Restated, Unaudited, etc.) information.

	<i>Attribute</i>	<i>Example</i>
Contexts	Period	Instant: As of 12-31-2006
	Segment	Financial Printing, Outsourcing etc.
	Scenario	Audited, Pro-forma, Restated

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## Anatomy of XBRL - Consuming an XBRL Instance Document



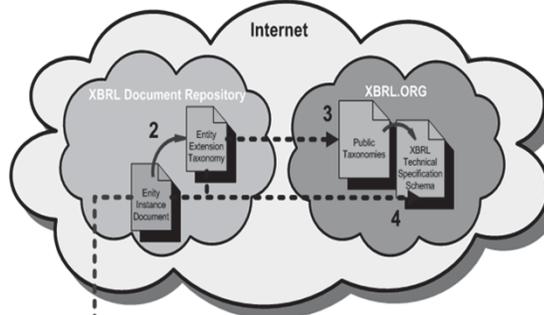
1. Using XBRL enabled software a user accesses an entity's Instance Document through the internet.
2. The Instance Document references the entity's Extension Taxonomy which contains information and relationships specific to that entity.



3. The entity Extension Taxonomy references a Public Taxonomy and extends it.
4. The Entity Instance Document, Extension Taxonomy and Public Taxonomy reference the XBRL Technical Specification Schema for compliance with the 2.1 specification.

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## Consuming an XBRL Document



1. Using XBRL enabled software a user accesses an entity's Instance Document through the internet.
2. The Instance Document references the entity's Extension Taxonomy which contains information and relationships specific to that entity.



3. The entity Extension Taxonomy references a Public Taxonomy and extends it.
4. The Entity Instance Document, Extension Taxonomy and Public Taxonomy reference the XBRL Technical Specification Schema for compliance with the 2.1 specification.

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### Balance Sheet: Taxonomy element and instance data

	2010	2009
December 31		
ASSETS	US\$000,000	US\$000,000
Current Assets:		
Cash and Cash Equivalents (1)	\$634	\$575
Accounts receivable, less allowance for doubtful accounts of \$88 and \$80	2,101	1,804
Inventories	1,515	1,374
Total current assets	\$4,250	\$3,753

**Taxonomy Schema Snippet**

```
<element
id="usfr-pte_CashCashEquivalents"
name="Cash and Cash Equivalent"
type="xbrl:monetaryItemType"
substitutionGroup="xbrli:item"
xbrli:periodType="instant"
xbrli:balance="debit"
nillable="true"
/>
```

**Instance Document Snippet**

```
<usfr-pte:CashCashEquivalents
contextRef="Y-2009"
unitRef="U-Monetary"
decimals="0">
575000000
</usfr-pte:CashCashEquivalents>
```

Taxonomy Element

Reporting period

Unit of Measure

Instance value





## Past, present, and future of XBRL

- March 2005 – SEC’s launches voluntary XBRL filing program
  - <http://www.sec.gov/rules/final/33-8529.htm>
  
- SEC Chairman Cox pushes idea of “interactive data” on May 14, 2008
  - <http://www.sec.gov/news/press/2008/2008-85.htm>
  
- Final rule regarding XBRL: effective date 4-13-2009
  - <http://www.sec.gov/rules/final/2009/33-9002.pdf>
  - Note section D “Summary of adopted amendments” on pages 20 to 28



# Cloud Computing



- **What?**
  - Applications running over Internet
  - Data and applications on remote servers
  - Only one client-side application needed (browser)
- **How?**
  - Using Ajax (asynchronous Javascript and XML)
- **Why?**
  - Availability
  - Platform-independence
  - Low cost
  - Scalability

USF

# Risks in Cloud Computing...1



- (In)security in web-based computing
- Management console security
- Individual account control
- Sensitive data access
- Bug exploitation
- Privacy breaches

USF

## Risks in Cloud Computing...2



- Multi-tenancy issues
  - Data segregation
- Malicious insiders
- Accountability
  - Intrusion detection systems
  - Security auditing
- Downtime
- Recovery

USF

## Mobile Computing



- Devices
  - Laptop
  - Tablet
  - Smartphone
  - USB drive
- Risks
  - Loss of device
  - Loss of data on device
  - Hacking of device/communication

USF



## Mobile Computing...2

- Secure the device
  - Physical security
  - Logical security
- Protect the device
  - Patches, antivirus, antimalware
  - Secure USB port

---

USF



## Mobile Computing...3

- Protect & secure the data
  - Encryption
  - Backup
- Secure the mobile connection
  - Secure connection (WPA2)

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USF

## Summary



- XBRL
- Cloud computing
- Mobile computing
- Questions?

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USF

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# ***Tax Implications of Health Care Reform***

---

*Scott Buchanan, MBA, CPA*

**Scott Buchanan, CPA, MBA**  
**CEO**  
Human Resources, Inc. (HRI)

Scott is the president and CEO of Human Resources, Inc. (HRI), a professional employer organization (PEO) based in St. Petersburg. HRI was named the 2010 Outstanding Business of the Year and is one of only 31 PEOs in the nation accredited by the Employer Services Assurance Corporation.

Prior to joining HRI, Scott was the Managing Director of the Employee Benefits Tax Consulting Group of Deloitte and Touche based in Atlanta. He spent more than 20 years in the Atlanta office of Deloitte before joining HRI as its president and CEO in 2003. He is a CPA and holds a MBA degree from Emory University and a BA in Economics from Hendrix College.

Scott is active in industry affairs and is currently a member of the Government Affairs Committee of the National Association of PEOs (NAPEO). He also serves as the Chairman of the Unemployment Task Force of NAPEO and is the past chair of the Florida Leadership Council for NAPEO.

**University of South Florida  
Accounting Conference**

**Tax Implications of Health Care Reform**

**Thursday October 27, 2011**



**Scott Buchanan**

**CEO- Human Resources, Inc.**

**CEO- Southeast Payroll Services, Inc.**

## **Topics**

- Overview
- 3.8% Medicare Tax
- Small Business Health Care Tax Credit
- Nondiscrimination Requirements
- Form W-2 Reporting
- Repeal of Form 1099 Reporting and Lost Revenue

## **Health Insurance Reform Historic Overview**

- ERISA was passed in 1974 with 500 pages
- Health Reform was passed in 2010  
with 2,000 pages
- Regulations are expected to be issued  
over the next 10 years amounting to  
100,000 pages

### **3.8% Medicare Tax on Investment Income**

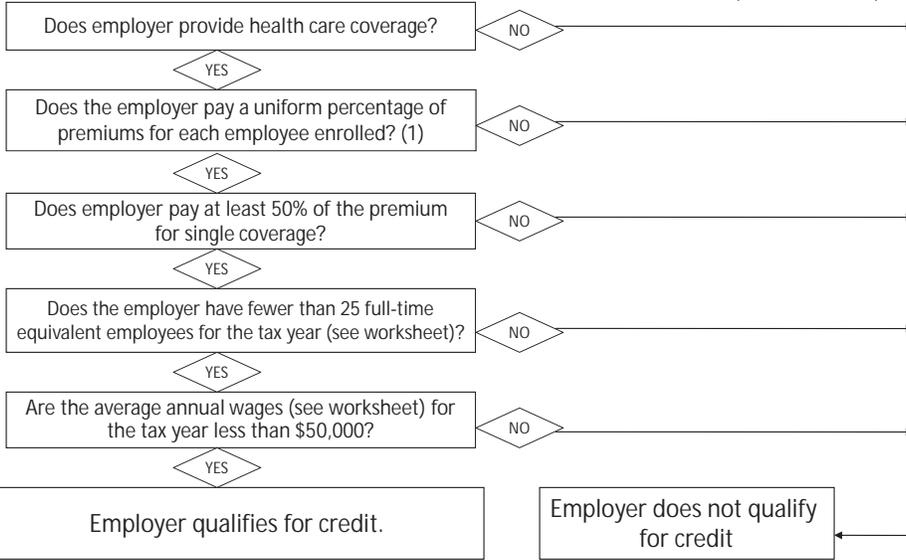
- Applies to incomes in excess of
  - 1) \$200,000-single
  - 2) \$250,000-joint
  - 3) The lesser of a taxpayer's net investment income or modified adjusted gross income in excess of the 200/250 threshold amounts
  - 4) Only to investment income that is subject to tax
  
- Takes effect in 2013

### **Questions**

- 1) Would gain on the sale of a residence be subject to this tax?
  
- 2) Will payroll software be revised to withhold this tax? (If yes, how does the employer obtain information necessary to apply the tax?)

# Eligibility for Small Business Health Care Tax Credit

(as of March 30, 2010)



(1) See transition rule for 2010

Form **8941** Credit for Small Employer Health Insurance Premiums QPS No. 1545-xxxx

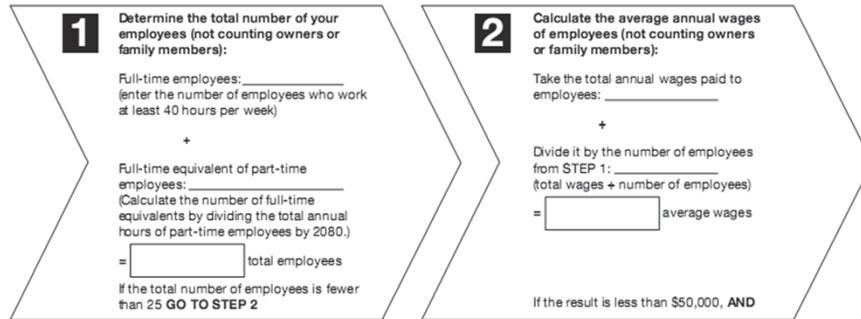
Department of the Treasury Internal Revenue Service **2010** See separate instructions. Attach to your tax return. REGISTRATION SOURCE No. 63

Identifying number	
1	Enter the number of individuals you employed during the tax year who are considered employees for purposes of this credit (see instructions)
2	Enter the number of full-time equivalent employees you had for the tax year (see instructions). If you entered 25 or more, skip lines 3 through 11 and enter "0" on line 12
3	Average annual wages you paid for the tax year (see instructions). If you entered \$50,000 or more, skip lines 4 through 11 and enter "0" on line 12
4	Premiums you paid during the tax year for employees included on line 1 for health insurance coverage under a qualifying arrangement (see instructions)
5	Premiums you would have entered on line 4 if the total premium for each employee equaled the average premium for the small group market in which you offered health insurance coverage (see instructions)
6	Enter the smaller of line 4 or line 5
7	Multiply line 6 by the applicable percentage: • Tax-exempt small employers, multiply line 6 by 25% (25) • All other small employers, multiply line 6 by 35% (35)
8	If line 2 is 10 or less, enter the amount from line 7. Otherwise, see instructions
9	If line 3 is \$25,000 or less, enter the amount from line 8. Otherwise, see instructions
10	Enter the total amount of any state premium subsidies paid and any state tax credits available to you for premiums included on line 4 (see instructions)
11	Subtract line 10 from line 4. If zero or less, enter "0"
12	Enter the smaller of line 9 or line 11
13	If line 12 is zero, skip lines 13 and 14 and go to line 15. Otherwise, enter the number of employees included on line 1 for whom you paid premiums during the tax year for health insurance coverage under a qualifying arrangement (see instructions)
14	Enter the number of full-time equivalent employees you would have entered on line 2 if you only included employees included on line 13
15	Credit for small employer health insurance premiums from partnerships, S corporations, cooperatives, estates, and trusts (see instructions)
16	Add lines 12 and 15. Partnerships and S corporations, stop here and report this amount on Schedule K-1; all others, go to line 17
17	Credit for small employer health insurance premiums included on line 16 from passive activities (see instructions)
18	Subtract line 17 from line 16
19	Credit for small employer health insurance premiums allowed for 2010 from a passive activity (see instructions)
20	Carryback of the credit for small employer health insurance premiums from 2011
21	Add lines 18 through 20. Cooperatives, estates, and trusts, go to line 22. Tax-exempt small employers, skip lines 22 and 23 and go to line 24. All others, stop here and report this amount on Form 9800, line 29h
22	Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions)
23	Cooperatives, estates, and trusts, subtract line 22 from line 21. Stop here and report this amount on Form 9800, line 29h
24	Enter the amount you paid in 2010 for taxes considered payroll taxes for purposes of this credit (see instructions)
25	Tax-exempt small employers, enter the smaller of line 21 or line 24 here and on Form 990-T, line 44f

For Paperwork Reduction Act Notice, see separate instructions. Cat No. 37737B Form 8941 2010

### 3 SIMPLE STEPS

If you are a small employer (business or tax-exempt) that provides health insurance coverage to your employees, determine if you may qualify for the **Small Business Health Care Tax Credit** by following these three simple steps:



**3** You pay at least half of the insurance premiums for your employees at the single (employee-only) coverage rate, then

you may be able to claim the **Small Business Health Care Tax Credit**. Find out more information at [IRS.gov](http://IRS.gov)

## Health Care Tax Credit Example

### Facts

ABC Company

40 PT employees = 20 FT employees

Wages \$500,000 or \$25,000 per employee

Employer paid health insurance premium \$240,000

### Credit Computation

(1) Initial credit before phase out	\$240,000 x 35%	\$ 84,000
(2) Credit reduction for employees in excess of 10	(\$84,000 x 10/15)	(\$56,000)
(3) Credit reduction for wages in excess of \$25,000		<u>0</u>
(4) Total 2010 Tax Credit		<u>\$ 28,000</u>

## Health Care Act Credit & Phase Out

- **For tax years 2010 through 2013**
  - Tax credit up to 35% of employer's portion of premium if employer pays at least 50% of a benchmark premium
- **For tax years 2014 & 2015**
  - Eligible small businesses that purchase coverage through the State Exchange will receive a tax credit up to 50% of the employer's portion of the premium if that portion is at least 50% of total premium cost
- **Phase Out**
  - This credit gradually phases out for firms with average wages between \$25,000 and \$50,000 and for firms with the equivalent of between 11 and 25 FT workers.

## Why Be Grandfathered

### Advantages

- Delay unlimited maximum benefit
- Delay cost of pre-ex coverage, adult dependent children
- Delay new non-discrimination requirements
- Retain a management carve out

### Disadvantages

- Many mandates apply whether grandfathered or not (adult dependents, higher lifetime limits, etc.)
- Insurance carrier may not continue plan
- Limits employer's ability to change plan design

## **Nondiscrimination Requirements**

- Section 105(h) has applied to self-funded plans for many years;
- For plan years beginning on or after September 23, 2010, “similar” rules will for the first time apply to fully-insured plans (for plan years beginning on or after September 23, 2010)
- In Notice 2011-1, the IRS states that enforcement agencies will not require compliance until after guidance is issued. This is good news for those employers that were struggling with the new nondiscrimination requirements.
- The IRS also requested comments by March 11, 2011 regarding the following topics: 1) Availability of Coverage Test, 2) Geographic Location Specific, 3) Safe Harbor Plan designs, and 4) After-Tax Coverage.

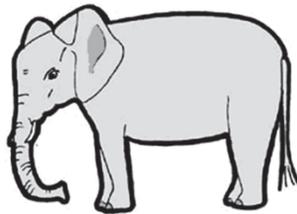
## **Nondiscrimination Requirements** Continued

- Section 105(h) contains both an 1) Eligibility and 2) Benefits test (although different—not unlike the 401(k) testing requirements-coverage, ADP, ACP and top heavy)
- For self-funded plans, a violation results in income inclusion to certain highly compensated participants;
- For fully-insured plans, a violation results in a penalty of \$100 per day per impacted employee (does this mean eligible employee or all employees?)

## **Nondiscrimination Requirements** Continued

- Exceptions exist for the following plans:
- Plans maintained by small employers (average of 2 to 50 employees in prior year);
- Grandfathered plans (generally a plan in existence on March 23, 2010 with no substantial changes---difficult to satisfy with carriers changing plan designs)

## **Elephant in the Room**



**When will employer provided health benefits become taxable?**

## **New Form W-2 Reporting Requirement**

- Voluntary for 2011 tax year (Notice 2010-69);
- Continues to be voluntary in 2012 for those small businesses with fewer than 250 2011 Forms W2 (Notice 2011-28 Q&A-3);

## **Purpose?**

- 1)To provide data to the Super Committee on deficit reduction?
- 2)To provide useful and comparable consumer information to employees on the cost of their health care coverage?
- 3)To eventually assist in the administration of the Cadillac Tax on rich health benefits?
- 4)All of the above?

### **What Is Included?**

- Total cost (ER & EE) of coverage under all applicable employer-sponsored coverage;
- Exclusions: contributions to any 1)Archer MSA 2)Health Savings Account, 3) the amount of any salary reduction election to a flexible spending arrangement and 4) cost of coverage under a Health Reimbursement Arrangement.
- Includes cost of coverage under a dental and vision plan if that plan IS integrated into a group health plan providing other types of health coverage subject to the reporting requirement.

### **How is Cost Computed?**

- 1)COBRA applicable premium method, or
- 2)Premium charged method, or
- 3)Modified COBRA premium method.

## Form 1099 Requirement

- Expanded the reporting requirement to include payments made to corporations in the course of trade or business;
- Repealed on April 14, 2011 by the Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayment Act of 2011;
- Lost revenue offset by increasing the repayment of premium assistance subsidies (available beginning 2014).

## Questions?

Scott Buchanan - Human Resources, Inc.  
727.895.4700 sbuchanan@HRinc.com



2010 St. Petersburg Chamber of  
Commerce Outstanding Business  
of the Year Winner



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# ***Auditing Standards Update***

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*Ralph Nach, CPA*

# Ralph Nach

## Instructor & Instructional Design Specialist

### AuditSense, LLC

Ralph is an instructor and an instructional design specialist on the AuditSense team. He is a nationally-known speaker and has expertise in designing, developing, and delivering training programs covering technical topics including accounting, auditing, and financial reporting as well as nontechnical topics related to leadership and interpersonal development.

Ralph is the Founder and President of SkillSmart LLC, a technical advisory firm located in Glenview, Illinois. Ralph has over 35 years of experience in the accounting profession in a variety of capacities including accountant, auditor, peer reviewer, instructional designer, director of quality control, chief learning officer, and as a quality control partner in the national office of the fifth largest international accounting and consulting firm.

Ralph holds a BSBA with honors from the Walter E. Heller College of Business of Roosevelt University in Chicago, Illinois, where he was elected to membership in Beta Gamma Sigma and the Franklin Honor Society. Ralph is a graduate of the inaugural class of the American Express Leadership Effectiveness Advancement Program (LEAP), designed to prepare the organization's high-performing employees to assume increased leadership responsibilities. In addition, Ralph served as an adjunct lecturer in graduate-level accounting, finance, and economics at Northwestern University in Evanston, Illinois, and he recently completed an intensive 5-day Mediation Training Professional Development Program sponsored by the Northwestern University School of Continuing Studies.

Ralph has served as author, co-author, contributing author, or technical editor of several technical reference works including:

- PPC's Interactive Disclosure Library*, PPC/Thomson Reuters, 2011;
- PPC's Guide to Preparing Financial Statements*, PPC/Thomson Reuters, 2010;
- GAAP Interpretation and Application*, John Wiley & Sons, 2001–2010;
- Handbook of Accounting and Auditing*, Warren, Gorham & Lamont, 1999;
- Controllers Policies and Procedures Manual*, Warren, Gorham & Lamont, 1998; and
- Technical Practice Aids*, AICPA, 1995.

Ralph currently volunteers his time and skills as a charter member of the Dean's Advisory Council for his alma mater and, when he is able to squeeze in the rehearsal time, sings in the choir of his congregation.

Ralph is a licensed CPA in the State of Illinois, where he lives with his wife, Marcie. Ralph and Marcie are the proud parents of two grown sons.

Presentation Will Be Available  
On-line After the Conference

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***Estate Planning for the  
Florida Accountant***

---

*G. Ryan Huston, Ph.D., CPA*

**Ryan Huston**  
Assistant Professor of Accounting  
University of South Florida

Ryan Huston is an assistant professor of accounting at the University of South Florida, teaching courses in the newly developed Tax Concentration of the Masters of Accountancy Program. He has taught courses in individual, corporate, partnership, and estate and gift taxation. After graduating with a BBA and MS in Accounting from Texas A&M University, he worked at Arthur Andersen and KPMG, returning to Texas A&M to complete his Ph.D. Upon graduation, he spent three years as an assistant professor at Florida State University before moving to the University of South Florida.

# ESTATE PLANNING FOR THE FLORIDA ACCOUNTANT

G. Ryan Huston, Ph.D., CPA  
USF-FICPA Annual Accounting Conference  
October 28, 2011

## Presentation Topics

- Life's Only Two Certainties
- A bit of history, a bit of politics (thankfully no religion)
- Where are we now?
- Where are we going?
- All of this keeping non-tax objectives in mind

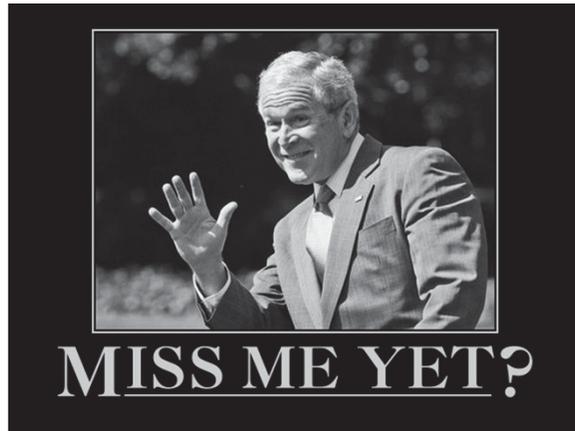
## How does this tax work?

- Gross Estate (FMV assets + prior taxable gifts)
  - Unified transfer tax system
- Less: Deductions (debts, estate expenses, charitable contributions, marital deductions)
- Taxable Estate
- Tentative Tax
- Unified Credit/Applicable Exclusion Amount
- Tax Due

## With numbers

- Gross Estate
  - Die in \$4m FMV Assets in 2009
  - Made \$2m previous taxable gifts (paid \$435K gift tax)
  - Had \$1m in charitable contributions
- Taxable Estate = \$5m
- Tentative tax = \$2,130,800 (45% top tax rate)
- Unified Credit = 1,455,800 (\$3.5M AEA)
- Gift tax paid/payable credit = \$435K
- Tax Due = \$240,000

Let's talk a little bit of history to figure out...



## How we got here

- Pre-Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA)
  - Top Tax Rate: 55%
  - Exclusion Amount (AEA): \$675,000 in 2001 (\$1 Million in 2002)
- Post-EGTRRA
  - Tax rate lowering (to 45% in 2009)
  - Exclusion Amount Increasing (to \$3.5 Million in 2009)
  - 2010: no estate tax (but no step-up in basis)- more on this later
  - The sunset provision

## The Sunset Provision

- December 31, 2010: the clock strikes midnight
  - Tax rates go back up to 55%
  - Exclusion amount goes down to \$1 Million
  - What did planners do? Have clients make taxable gifts at the old 45% rate
    - Problems
    - Implications for future
- Insert 2010 Tax Act (signed December 17, 2010)

## The 2010 Problem

- Congress' question: how to handle 2010- answer was to allow a choice between 2010 and 2011 provisions
  - 2010: No estate tax and modified carryover basis
    - Perfect for estate of George Steinbrenner
    - Prefer paying 15% capital gains to 45% estate tax
  - 2011: \$5 Million Exemption and step-up in basis
    - Perfect for smaller estates
    - Ease in determining basis because no tracking

## Highlights of the 2010 Act

- Top Rate: 35%
- Exemption Amount: \$5 Million
- Moves Sunset Provision to December 31, 2012
  - Top Rate- 55%
  - Exemption Amount- \$1 Million
- Gift tax implications
  - Late 2010 gifts made in anticipation of tax rate going up (some rescinded through mistake/disclaimers)
  - Gifts following end of sunset period ("clawback" issues)

## What is this "Clawback?"

- All gifts are not treated separately, but aggregated (with credits for previous taxes paid)
  - \$500K taxable gift in 2005- pay no tax
  - Another \$1 Million taxable gift in 2006 → consider as \$1.5 Million taxable gift made in 2006, use full credit
  - Gift exemption amount has never decreased
    - What happens to person who makes \$5 Million taxable gift in 2011? 0 tax.
    - What happens if she makes \$1 Million gift in 2013? Credit for \$1 Million or \$5 Million? This is the "clawback."

## Other Important Provisions

- Portability
  - Husband dies in 2007 and gives 100% of his estate to his wife
  - If Wife dies in 2009, only \$3.5 Million is exempt
  - If this same situation happens in 2011 and 2012, H's \$5 Million and W's \$5 Million are exempt
  - H's estate must simply file the tax return
- Generation-Skipping Transfer Tax
  - Exemption amounts and top rates continue to mirror estate tax amounts and rates

## What to Expect Going Forward



## Planning Considerations

- Tax-oriented considerations
  - Lifetime gifts
    - Flexibility, flexibility, flexibility
    - Ensure donor has adequate wealth
    - Use of annual exclusions and gift splitting
    - Gift taxes paid impact on gross estate (3-year rule)
    - Step-up in tax basis (better to wait until death?)
    - Ensure that gifts are complete- lots of good planning techniques with partial interests like QPRTs, GRATs, GRUTs, etc., but must get these plans right

## Planning Considerations, Cont'd

- Tax-oriented considerations, cont'd
  - What assets to give?
    - High vs. low basis (never loss property)
    - Impact of future appreciation of gifts- freeze the estate tax base (pay no gift/estate tax on growth- only capital gains)
    - Income tax issues (shift income to lower tax beneficiaries)
    - Income-producing vs. cost to maintain assets (artwork, houses, boats have costs attached and are not easy to sell)

## Planning Considerations, Cont'd

- Non-tax-oriented considerations
  - Beneficiaries' ability to manage gift
    - Trusts, custodial gifts, §529 plans (children/grandchildren)
    - Qualified Terminable Interest Property (spouse/remarriage)
  - Motivation of children with large gifts
  - Resentment between siblings
  - If there is a business
    - Succession plan/ability to run business
    - How are assets split among siblings if business is large part of estate?

## Other things to consider

- Wills and trusts
- Durable powers of attorney (healthcare), living wills, DNRs, HIPAA powers, etc.
- Insurance (life, disability)
  - Taxability of Life Insurance (ILIT)
- Guardianship/ Conservatorship, incapacity
- Non-traditional relationships
  - Same-sex couples
  - Non-married couples
- How assets are titled (joint tenancy, tenancy in common)

## In Conclusion

- Many planning techniques, but...
  - Clients are not always interested in saving money later
  - We can outsmart ourselves, especially if we are trying to guess what Congress will do
  - Flexibility is key
  - Revisiting the plan periodically is very important, especially around major life events

## Questions?

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# ***PCI Compliance: Current Issues and Trends***

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*Brandon Lowther, CISSP, PCI-QSA, GIAC/GCWN, CIPP, CISA*

Powerful Insights.  
Proven Delivery.®

## PCI Compliance: Current Issues and Trends

Brandon Lowther – PCI-QSA, CISSP, CIPP, CISA, GCWN  
Associate Director – Tampa, Florida

October 28, 2011  
FICPA USF Accounting Conference

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Risk & Business Consulting.  
Internal Audit.

### Today's Agenda

- **Current Trends:** Understand how three common security and PCI compliance trends may impact your organization
- **Updates:** Review recent PCI Council communications and clarifications and how they affect your organization
- **Call to Action:** Identify reasonable actions to take in your organization or to review with IT

## PCI DSS Background

- **P**ayment **C**ard **I**ndustry **D**ata **S**ecurity **S**tandard
  - Over 200 detailed administrative, procedural, and technical requirements that apply to **all entities** that **store, process, or transmit** payment card data
  - Requirements span:
    - Information technology (IT) systems and electronic data
    - Business processes and physical records
    - Contracts and legal agreements
    - Business partners and outsourced service providers
  - Organizations have invested millions to implement, upgrade, and improve security practices and align with compliance requirements



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## Trend #1: The data breaches continue

- PCI security requirements have been in affect since 2005
  - Similar security programs pre-date PCI and have been requirements for over a decade
- Significant investments of time and money have poured into compliance and security
- **But, the data breaches continue...**
  - Through October 1, 2011\*
    - Over 431 breaches have been made public
    - Approximately 28 million records stolen



\* Source: <http://www.privacyrights.org/data-breach/new> as of 10/05/2011

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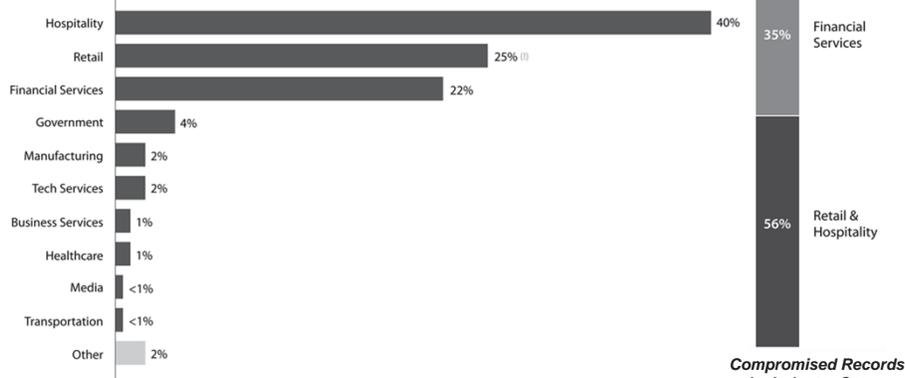
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## Breaches are Common in Hospitality & Retail

- **Where was PCI?** Two industry sectors most heavily dependent on payment card transactions suffered the most breaches

in 2010

Industry Groups by Percentage of Breaches



Source: 2011 Data Breach Investigation Report (DBIR)

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Compromised Records  
by Industry Group

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## Trend #2: Annual compliance challenges

- Once deemed compliant, many organizations struggle to continuously maintain their compliance programs
  - Compliance treated as an Annual Project vs. an embedded and continuous process
  - Lack of ownership and accountability
  - Challenges when managing changes to business processes and technology
  - Turnover of key staff
  - Changing requirements and PCI Council guidance



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### Trend #3: Organizations are unprepared for a breach

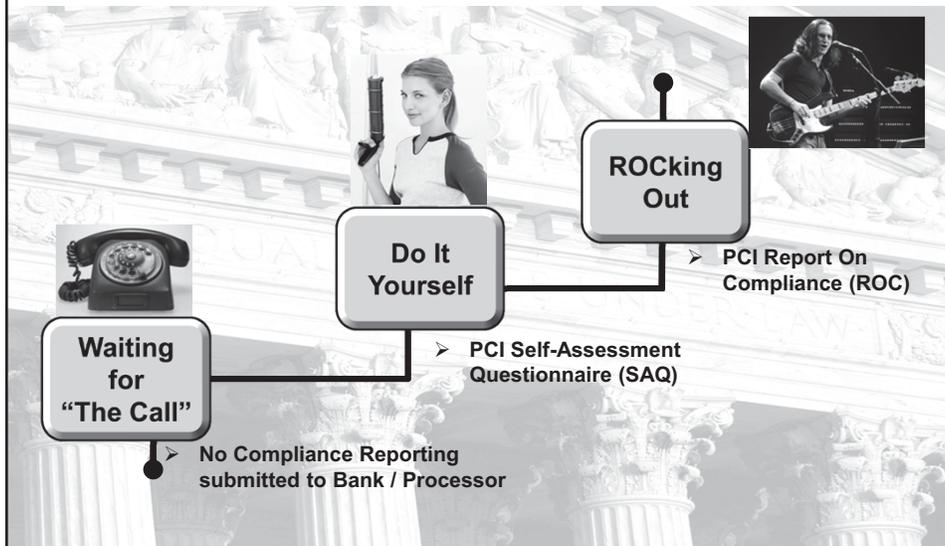
- Although Incident Response (IR) planning and training is required in DSS 12.9, many organizations are not prepared to respond to a data breach
  - Lack of a “first responder” strategy and agreed-upon containment protocols
  - Outdated communication plan
  - No relationships with external entities
  - Inadequate cyber-liability insurance



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### Three Levels of the PCI Compliance Continuum



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## For Organizations Waiting for “The Call...”

- “The Call”
  - When will we get it?
  - How will it be received?
  - How long do we have to be compliant?
  - What is our first step?
  
- What happens if we are not compliant?
  - Validation to Acquirer / Merchant Bank vs.
  - Compliance at Time of Breach
  
- Should we reach out to our Acquirer / Merchant Bank now?



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## Compliance Considerations

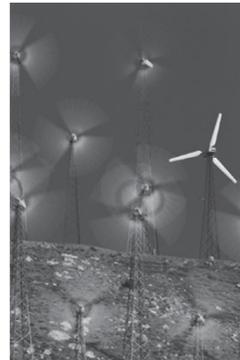
Area	Do It Yourself	ROCKing Out
Security vs. Compliance	<ul style="list-style-type: none"> <li>• Bare minimum vs. an effective security program based on your organization’s systems and risk profile?</li> <li>• Security event monitoring</li> <li>• Vulnerability discovery and elimination</li> <li>• Change control</li> <li>• Training and awareness programs</li> </ul>	
GRC and the InfoSec Program	<ul style="list-style-type: none"> <li>• SAQ Ownership</li> <li>• Requirement Attestation / Control Self Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Program Ownership</li> <li>• Assessment Planning</li> </ul>
Compliance Assessment	<ul style="list-style-type: none"> <li>• SAQ Accuracy</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment / ROC Quality</li> </ul>
Qualified Security Assessor (QSA) Quality	N/A	<ul style="list-style-type: none"> <li>• Use an Internal Security Assessor (ISA)?</li> <li>• QSA Internal QA Process</li> <li>• PCI Assessor Quality Assurance Program</li> </ul>

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## Adoption of “Emerging” Technologies

- PCI requirements do not prohibit the adoption of any technology
  - Point-to-Point or End-to-End Encryption (P2PE or E2EE)
  - Cloud Processing
  - Mobile device applications (Android, iPhone, Windows)
  - Near Field Communication (NFC)
- Technology vendors may underestimate and oversell the compliance impacts and benefits of their solutions
- Consult with a QSA when planning significant changes to business practices or technology infrastructure



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## The Shifting Sands of PCI Compliance

***“The requirements always seem to change!”***

- Is this common merchant complaint accurate or fair?
  - DSS Lifecycle
    - Every 3 years
    - DSS version 2.0 released 10/2010
- Since 10/2010, several important merchant-impacting updates have occurred and ***they are effective immediately*** – e.g.,
  - ROC Reporting Instructions (09/2011)
  - Point-to-Point Encryption Requirements (09/2011)
  - Mobile Application (e.g., Android, iPhone) FAQs (06/2011)
  - Revised Wireless Guidance (08/2011)
  - Tokenization Guidance (08/2011)
  - Virtualization Guidance (06/2011)

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## Incident Response (IR)

- Business Core Competency vs. IT Process
- Have you considered how a key decision will impact your operations?
  - Shut Down & Clean-up *or*
  - Contain & Monitor
- When was the last time you discussed IR with your team?
  - Internal Communication Plan
  - Response Protocols
  - Coordination with External Parties

### Example IR Participants

- **Internal Business Groups:**
  - IT, Legal, Marketing / Public Relations, C-Suite, Facilities, HR, Operations (e.g., Call Center)
- **External Parties:**
  - Customers
  - Processors, Banks, and Payment Brands
  - External Counsel
  - Insurance Company
  - Public Relations Firm
  - Forensic Investigator
  - Law Enforcement and Federal / State Agencies
  - Internet Service Provider (ISP)
  - Anti-Virus Vendor
  - Application Vendor
  - Business Partners
  - *The list goes on...*

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## Conclusions

- **PCI – Compliance**
  - Program Ownership
  - PCI Changes and Council Guidance
  - SAQ / ROC – Accuracy and Assessment Quality
- **PCI – Effective Security**
  - Continuous Process vs. One-time Project
  - People, Process, and Technology
  - The Increasing Importance of Effective Monitoring
- **Incident Response**
  - Preparation
  - Awareness and Training



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Thank you!

Brandon T. Lowther

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***The Role of the Accounting  
Profession in the Financial Crisis:  
Where Does the Profession Go  
From Here?***

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*Gary L. Holstrum, Ph.D., CPA, CFE, CFF*

## **GARY L. HOLSTRUM, Ph.D., CPA, CFE, CFF**

**Auditing Expert Witness and Consultant  
Audit and Accounting Litigation, Audit Committees,  
and Sarbanes-Oxley Compliance**

Dr. Gary Holstrum is an expert witness and consultant for auditing and financial reporting litigation, audit committee effectiveness, and Sarbanes-Oxley compliance. Gary is the former Associate Chief Auditor and Director of Research at the Public Company Accounting Oversight Board (PCAOB) in Washington, DC (until November 2006) and consultant in the PCAOB Office of the Chief Auditor until January 2009.

Prior to joining the PCAOB, he was a Professor of Accounting at the University of South Florida, where he has also served as the Director of the School of Accountancy and Coordinator of the Accounting Ph.D. Program.

He is a former audit partner with Deloitte, has worked extensively with both large and small accounting firms, and has served on the faculties of the University of Southern California, University of Florida, University of Central Florida, and University of Texas at Austin following his doctoral work at the University of Iowa.

Gary recently received the [2009 Distinguished Service in Auditing Award](#) from the Auditing Section of the American Accounting Association. He was a member of the Auditing Standards Board, President of the Auditing Section of the American Accounting Association, and chairman or a member of numerous other state, national and international professional committees, and research groups. From 1997 through 2003, he was the United States representative on the International Accounting Education Standards Board.

He has authored numerous journal articles, research monographs, and other publications on a variety of topics related to accounting, auditing, assurance services, internal control, information technology, audit committees, corporate governance, and accounting/auditing education. To help in litigation support and expert witness work, he recently became a Certified Fraud Examiner (CFE) and Certified in Financial Forensics (CFF). Recent litigation and expert witness work included working on the Lehman Brothers Bankruptcy Examiner's Report and on litigation related to Fannie Mae.

(Web site: [www.garyholstrum.com](http://www.garyholstrum.com))

(August 2011)

# Role of the Accounting Profession in Preventing Another Financial Crisis

GARY HOLSTRUM, Ph.D., CPA, CFE, CFF

Expert Witness and Consultant, Audit & Accounting Litigation  
Former PCAOB Associate Chief Auditor & Director of Research  
Former USF Professor and Director of the School of Accountancy

USF/FICPA ACCOUNTING CONFERENCE

OCTOBER 28, 2011

## Overview of presentation

- Financial crisis – What happened (in a nutshell)?
  - Key catalyst – failure of Lehman Brothers
- Underlying causes of financial crisis
- Investigation of Lehman Brothers – by Bankruptcy Examiner –
  - Role of Repo 105 transactions to hide extent of leverage deterioration
  - Role of auditors in failing to require disclosure of extent, timing, and effects of “hidden” Repo 105 transactions
- Worldwide investigations – Included role of accounting profession
- US Senate Hearing - Key to forthcoming accounting and auditing standards and enforcement actions
- Actions proposed by key players: PCAOB, FASB, SEC, & others

## **US Senate Hearing – Role of Accounting Profession in Preventing Another Financial Crisis – Key Players**

- Lehman Brothers Bankruptcy Examiner – Anton Valukas
- PCAOB – Chairman James Doty
- FASB – Chairman Leslie Seidman
- SEC – Current SEC Chief Accountant
- Lynn Turner, former SEC Chief Accountant

## **Critical Importance of this Senate Hearing**

**Understanding the issues raised in this Senate Hearing and the stated responses to the issues by the various parties provides a roadmap for predicting forthcoming accounting and auditing standards and enforcement actions in the next few years**

## Clarification:

- Many factors “caused” or “enabled” the financial crisis to occur
- The accounting profession may have contributed to (or helped enable) the financial crisis
  - Our responsibility, as members of the accounting profession, is to:
    - *Investigate how the accounting profession (or actions of certain members or groups within the profession) contributed to or enabled the crisis*
    - *Determine what action should be taken by various players in the accounting profession to prevent another financial crisis (or to avoid playing a contributory role in such a crisis)*

## What happened in financial crisis?

- Major financial institutions either failed or required bailout
- All received unqualified audit opinions & quarterly review reports prior to failure or bailout
- No “alarms” or warnings raised by auditors
- \$11 trillion “lost” by investors

## Financial institutions that failed or were bailed out

- Bear Stearns – Fire sale to JP Morgan Chase - March 2008
- Lehman Brothers – Failed September/October 2008
- Merrill Lynch – Arranged rescue - purchase by B of A
- Fannie Mae & Freddie Mac – Placed in conservatorship – September 2008
- Washington Mutual - failed
- Wachovia – bailed out – acquired by Wells Fargo
- AIG – bailed out

## Regulators Worldwide – have investigated issues and made recommendations

- European Union
- UK
- US Senate
  - Presentation focuses on US response
  - Web site for Senate Hearing: ([Click here](#))
    - Or simply Google: Senate Hearing on Role of the Accounting Profession

## Key Issues related to role of Auditors

- What SHOULD BE Auditors role?
  - Provide assurance to investors and others that financial reporting is accurate, reliable, timely and transparent
- Investors were not appropriately informed about risk
- Reporting financial institutions used accounting and financial reporting “gimmicks” to hide the risk (i.e., to destroy transparency)

## What happened? Some major factors:

- Real estate
- Sub-prime lending
- Growth of housing bubble
- Easy credit conditions
- Weak & fraudulent underwriting practice
- Predatory lending
- Deregulation
- Increased debt burden or over-leveraging
- Financial innovation & complexity
- Incorrect pricing of risk
- Boom and collapse of the shadow banking system
- Federal Reserve actions
- Regulator actions
- Auditor failure to provide any warning signals

## Factors related to accounting/auditing for financial institutions

- Financial institutions
  - Key factor: “Leverage”
    - *Good during periods of increasing prices*
    - *Bad during periods of decreasing prices*
  - Risk/Reward incentives “out of whack”
    - *Created moral hazard*
- Highly complex derivatives and other financial instruments created
  - Tended to mask or disguise the risk
  - Astronomical size of the derivatives market
- Fair value accounting
  - Huge challenge for accounting/auditing profession:
    - *How can you value something you may not completely understand?*
    - *How can you adequately communicate the risks of such complex financial instruments?*

## Key Players—A look at each:

- Lehman Brothers Bankruptcy Examiner – Anton Valukas
- PCAOB – Chairman James Doty
- FASB – Chairman Leslie Seidman
- SEC – Current SEC Chief Accountant
- Lynn Turner, former SEC Chief Accountant

## Investigation of Lehman Brothers – Bankruptcy Examiner Report-March 2010

- Role of Repo 105 transactions to hide extent of leverage deterioration
- Role of auditors in failing to require disclosure of extent, timing, and effects of “hidden” Repo 105 transactions
  - (Note: I was the auditing standards consultant for the auditing portion of the Examiner’s Report and essentially co-authored that section with the staff of Anton Valukas at Jenner & Block)

## Accounting & Auditing Issues Related to Lehman’s Use of Repo 105 transactions (All publicly disclosed in the Examiner’s Report)

- Importance of Lehman’s net leverage ratio
- Impact of the Repo 105 transactions on its net leverage ratio
- Accounting issues related to Repo 105 transactions
  - How Lehman structured them to improve its net leverage ratio
- The nature, timing, extent and effect of the transactions
- Failure to disclose the nature, timing, extent and effect of the transactions

## Responses to the Auditing Section of Lehman Bankruptcy Examiners Report

- PCAOB
- FASB
- SEC

## PCAOB – Four responses

- **Audit Practice Alert No. 5: Auditing Significant Unusual Transactions**
  - (April 2010)
- **PCAOB Inspection Report: Audit Risk Areas Affected by the Economic Crisis**
  - (September 2010)
- **Audit Practice Alert No. 7 – Auditor’s Consideration of Litigation & Contingencies Related To Mortgages & Other Loans**
  - (December 2010)
- **Proposals to Enhance the Audit Reporting Model**
  - Current

## PCAOB Audit Practice Alert No. 5 (April 2010)

- Significant Unusual Transactions: Key auditor actions required
  - *(1) identifying and assessing risks of material misstatement,*
  - *(2) responding to risks of material misstatement,*
  - *(3) consulting others,*
  - *(4) financial statement presentation and disclosure*
  - *(5) communicating with audit committees, and*
  - *(6) reviewing interim financial information.*

## PCAOB Inspection Report: Audit Risk Areas Affected by the Economic (September 2010)

Some key evaluations in current economic condition:

- *Fair value measurements (especially for certain debt & equity securities, derivatives, & loans)*
- *Impairment of goodwill & other assets*
- *Allowances for loan losses & accounts receivable*
- *Off-balance sheet arrangements*
- *Not only conformity with accounting pronouncements, but also adequacy of disclosure.*
- *Revenue recognition--amidst pressure for earnings targets*

**Audit Practice Alert No. 7 –  
Auditor’s Consideration of Litigation &  
Contingencies Related To Mortgages & Other Loans  
(December 2010)**

- Banks may have misrepresented quality of mortgages sold
  - Could be required to repurchase affected mortgages
- Companies servicing \$6.4 trillion in US mortgages may have bypassed legally required steps to foreclose on homes
- Both may represent huge loss contingencies

**PCAOB: Audit Reporting Model Project**

- Key Issues in Proposals
- Short report include an Auditor Discussion & Analysis?
  - Along lines of Management Discussion & Analysis
- Should there be added responsibility regarding and/or reporting re: risk disclosure?
- Should report personal signature of engagement partner?

## **FASB**

- **Review accounting standard that enabled the Repo 105 phenomenon to occur**
  - **Require evaluations regarding “giving up control of securities” to be made at the worldwide consolidated level rather than a national level**
- **Take action to prevent or discourage international “standards shopping” (looking for the weakest standard)**

## **SEC**

- **Response to Lehman Bankruptcy Examiner Report**
  - **Investigate how widespread is Repo 105 phenomena:**
    - **Letters to financial executives of large financial institutions requiring quick response**
- **Other Actions**

## Difficulty of Establishing and Implementing Accounting & Auditing Standards for Complex Financial Instruments

- Changing accounting standards for hedge accounting, derivatives, and other complex financial instruments
- Example: Fannie Mae accounting for complex financial instruments
- Accounting firm interpretation and implementation of related accounting standard
- Judgment of the SEC Chief Accountant in December 2004
- Surprisingly large number of restatements required as a result

## Recommendations of Lynn Turner, former SEC Chief Accountant

- **If system was “working as intended” and did not need fixing, then the whole situation is much scarier than the idea that the system failed (i.e., than if we identify what was not working and fix it).**
- **Various gatekeepers, including auditors, failed to act on information available to them and to provide the information to investors**
- **Lax and untimely accounting standards. FASB failed to issue timely standards to protect investors.**
- **PCAOB needs to have permission from Congress to disclose substandard audit work to audit committees & investors**
- **SEC needs more resources to enforce accounting and auditing standards**

## Key Conclusions

- (To be added at conference)

## Web Sites & Contact Information

- [www.garyholstrum.com](http://www.garyholstrum.com)
- [www.pcaob.org](http://www.pcaob.org)
- Senate Hearing Web site: Role of the Accounting Profession in Preventing another Financial Crisis ([Click here](#))

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# ***SBA Program and Regulatory Updates***

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*Jack Barrett  
and  
Brian Lamb*

**JOHN M. (Jack) BARRETT**  
President and Chief Executive Officer  
First Citrus Bank

**John M. Barrett** is President and Chief Executive Officer of First Citrus Bank, a \$250 million dollar financial institution. He also serves on the First Citrus Bank Board of Directors and is President and Chief Executive Officer of First Citrus Bancorporation. A Tampa native, Mr. Barrett has served as a Tampa banker for over 20 years. Mr. Barrett received his Bachelors degree in Finance with a minor in Accounting, as well as his Masters degree in Business Administration, from the University of Tampa. He held senior positions with The Merchant Bank of Florida in the early 1990s and Southern Exchange Bank in the late 1990s. While with Merchant Bank, Mr. Barrett was responsible for financial and regulatory reporting, compliance, asset liability analysis and management, investment portfolio management, internal audit, armored courier service, correspondent bank relationships and regulatory relations with the Federal Reserve Bank of Atlanta. As senior loan officer for Southern Exchange Bank, Mr. Barrett was responsible for the Bank's overall loan portfolio growth, asset quality, directing the Bank's business development program, promulgating loan policy guidelines, managing interest rate pricing and term structure, managing commercial loan officers within the bank and presenting loan requests to the Loan Committee. In addition, Mr. Barrett was that bank's litigation representative and managed its legal relationships.

**Brian Lamb**  
Market President  
Fifth Third Bank (Tampa Bay)

**Brian Lamb** is the Market President for Fifth Third Bank (Tampa Bay), which as of July 18, 2011, includes over \$2.1 billion in FDIC insured deposits, 46 Banking Centers, 50,000 households and over 350 employees. He is responsible for the growth and strategic direction for all lines of business, including Retail, Commercial, Business Banking, Private Banking and Residential Mortgage in Hillsborough, Pinellas, Pasco and Polk Counties. Brian previously served as the Business Banking Executive for Fifth Third Bank, where he oversaw the business development and strategic initiatives to expand the presence of business banking in the local community. Brian joined Fifth Third Bank in December 2006 as the Chief Financial Officer, where he was responsible for all financial reporting, accounting, analysis and strategic initiatives for Fifth Third Bank in Tampa Bay. Brian was born and raised in the Tallahassee area, where his family still resides. He attended the University of South Florida, where he earned a B.S. in Accounting. Brian is also a graduate of the Stonier Graduate Banking School at the University of Pennsylvania. Prior to joining Fifth Third Bank, he had served as Chief Financial Officer of Home Discovery Real Estate Services Corporation, a statewide residential real estate business. He began his professional career with TECO Energy, where he held key positions and later became the Director of Financial Services.

Brian is actively involved in the Tampa Bay community and currently holds Board positions on the University of South Florida Board of Trustees, Shelton Quarles IMPACT Foundation, and the United Way Campaign Cabinet. He is also a mentor with the USF College of Business Corporate Mentor Program. Brian previously served on the Greater Tampa Chamber of Commerce, Tampa Bay Workforce Alliance and Meals on Wheels Board of Directors. Brian has won several awards locally, including the University of South Florida "Outstanding Young Alumnus Award" and the *Tampa Bay Business Journal* "CFO of the Year" recognition. He was also named the "Minority Business Person of the Year". As part of his initiative to improve the quality of life across the state, Brian founded the Eugene Lamb, Jr. Foundation, in honor of his father, with the purpose of raising capital to enhance his hometown, the city of Midway, Florida and build a recreation facility that was named after his father.

# Regulatory Update

FICPA Presentation  
October 28, 2011  
Tampa Marriott Waterside  
Tampa, FL

## Additional Regulations

- I. Dodd-Frank Act
  - A. Durbin Amendment
    - i. Systematically Important Financial Institutions (SIFI's)
    - ii. RESPA changes
    - iii. TIL changes
    - iv. Repeal of Reg. Q
  - B. Basel III
    - i. Capital Surcharges



## Additional Regulatory Agency

- I. Consumer Financial Protection Bureau



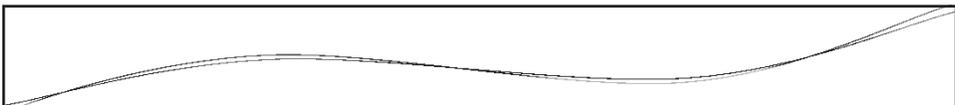
## FDIC Insurance Premiums

- I. New formula for assessment calculation
- II. Increased deposit insurance premiums



## Impact to Banks

- I. Money Centers
- II. Regional's
- III. Community Banks



## Impact to Consumers

- I. Disintermediation
- II. Costs of banking in the 21<sup>st</sup> Century



# The Future of Banking

- I. Credit Availability
- II. The Third Bubble
- III. 2025



# Implications to the Accounting Industry

- I. Practicing CPA's
  - A. Audit side
  - B. Tax Side
- II. Corporate Treasures
  - A. Public Companies
  - B. Private Companies

## **Banking in a Time of Over-Regulation**

*The president's red-tape reduction initiative was too timid.*

By Frank Keating

What's the key to stimulating our economy? Consider a conversation I had recently with a banker in Nebraska. For the first time, he said, his bank now devotes more work hours to compliance than to lending. Specifically, he has 1.2 employees on compliance for every one employee focused on lending and bringing in business.

Imagine a manufacturing company that deployed more than half of its work force as Occupational Health and Safety Administration (OSHA) compliance officers. Such a company would be unable to grow, let alone contribute to broader economic growth.

Yet banks across the country are feeling a similar pull on resources as the Dodd-Frank Act is implemented. Already federal regulators have issued 4,870 Federal Register pages of proposed or final rules affecting banks. Many more are still to come—for a grand total of more than 240 rules. And that's on top of about 50 new or expanded regulations unrelated to Dodd-Frank that banks have had to absorb over the past two years.

Managing this mountainous regulatory burden is a significant challenge for a bank of any size, but for the median-sized bank—with 37 employees—it's overwhelming. The cost of regulatory compliance as a share of operating expenses is two and a half times greater for small banks than for large banks.

Small-business owners can relate. A recent National Federation of Independent Business poll found that owners' top concerns are poor sales, taxes and government regulation or red tape—not access to credit, as those who want to blame banks for the stalled economic recovery suggest. In fact, 92% of small-business owners reported either that all their credit needs were met or that they were not interested in borrowing.

More regulation doesn't necessarily make consumers safer, banks stronger, or the economy healthier. More regulation—if it's not smart regulation—can have the opposite effect, chilling growth and driving up prices.

Americans understand this. In fact, when asked in a recent poll by the Tarrance Group who they believe is most affected by the costs that federal regulations create—consumers, business or the federal government itself—six in 10 voters said "consumers."

Better regulation can lead to growth and improved service. A state that can process a new branch application in six weeks, for example, will serve its population and economy better than one that drags the process out for two years.

While better regulation is not synonymous with less regulation, there's no doubt our federal code is rife with outdated, confusing or counterproductive rules that would fail any cost-benefit test. President Obama's regulatory reduction initiative, in which he asked government agencies to scour their rulebooks for policies that might be hampering business efforts to grow and create jobs, was a good start in exposing rules to such a test.

But the agencies, as if unsure whether the president wanted substantive relief or the appearance of it, were far too timid in their response. The pace and complexity of new regulations coming online will quickly overwhelm and obscure the nips and tucks that the agencies agreed to this month.

What's needed is a bold initiative that reverses the trend of over-regulation and frees the private sector to do its job. We need an approach to regulation that will ensure fundamental protection of consumers, the environment and other concerns without bogging businesses down in red tape or chilling expansion with threats of additional rules and harsh penalties. Bankers, for instance, need to know that they can exercise discretion and make a loan to a customer they know well without fear of reprisal from an overly cautious examiner.

Solutions should be government-enabled, not government-funded. That's how growth will come to Main Street—and not just to the federal regulatory agencies, where employment has surged 13% since 2009.

Lee Iacocca once described his formula for success as hiring brighter people than himself and then getting out of their way. Government would do well to follow this advice.

America is full of bright, energetic businessmen and women. Entrepreneurs are eager to innovate, expand, hire and sell, if government would just get out of the way.

***Mr. Keating is president and CEO of the American Bankers Association.***

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# SBA Lending



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## Agenda

- Introduction
- SBA Eligibility
- Regulatory Update
- Benefits of SBA Loans
- Recently Closed Loans
- Q&A

## SBA Loan Program Quick Reference

	<b>SBA (7a) Loan</b>	<b>SBA Express Loan</b>	<b>SBA 504</b>
<b>Loan Size</b>	Up to \$5,000,000	Up to \$1,000,000	\$125,000 to \$10,000,000+
<b>Loan Structure</b>	80% - 90% Bank Loan 10% - 20% Down Payment	80% - 100% Bank Loan 0% - 20% Down Payment	50% Bank Loan (1st mortgage) 30% - 40% CDC Loan 10% - 20% Down Payment
<b>Interest Rates</b>	Fixed, Variable, or Combination Fully Amortized – No Balloon	Fixed, Variable or Combination	Fixed or Variable on Bank Loan Fixed on the CDC Loan
<b>Loan Term</b>	Real Estate – up to 25 years R/E Improvements – up to 25 years Equipment – up to 15 years Leaseholds – up to 10 years Working Capital – up to 10 years	Term Loan – same as 7(a) Line of Credit – up to 7 years	CDC Loan: Real Estate – 20 years Equipment – 10 years Bank Loan: Real Estate – 10 years Equipment – 7 years
<b>Loan Proceeds Use</b>	Purchase Land & Building Construction, Renovations, or Leasehold Improvements Furniture and Fixtures Machinery and Equipment Inventory and Working Capital Refinance Existing Debt	Same as 7(a) Revolving Lines of Credit	Purchase Existing Building Land Acquisition and Ground Up Construction Expansion of Existing Building Building Improvements Equipment (no rolling stock)

## Eligibility

- US Citizen or Legal Permanent Resident Alien
- Must Be a For Profit Entity
- Real Estate Must Be 51% Owner Occupied (60% For Ground-Up Construction Loans)
- Size Standards are maximum tangible net worth of \$15 million and maximum 2-year average net income after Federal income tax of \$5 million
- Additional Criteria Based on Loan Request and Structure will apply, including situations frequently encountered:
  - Fully Secured Provision
  - Refinance Criteria
  - Excess Liquidity Guidelines

## **Benefits and Drawbacks of SBA Loans**

### Benefits:

- Up to 25 Year Terms
- No Balloons
- Up to 90% Financing
- SBA Guarantee up to 75%
- Can be an Ideal Financing Source for Early Stage Companies and Business Acquisition Financing

### Drawbacks:

- SBA Guarantee Fee
- Collateral Requirements
- SBA Regulations Do Not Allow Exceptions to be Made

## **Other Considerations & Questions**

- Work with experienced SBA lenders that are preferred by the Small Business Administration
- Documentation requests will be comprehensive
- Quality of financials will help with accelerate the process
- Ask banks what industries they may consider high-risk or already have concentration limitations
- Questions??



Thank you.



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***Panel: Work Life Balance: Where  
Does Your Life Fit Into Your Work?***

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*William G. Cummings, CPA, PFS  
and  
Lissette Baker  
and  
Marissa Fassino*

**William G. Cummings**  
President and Owner  
Cummings Financial Organization

William (Bill) is President and Owner of Cummings Financial Organization. He has been in the financial services business for the past 20 years, helping his clients make sound financial decisions.

His vast business experience and broad expertise allow him to provide a comprehensive array of services and private counsel to his personal clients. He has served as the Managing Director of a Registered Investment Advisor firm that had over \$1.8 billion in assets under management. In this role, he provided innovative investing and financial planning solutions. Through his one to one meeting approach or educational seminars, Bill brings a pioneering spirit to his role as a trusted advisor. Bill has spoken at various industry conferences and provided his thoughts on recent events, innovative products, and the future of the financial services business. He also has spoken to our youth, at colleges and in the public school system, about what it takes to succeed in life and in this business.

Bill also served as the Controller and Chief Financial Officer of a large financial services firm. In this role he helped protect the assets of the company and provided strategic direction for the ongoing success of the firm. He helped companies with such matters as mergers and acquisitions, divestitures, expansion efforts, risk management, financing, and the daily administration of running a business.

Bill is an independent financial advisor, which allows him the freedom to choose among a wide array of financial services companies and products to best meet your needs. Bill believes strongly in helping his clients succeed by providing independent, comprehensive advice through detailed financial planning.

Bill is a proud graduate of the University of South Florida. He holds an active Certified Public Accountant (CPA) and Personal Financial Specialist (PFS) License. He also holds the following licenses; a FINRA Series 7, 24, 28, 63, an IAR, and Life/Annuity. He is a member of the American Institute of CPA's (AICPA), Florida Institute of CPA's (FICPA), FICPA's Estate and Financial Planning Committee, and the Financial Services Institute.

Bill and his wife, Kimberli, reside in beautiful Tampa, Florida; they have five children. He and his wife are active in their community. The Cummings support their church, art guilds, Guardian ad Litem (Executive board member), Mental Health Foundation, Moffitt Cancer Center, American Stage Theatre, Stageworks Theatre, Las Damas de Arte, the YMCA, and the University of South Florida.

# Lissette Baker

## Partner

### Vaco

Lissette is a proud University of Florida graduate; she obtained her Bachelors and Masters in Accounting from Fisher School of Accounting. Upon graduation, she passed all four sections of the CPA exam on her first attempt and began her career in public accounting with Ernst & Young.

After leaving public accounting, she spent a combined total of five years in the private arena as an Assistant Controller for a public company then Controller for privately held companies before finding her passion in business development and recruiting. After meeting the Vaco family and understanding how the Vaco model works, she knew she found her long term career home and has been happy ever since!

Lissette is now a Partner with Vaco in the Tampa office. Vaco matches the strongest accounting, financial, IT and administrative professionals with the unique project and permanent needs of their clients - simple in theory, difficult in execution. The Vaco team has equity, autonomy, voice, growth, freedom, and talented partners across the Nation. Vaco has 25 offices nationwide and has repeatedly been selected for Inc 500's fastest growing companies. Vaco qualified again in 2010; making it their fourth consecutive year. In addition, they won the Ernst & Young's Entrepreneur of the Year Award in 2005.

Lissette uses her previous experiences as both a candidate and hiring manager to provide the same level of service she appreciated. Having worked in the capacity of most of her clients and candidates, she can relate to their needs and goals. She spends the time upfront to get to know her clients and candidates to ensure she is finding the right fit for both sides.

Lissette is currently the President of the American Society of Women Accountants; she started attending meetings while still in industry and found that she was passionate about its mission. She began her leadership role as President-Elect and stepped into the Presidential role in 2010. She was nominated to continue her Presidency in 2011.

Lissette is the Director of Corporate Affairs for the Tampa Chapter of the Association of Latin Professionals in Finance and Accounting (ALPFA).

Lissette sits on the BOD as Treasurer for the Tampa Gator Club. She participates on the scholarship committee, and assists with the Young Alumni events. She was previously in charge of public relations. She joined the board in 2010.

Lissette is also a BOD member for Tampa Connection; she joined the board after graduating the leadership development program in 2011. She enjoys being a volunteer and active contributor in the community. As sponsors of Financial Executive International, Lissette attends monthly meetings and actively recruits for the Chapter.

Lissette has also been a guest speaker for the FICPA, ASWA, and Texas A&M. She is also an active volunteer for the Children's Home. In her spare time, Lissette weight trains, spins, and spends time with family and friends.

**Marissa Fassino**  
Student  
University of South Florida

Marissa Fassino is a student at the University of South Florida graduating with her Bachelors of Science in Accounting in December 2011. Upon graduation she plans to enroll in the Masters of Accountancy Program, obtain the CPA designation, and eventually attain her Ph.D. Along with being a full-time student, Marissa is an Intern at Accell Audit & Compliance, P.A, the IS Director of Beta Alpha Psi – Delta Gamma Chapter, and a member of the School of Accountancy Student Advisory Council.

# Work Life Balance: Where Does Your Life Fit into Your Work?

*Presented by*  
Lissette Baker  
Partner, Vaco



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# Work Life Balance: Where Does Your Life Fit into Your Work?

*Align Your Career Goals with your  
Personal Goals*

- Be Realistic
- Make yourself “valuable”
- Realize there may be sacrifices

TIME



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## Work Life Balance: Where Does Your Life Fit into Your Work?

### *Networking – Maximize it!*

- Make the time!
- How many?
- Choose wisely
- Be a “Connector”
- Recruiters

TIME



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## Work Life Balance: Where Does Your Life Fit into Your Work?

### *Career Searches/ Identifying Target Companies*

- Know what is important to you
- Leverage relationships, “do your homework”
- Ask the right questions

TIME



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# ***How to Make the Best Out of the XBRL Situation***

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*Mike Willis, CPA*

**Mike Willis, CPA**  
Partner, PricewaterhouseCoopers  
Chairman Emeritus, XBRL International

Mike Willis has more than 27 years of accounting and auditing experience and is a partner with PricewaterhouseCoopers. Mike has served in a number of roles within the XBRL community including Founding Chairman and the elected Chairman of the Board of Directors and the International Steering Committee. XBRL is an international information format standard designed to enhance business reporting supply chain processes benefiting preparers, distributors, aggregators and consumers of this information. XBRL International (<http://www.xbrl.org>) is currently composed of more than 640 leading software, accounting and finance companies from 30 countries around the world.

Mike has also played a founding role in the development of national and international consortia working to develop broad corporate reporting frameworks and related taxonomies. He worked along with other founders from Microsoft, the AICPA, and Grant Thornton to form the Enhanced Business Reporting Consortia ("EBRC") outlined here: <http://www.ebr360.org/> Subsequently, Mike played an active role in EBRC collaboration with similar organizations around the world to form the World Intellectual Capital Initiative ("WICI"), the world's business reporting network, a private/public sector collaboration aimed at improving capital allocation through better corporate reporting information. More information on WICI can be found here: <http://www.worldici.com>

He speaks frequently, publishes papers and blogs on the topic of business reporting. Mike has been interviewed for or published articles in a range of business periodicals on the topic of a more efficient and effective business reporting supply chain including the Harvard Business Review, Financial Times, Business Week, Wall Street & Technology, FEI Magazine, CFO Magazine, Journal of Accounting and CIO Magazine.

www.pwc.com

## *How to Make the Best out of the XBRL Situation*

*October 28, 2011*

**pwc**

### ***How to Make the Best out of the XBRL Situation***

Participants in this session will learn how other companies and the analyst communities are using XBRL to enhance their reporting and analytical processes and controls. Specifically, participants will learn about the:

**Rules** - Mandatory SEC XBRL requirements

**Results** - Reporting considerations and insights

**Rewards** - Compliance process and control enhancements realized by others

**Rest of the World** - Compliance considerations around the world

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## ***Rules***

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## ***What is XBRL?***

### *International Supply Chain standardization effort*

International business information standard

Designed specifically to address pervasive process problems

Mandated by economics and regulators (including US SEC)

Applicable to business information, related business rules, formulas, controls, processes, resources, etc.

“Bar Code” for Business Information

- Adds structure (meaning) to business information
- Enhances information processing, reuse, analysis and reporting
- Taxonomies available for: US/IFRS GAAP, other statutory GAAP, MD&A, CSR, GRI, Proxy, Corp Actions, Legers/subledgers, other non-financial

Process enhancements are available and being realized

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## How does it impact you?

### SEC mandatory requirements significantly increase in Year 2

#### Year 1

- Individual amounts on the face of the financial statements
- The financial statement footnotes in "block text"
- Financial statement schedules in "block text"
- Post on company website same business day as EDGAR submission

#### Year 3

- End of Modified Liability provisions (effective > August 10, 2011)

#### Year 2 – In addition to Year 1

- Each significant accounting policy as "block text"
- Each table within each footnote as "block text"
- Each quantitative amount in the footnotes and schedules (i.e., monetary value, percentage, and number) – even if the number is spelled out

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## Sample Note Disclosures

### How granular is XBRL taxonomy mapping applied?

**Accounting Policies**

**Tables**

The provision for income taxes for fiscal 2009, 2008 and 2007 consisted of the following (in thousands):

	2009	2008
<b>Current:</b>		
United States federal	\$ 152,840	\$ 24,179
Foreign	36,794	27,680
State and local	25,427	6,972
<b>Total current</b>	<b>215,061</b>	<b>58,831</b>
<b>Deferred:</b>		
United States federal	50,376	41,678
Foreign	559	(9,693)
State and local	4,635	25,518
<b>Total deferred</b>	<b>55,570</b>	<b>57,503</b>
<b>Tax expense attributable to employee stock plans</b>	<b>44,381</b>	<b>90,360</b>
<b>Provision for income taxes</b>	<b>\$ 315,012</b>	<b>\$ 206,694</b>

**Each Quantitative Amount in the Notes to the Financial Statements**

**Revenue Recognition.** Sales of prepack, fuel oil and refined fuels are recognized at the time product is delivered to the customer. Revenue from the sale of appliances and equipment is recognized at the time of sale or when installation is complete, as applicable. Revenue from repair, maintenance and other services activities is recognized upon completion of the service. Revenue from service contracts is recognized evenly over the service period. Revenue from the natural gas and electricity business is recognized based on customer usage or determined by meter readings for accurate delivery, some of which may be realized at the end of each accounting period. Revenue from seasonal fuel sales fees is deferred at the time of billing and recognized on a straight-line basis over one year.

**Fair Value Measurements.** The Partnership measures certain of its assets and liabilities at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants or, in other words, the principal market or the most advantageous market. The principal market is the market with the greatest level of activity and volume for the asset or liability.

The company discloses the measurement fair value hierarchy to provide the appropriate level of the valuation techniques to derive fair values. The basis for fair value measurements for each level within the hierarchy is described below with Level 1 having the highest priority and Level 3 having the lowest.

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar instruments in markets that are not active, and market-derived valuations in which all significant inputs are observable in active markets
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs are unobservable

**Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions 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 reporting period. Estimates have been made by management in the areas of depreciation and amortization of long-lived assets, intangible assets and liabilities, reserves, pensions and other postretirement benefit liabilities and costs, purchase accounting, valuation of derivative instruments, asset valuation assessments, tax valuation, allowances, as well as the allowance for doubtful accounts. Actual results could differ from these estimates, making it reasonably possible that a change in these estimates could occur in the near term.

**Stock Options Assumed.** The value of stock options considered unearned compensation was determined to be approximately \$97.1 million using a binomial option valuation model with the following assumptions: volatility of 33.6-35.4%, weighted average risk-free interest rate of 0.24%-2.5%, dividend yield of 0%, early exercise threshold of \$14.20, and post-vesting cancellation rate of 4.89%. The underlying stock price used in valuing the options for which a portion was considered unearned compensation was \$34.78, which was the closing price for Adobe on October 23, 2009. The fair value of the converted restricted stock units was determined to be approximately \$55.6 million based on Adobe's average stock price of \$34.33 as discussed above. This amount was reduced by the fair value of the restricted stock units considered unearned compensation of approximately \$12.8 million, net of estimated forfeitures, based on the \$34.78 stock price referred to above. \$67.7 million in unearned compensation will be recorded as an expense on a straight-line basis over the remaining service periods of the respective awards. The recognition of expense associated with the portion of the assumed and converted stock options and restricted stock units that are subject to future service requirements, which are not included in the purchase accounting, have not been included in the pro forma statements of income.

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## ***Risk of Report Quality?***

### ***Modified Liability Provisions***

Modified liability provisions – what does it mean?

- Submissions are subject to the federal securities laws in a modified manner when filed within 24-months of the first required filing but no later than October 31, 2014, provided:
  - Good faith attempt
  - Prompt correction
- Voluntary filings do not count towards the 24-month period
- The 24-month period is exclusive of a grace period
- Group 1 companies– be sensitive to the expiration of the modified liability provisions
- No change to external auditor involvement

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## ***Results***

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## ***SEC Staff Observations on XBRL submissions***

SEC Staff Observations (from June 15, 2011)

Observations for filers tagging the face of the financial statements

- Format of the statements
- Negative Values
- Extended elements
- Completeness of tagging

Additional Observations for Detail Tagged Filings:

- Modeling of Level 4 tagging
- Negative Values
- Units
- Other observations from certain filings include: monetary values, Article 12 schedules, footnotes, and calculation links.

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## ***Common Error Example EDGAR Filer Manual Validation***

The instance contains errors regarding the Edgar Filer Manual identified using XWand. Is there a management process in place in which such matters are reviewed and documented to ensure alliance with guidelines.

<b>EDGAR Manual Validation Result Details</b>
<b>Document:</b> <a href="http://www.sec.gov/Archives/edgar/data/68589/000075165211000024/str-20110630.xml">http://www.sec.gov/Archives/edgar/data/68589/000075165211000024/str-20110630.xml</a>
<b>Error Details</b>
<b>Count=3</b>
<b>6.8.11</b> An xsd:element with a type attribute equal to 'xbrl:monetaryItemType' must have an xbrl:balance attribute if it appears on a statement of income or balance sheet. <b>count=1</b> Element 'str:OtherComprehensiveIncomeEmployeeBenefitsAdjustmentBeforeTax' appears in the statement of income or balance sheet. Set balance attribute.
<b>6.15.4</b> A fact in an instance whose element is the source of an effective calculation relationship in the instance DTS should not have the same calculation relationship target in more than one base set. <b>count=2</b> There are calculation arcs with the same source and target element in more than one base set. Delete unnecessary arcs. Extended link roles : 'http://questar.com/role/ConsolidatedStatementsOfIncomeUnaudited', 'http://questar.com/role/DiscontinuedOperationsDetails', Source : 'us-gaap:IncomeLossFromDiscontinuedOperationsNetOfTaxAttributableToReportingEntity', Target : 'us-gaap:IncomeLossFromDiscontinuedOperationsNetOfTax' There are calculation arcs with the same source and target element in more than one base set. Delete unnecessary arcs. Extended link roles : 'http://questar.com/role/ConsolidatedStatementsOfIncomeUnaudited', 'http://questar.com/role/DiscontinuedOperationsDetails', Source : 'us-gaap:IncomeLossFromDiscontinuedOperationsNetOfTaxAttributableToReportingEntity', Target : 'us-gaap:IncomeLossFromDiscontinuedOperationsNetOfTaxAttributableToNoncontrollingInterest'

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## Common Error Example - Negative Value

Statement of Stockholders' Equity (Abstract)	2010-09-26 - 2010-12-25	2010-09-26 - 2010-12-25
Balance	422,063,000	35,318
Balance (in shares)	35,318	
Net income	43,129,000	
Other comprehensive income:		
Net unrealized gains on cash flow hedges	-	
Amortization of net actuarial losses and prior service credits	-	
Total comprehensive income	-	
Partnership distributions	(30,062,000)	
Common Units issued under Restricted Unit Plans	77	

### SEC XBRL Viewer

Condensed Consolidated Statement Of Partners Capital (USD \$) In Thousands, except Share data	Common Units
Balance at Sep. 25, 2010	\$ 422,063
Balance (in shares) at Sep. 25, 2010	35,318
Net income	43,129
<b>Other comprehensive income:</b>	
Net unrealized gains on cash flow hedges	
Amortization of net actuarial losses and prior service credits into earnings	
<b>Total comprehensive income</b>	
Partnership distributions	(30,062)
Common Units issued under Restricted Unit Plans (in shares)	77
Compensation cost recognized under Restricted Unit Plan, net of forfeitures	1,332
Balance at Dec. 25, 2010	\$ 436,462

### Company html statement

Partnership distributions	(30,062)
Common Units issued under Restricted Unit Plans	77
Compensation cost recognized under Restricted Unit Plans, net of forfeitures	1,332
Balance at December 25, 2010	35,395 \$ 436,462

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## Common Error Example Negative Values Used vs. Negated Labels

Goodwill and Identifiable Intangible Assets (Details 1) (Presentation)	2011-01-01 - 2011-06-30	2010-12-31
Identifiable Intangible Assets		
Gross carrying amount	3,530,000,000	3,576,000,000
Accumulated amortization	(1,666,000,000)	(1,549,000,000)
Net carrying amount	1,864,000,000	2,027,000,000
Identifiable intangible assets approximate weighted average remaining life in years	12	

Goodwill and Identifiable Intangible Assets (Details 1) (USD \$) In Millions, unless otherwise specified	6 Months Ended Jun. 30, 2011	Dec. 31, 2010
<b>Identifiable Intangible Assets</b>		
Gross carrying amount	\$ 3,530	\$ 3,576
Accumulated amortization	(1,666)	(1,549)
Net carrying amount	1,864	2,027
Identifiable intangible assets approximate weighted average remaining life in years	12	

Gross carrying amount	\$ 3,530	\$ 3,576
Accumulated amortization	(1,666)	(1,549)
Net carrying amount	\$ 1,864	\$ 2,027

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## Common Error Example Calculation Linkbases

There are several calculation linkbases for subtotals that appear to reflect different amounts than what is intended. It may be useful to check these. Examples are included to the right:

The screenshot displays a financial statement interface with several tables. The 'Quarterly Information' table shows earnings from discontinued operations, net earnings, and earnings attributable to noncontrolling interests. The 'Disclosure - Operating Segments (Table 2) (Details) (Dimension)' table shows consolidated net earnings, preferred stock dividends, and net earnings attributable to GE common shareholders. The 'Income Taxes' table shows deferred tax, expires with in three years, expires after five years, and non-U.S. loss carryforwards.

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## Common Error Example Table Structures inconsistent w/ USGT

The XBRL instance includes one table structure. Do this table accurately reflect all of the tables within the company report? Informally reading the company report, it appears that there are more than 30 tables in the notes to the financial statements. It may be useful to assess if the 'Statement Table' is being used to capture a broader range of table concepts than is appropriate given all of the table structures in the USGT.

The screenshot shows a query statement: 'select distinct parentelement from definition where parentelement = /table\$/i order by parentelement'. Below the query is a table with one row: '1 | us-gaap:StatementTable'. To the right, a table structure is shown with columns for 'Expires With In Three Years [Member]', 'Expires After Five Years [Member]', 'Entity [Domain]', and 'Entity [Member]'. The table contains data for 'Income Taxes' and 'Statement [Table]'.

### SEC Staff Observation on US GAAP modeling of Axis and Members

We have also noted circumstances where filers have not used the modeling of elements currently published in the US GAAP Taxonomy. We suggest filers utilize the pre-defined table structures included in the taxonomy, and use the related line item elements and domain members to the extent they are applicable for their specific circumstances. (FAQ E.16)

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***Common Error Example***  
***USGT Elements for Consideration***

Company specific extensions have been created where alternative tags within the US GAAP taxonomy may be considered. The following table includes examples from the company submission.

<b>Company Extension</b>	<b>Verbose Label</b>	<b>USGT Element</b>
xx_CashAndEquivalentsAtBeginningOfYear	Cash and equivalents at beginning of year	us-gaap_CashAndCashEquivalentsAtCarryingValue
xx_CashAndEquivalentsAtEndOfYear	Cash and equivalents at end of year	us-gaap_CashAndCashEquivalentsAtCarryingValue
xx_DeferredIncomeTaxes	Deferred income taxes (Note 14)	Deferred Income Tax Liabilities

Defining a new, company-specific element has many consequences, not only for all users of the Interactive Data Financial Statements (usability of the data) but also for the filer's ability to reuse the elements and data structures created in subsequent reporting periods and reduce its future reporting effort.

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***Common Error Example***  
***Units of Measure***

The company has used "pure" as a unit of measure when tagging a variety of types of numeric facts (e.g., facts relating to days, years, etc.) rather than establishing and defining their own units. For example, when tagging a useful life of an asset, a unit of measure equal to "pure" does not indicate whether the useful life is years, months, days, seconds, etc. It has been suggested by the SEC that companies should establish and define new units of measure, if necessary, for their facts.

<b>Element</b>	<b>Amount</b>	<b>Unit of Measure</b>
xx:BanksExtendingCommittedCreditLines	58	xbri:pure
xx:DelinquentReceivablesBasedOnContractualTerms	30	xbri:pure
xx:NumberOfDaysPastDueToStopAccruingInterest	90	xbri:pure
xx:WriteOffUnsecuredConsumerLoansInBankruptcy	60	xbri:pure
xx:PensionPlanParticipantsTotal	540000	xbri:pure
xx:MaximumRemainingMaturityOfHedgedForecastedTransactions	26	xbri:pure
xx:PensionPlanParticipantsVestedFormerEmployees	40000	xbri:pure

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***Common Error Example***  
***Instances of decimals inconsistently applied***

There are instances of decimals being inconsistently applied across elements. Several examples are included below.

<b>Element</b>	<b>Value</b>	<b>Decimal</b>
xx:IncreasedOwnershipPercentageInEntityPriorToSale	1	2
xx:OwnershipPercentagePriorToSale	1	2
xx:ProjectedLoanToValueRatioAtMaturity	1	2
xx:EffectiveIncomeTaxRateReconciliationIndefiniteRevestmentOfPriorYearEarnings	-0.07	3
xx:EffectiveIncomeTaxRateReconciliationTaxCreditsUS	-0.01	3
xx:PaymentPerformanceOfPastDueReceivablesOver90DaysPastDue	0.02	3
xx:LifeInsuranceBenefitsNetLevelPremiumMethodUsingEstimatedYieldsMinimum	0.03	3

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***Rewards***

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## Finance Effectiveness Benchmarking Study 2011

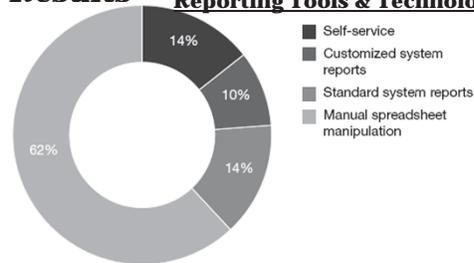


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## Key Benchmark Survey Results

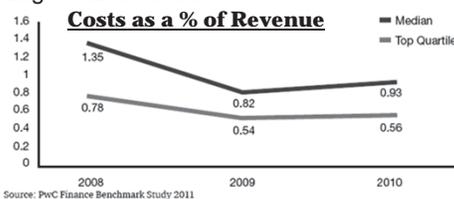
### Reporting Tools & Technology

62% of participants still rely on manual spreadsheet manipulation for reporting



Source: PwC Finance Benchmark Study 2011

CFOs cite increasing business complexity and regulatory demands as the main reasons for the rise. Yet, more efficient top quartile performers are dealing with these pressures without needing to raise costs.



PwC

Source: PwC Finance Benchmark Study 2011

## ***Perspective drives Implementation Approach***

### **Compliance perspective**

- add manual process and controls increasing cost/time (e.g. outsource)

### **Standardization perspective**

- automate /streamline processes and controls decreasing cost/time (e.g. build-in)

#### Supply Chain Standardization Examples:

- UPC/bar code
- Containerization
- HTML

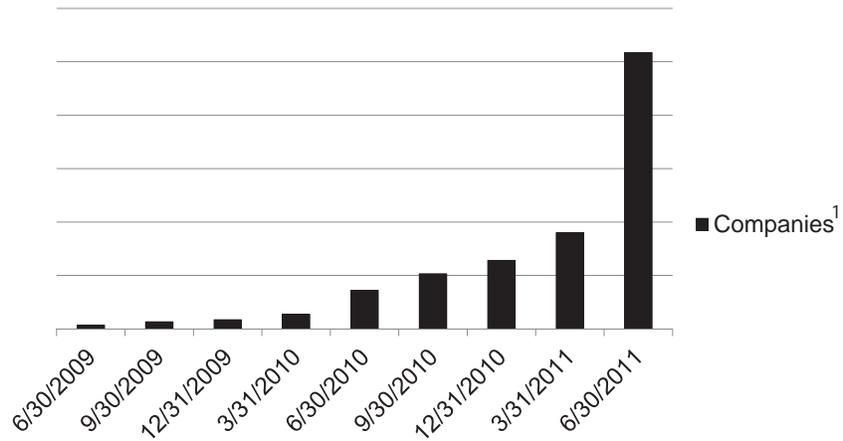
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## ***Implications of Manual Outsourcing***

- “Pre-Henry Ford” processes
  - “Pencils Down” extends reporting timeline
  - Incremental costs, controls and processes
- Review processes are manual and opaque resulting in common errors:
  - Negative Values
  - Inappropriate company specific extensions
  - Units of measure
  - Calculation errors & omissions
  - Incomplete tagging & Others
- Implications of reporting errors
- No internal benefits:
  - Internal opacity inhibits decision making
  - Other documents assembled manually

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## US Registrants Using Built-In Solutions

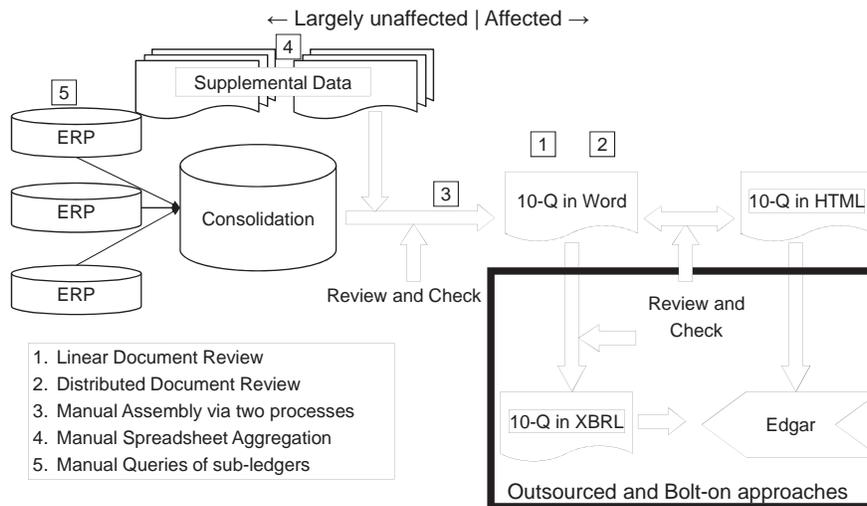


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1- based upon available vendor information included in company reports

## Current Manual Assembly/Review Processes

Common 'Bolt-on' approach adds cost/time

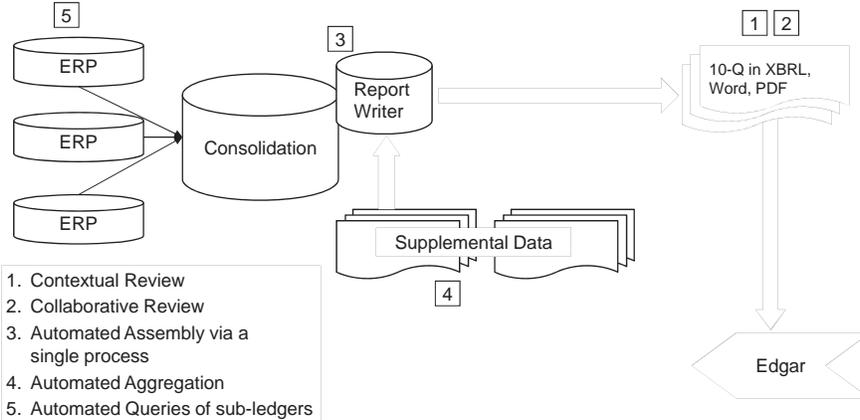


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## ***Built-in Enables Enhanced Processes***

*Applying standards earlier enables streamlined processes*

**25% to 50%+ cost/time enhancements**



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## ***Business Case for Disclosure Management***

### **Report Assembly/Review Process and Control Enhancements:**

- Automation of the information aggregation processes
- Automation of assembly
- Automation of analytical and validation controls
- Contextual disclosure review
- Collaborative review of draft reports (w/ workflow)
- Automation of multiple report presentations
- Automated comparative analysis of peer groups
- Transparent access to supporting transaction level information
- Automated documentation of explicit relationships/links

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## ***Key Enabling Application Features***

- Connectivity to source applications (contextual vs. physical)
- Social or collaborative assembly and review processes
- Support for Multiple Taxonomies
- XBRL Taxonomy mapping wizard (predictive & benchmarking)
- Support the XBRL Inline Specification (iXBRL)
- Consumption of XBRL
- Interrogation/Review of company concepts prior to submission
- Others - SAAS access, EDGARization, etc.

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## ***Rest of the World***

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## SBR Redefining "Convergence"

### Standard Business Reporting ('SBR')

- Process vs. Principles Convergence
- 25%+ regulatory burden reduction via convergence of disparate territory agencies compliance processes
- SBR Program burden reduction occurring in countries around the world
- Harmonisation/reduction of reported disclosures using IFRS Taxonomy
- Relevant to both public and private companies
- Regulators & business sharing a common language
- Significant implications for territory compliance processes

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## XBRL Adoption Accelerating around the World

XBRL in the G20: AR, AU, BR, CA, CN, FR, DE, IN, ID, IT, JP, MX, RS, SA, ZA, KR, TR, UK, US, EU

XBRL outside of the G20: AE, BE, BM, DK, FR, HK, IE, IL, LU, NL, PL, RO, SG, TH, TW, ES, SE, CH

XBRL Planet and XBRL International provide useful up to date information on country compliance projects

Official SBR participants – AU, BE, CA, CN, IN, JP, NL, PL, SG, TW, TH, UK

### Mandatory SBR Programs

China – 2012

Netherlands – 2013

Others TBD - AU, CN, IN, JP, PL, SG, TW, TH, UK

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Key: Red = In production; Blue = In development

## ***Why analysts use XBRL?***

*Enhance cost and time to access, reuse, analyze, report and act*

- Traditional data sources are error prone, incomplete, slow to market and expensive
- Company has no control or input on third party tagging (Please see Appendix A that compares company reported disclosures and data aggregator data on the company)
- Third party data aggregator parsing errors and normalization of company reported disclosures
  - Typically 20% to 25% error rate on primary tables
  - Note disclosures are limited to non-existent
- XBRL enhances: Speed, Accuracy, Completeness, Cost effectiveness, analytical capabilities
- Company has limited insights on analyst use of company disclosures or analytical drivers; social analytical platforms provide a collaborative model

## ***Examples of XBRL Enabled Analysts Applications***

MicroStrategy Bank Performance iPhone App



**RIXML.org**  
Research Information Exchange Markup Language

BlueMatrix Analyst Suite



XBRL US EDGAR Viewer



**SEC Filings XBRL**  
iOS iPad

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## Examples of Social Analytics

Social analytics - Standards enable collaborative development and maintenance of formulas and models among authorized individuals



**EDGAROnline**

**I-Metrix Professional**

I-Metrix Professional has the power of interactive XBRL data plus an Excel add-in for data downloads, simple and complex modeling and better, faster and smarter financial analysis and company research.

**Better, Faster, Smarter Analysis**

I-Metrix Professional is a suite of interactive data and analytical tools that provide quick and accurate, XBRL-tagged financial statement data via Microsoft Excel® and an easy-to-use web interface.

**I-Metrix Professional Content**

- All financial statements in XBRL
- Up to 100,000 companies filing with the SEC
- Up to 100 years of history from 1999
- Four XBRL taxonomies that allow for more detailed financial analysis
- Pre-calculated ratios including industry, sector and SIC mean and median
- Complete company profiles with:

**Contact Us**

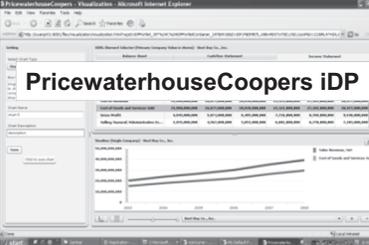
- 888 870-2316
- 212 413-8500
- XLS Email

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**Client Perspective**

I-Metrix has reduced our data gathering process from 2-3 hours to 15 minutes. This has allowed us to increase our ability to identify and analyze the relevant data and find our sales by state more of companies able to provide a snapshot of the data.

**Tom Woodhouse,**  
President, Investment Research

**PricewaterhouseCoopers iDP**

arelle® open source xbrl platform

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## US SEC Expands Social Analytical Capabilities

"The support services required under this solicitation will develop and improve OID's internal processes, databases, services and applications as they relate to Interactive Data"



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**Interactive Data Support Services**

Solicitation Number: SECHQ1-11-R-0014  
Agency: Securities and Exchange Commission  
Office: Office of Acquisitions  
Location: Operations Center

**Notice Details** Packages Interested Vendors List [Print](#) [Link](#)

**Original Synopsis**  
Jul 11, 2011  
3:13 pm

[Return To Opportunities List](#) [Watch This Opportunity](#)  
[Add Me To Interested Vendors](#)

**Solicitation Number:** SECHQ1-11-R-0014  
**Notice Type:** Combined Synopsis/Solicitation

**Synopsis:**  
Added: Jul 11, 2011 3:13 pm  
The Office of Interactive Data (OID) in the Division of Risk, Strategy and Financial Innovation gives investors and SEC decision makers' faster access to the information that resides in the several kinds of regulatory forms, financial reports and related disclosures that registrants can now file, in structured data formats, with the SEC. These formats employ

**ALL FILES**

- [Solicitation](#)
- Jul 11, 2011
- [SECHQ1-11-R-0014 Att...](#)
- [SECHQ1-11-R-0014 Int...](#)
- [Offeror Letter.pdf](#)

**GENERAL INFORMATION**

Notice Type: Combined Synopsis/Solicitation  
Posted Date: July 11, 2011  
Response Date: Aug 05, 2011 2:00 pm Eastern

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## ***Analysts Reflect on Company Specific Extensions***

*Quality of XBRL submissions is of interest to analysts*

Company specific extensions are often created when USGT elements are available for disclosure element.

Institutional Analysts, in particular, are focused on the inappropriate use of extensions as outlined in this blog:

### **“XBRL Usability Part 2: Checking the Extension Cord”**

<http://institutionalrisk.blogspot.com/2011/02/xbrl-usability-part-2-checking.html>

Also: [IRA's 2011 XBRL Dynamic Renderer](#)

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## ***Implementation Considerations***

*Supplement Website Posting Requirement*

XBRL Submission required to be posted on company website

- Need not be made available in a format comparable to paper-based information. No viewer necessary.
- Link to SEC EDGAR to satisfy the posting requirement is prohibited
- Many companies are providing a link to third-party services that host their SEC filings and often provide a viewer

Investor Relations related considerations

- Virtual renderings provide efficiency opportunity ([example here](#))
- Be aware of [EDGAR RSS Feeds](#)
- Consider Company IR RSS Feeds 
  - > Direct communication with relevant analysts / stakeholders
  - > 'Fact Sheet', Press Release, Proxy, etc.
- Consideration of [Corporation Actions Taxonomy](#)

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## RSS Feeds – html vs. XBRL



RSS feeds of XBRL are actionable by software and can be analyzed immediately; while the html pages may require some degree of human intervention.

EDGAR RSS Feed is XBRL

The screenshot shows a web browser window with an RSS feed. The feed title is "Interactive Data Filings on EDGAR using US GAAP Taxonomies - SharpReader". The feed contains several items, with the most recent one selected: "WAL MART STORES INC. 6/3/2011 5:20 PM". The selected item shows the title "Interactive Data Filings on EDGAR using US GAAP Taxonomies" and the enclosure "http://www.sec.gov/Archives/edgar/data/104169/00011931251115911-158587-xbrl.zip".

Html or pdf

Typical Company RSS Feed is in html or pdf

## Structured IR Content

Enables automation of information relationships

Structured content enables automation of content development and relationships with broad range of relevant supporting content.

The screenshot shows the Microsoft Investor Relations website. The main content area displays "Earnings Release FY11 Q3" with a table of financial statements. The table shows revenue, operating expenses, and operating income for the three months ended March 31, 2011 and 2010, and for the nine months ended March 31, 2011 and 2010.

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2011	2010	2011	2010
Revenue	\$ 16,428	\$ 14,503	\$ 52,576	\$ 46,445
Operating expenses:				
Cost of revenue	3,897	2,795	11,869	9,225
Research and development	2,269	2,220	6,650	6,364
Sales and marketing	3,393	3,203	10,024	9,612
General and administrative	1,160	1,152	3,043	3,076
Total operating expenses	10,719	9,330	31,586	28,277
Operating income	5,709	5,173	20,990	18,168

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## ***Summary***

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## ***Key Considerations***

- Supply Chain Standardization rather than a compliance requirement
- Build-in rather than bolt-on to enhance reporting processes/controls
- Disclosure Management enhances all reporting/review processes not just regulatory reports (automates current manual processes/controls)
- Enables social reporting processes (publishing, analytical, review)
- SBR redefines 'convergence' and provides economic incentives for IFRS adoption in countries around the world and compliance burden cost reductions by companies.
- Structured disclosures currently in use by broad range of analysts
- Broadcast structured disclosures directly to stakeholders to enhance effectiveness of communications

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**Thank you!!**

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***Fraud Detection:  
How to See it Coming***

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*Gary B. Jordan, CPA, CIA*

**Gary B. Jordan, CPA, CIA**  
Vice President Director of Internal Audit  
PBS & J

Gary Jordan has served as a Vice President of Internal Audit for the past 7 years. He is currently the Vice President Director of Internal Audit for PBS&J Corporation and has 7 years of additional internal and external audit experience including serving in Deloitte's Atlanta practice. He recently accepted a nomination to serve a 3 year term on the International Institute of Internal Auditors Committees which helps set policy and strategic direction.

He is past President of the Florida West Coast Chapter of the Institute of Internal Auditors and currently serves on its Board of Governors. He was the Keynote speaker at ISACA's annual North American conference in Orlando last year.

Mr. Jordan's career includes 12 years in financial leadership positions at BellSouth for several key business units including: CFO for \$3.2 billion BellSouth Business Systems Inc., CFO for BellSouth Telecommunications Strategic Management, CFO for BellSouth.net, CFO for Dataserv and as the Controller for BellSouth Advertising and Publishing Company while also serving in a Board capacity for several of those units and others. He holds a Masters of Accountancy Degree from Georgia State University and an undergraduate BBA degree from North Georgia College and State University. He is a Certified Public Accountant, a Certified Internal Auditor, a member of the Georgia Society of CPA's, American Institute of CPAs and the Institute of Internal Auditors.

Presentation Will Be Available  
On-line After the Conference

Participant Evaluation  
 2011 University of South Florida Accounting & Tax Conference  
 Tampa  
 October 27-28, 2011

Please use the following scale to rate this conference, the speakers and facility.

5= Excellent 4=Very Good 3=Good 2=Fair 1=Poor

### 1. What did you think of the speakers and their topics?

	Knowledge of Subject	Presentation Skills	Relevance to Job
Morgan: Economic Market Outlook 2011	<input type="text"/>	<input type="text"/>	<input type="text"/>
Mard: Fair Value for Financial Reporting	<input type="text"/>	<input type="text"/>	<input type="text"/>
Trott: GAAP and IASB Update	<input type="text"/>	<input type="text"/>	<input type="text"/>
Zophin: The SEC and Dodd-Frank	<input type="text"/>	<input type="text"/>	<input type="text"/>
Creely: The SEC and Dodd-Frank	<input type="text"/>	<input type="text"/>	<input type="text"/>
Busch: Real Estate Update: The Economy and Proposed Accounting Changes	<input type="text"/>	<input type="text"/>	<input type="text"/>
Arnold: Real Estate Update: The Economy and Proposed Accounting Changes	<input type="text"/>	<input type="text"/>	<input type="text"/>
Murthy: Technology: What You Need to Know	<input type="text"/>	<input type="text"/>	<input type="text"/>
Buchanan: Tax Implications of Health Care Reform	<input type="text"/>	<input type="text"/>	<input type="text"/>
Nach: Auditing Standards Update	<input type="text"/>	<input type="text"/>	<input type="text"/>
Huston: Estate Planning for the Florida Accountant	<input type="text"/>	<input type="text"/>	<input type="text"/>
Lowther: PCI Compliance: Current Issues and Trends	<input type="text"/>	<input type="text"/>	<input type="text"/>
Holstrum: The Role of the Accounting Profession in the Financial Crisis: Where Does the Profession Go From Here?	<input type="text"/>	<input type="text"/>	<input type="text"/>
Lamb: SBA Program and Regulatory Updates	<input type="text"/>	<input type="text"/>	<input type="text"/>
Barrett: SBA Program and Regulatory Updates	<input type="text"/>	<input type="text"/>	<input type="text"/>
Cummings: Panel: Work Life Balance: Where Does Your Life Fit Into Your Work?	<input type="text"/>	<input type="text"/>	<input type="text"/>

Fassino: Panel: Work Life  
Balance: Where Does Your  
Life Fit Into Your Work?

Baker: Panel: Work Life  
Balance: Where Does Your  
Life Fit Into Your Work?

Willis: How to Make the  
Best Out of the XBRL  
Situation

Jordan: Fraud Detection:  
How to See it Coming

## 2. Please rate the facility:

	5	4	3	2	1
Guest Room (if applicable)	<input type="radio"/>				
Meeting Room(s)	<input type="radio"/>				
Food	<input type="radio"/>				

## 3. I selected this conference primarily because: (choose one)

- Knowledge
- Update
- Professional Interaction
- Other

## 4. How did you hear about this conference? (choose one)

- Printed Brochure
- Website
- E-mail
- Colleague/Firm
- Other

## 5. Please list 5 topics you would like to see in next year's program

## 6. We welcome your comments!

Thank you for your feedback. Please contact us with any questions or concerns at [msc@ficpa.org](mailto:msc@ficpa.org), (800) 342-3197 (in Florida) or (850) 224-2727.

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### For more information

Contact Carol Kearney at (800) 342-3197  
(in Florida) or (850) 224-2727, Ext. 271  
or e-mail [kearneyc@ficpa.org](mailto:kearneyc@ficpa.org).



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(WEB ADDRESS, IF APPLICABLE)

**(MEMBER'S NAME), CPA, Completes course  
on (SUBJECT AREA)**

**(MEMBER'S CITY), (DATE), 2011** -- (MEMBER'S FULL NAME),  
CPA, of (FIRM NAME) in (CITY), completed a course,  
“(COURSE TITLE),” on (DATE). This continuing-education course covered  
the topic of (SUBJECT AREA).

(MEMBER'S LAST NAME) is a (POSITION TITLE) practicing in the  
area of (MEMBER'S AREA OF PRACTICE – TAS, AUDIT, ETC.) with the firm.

In addition to (MEMBER'S LAST NAME)'S professional responsibilities, HE/SHE is also active in (LIST ANY OTHER PROFESSIONAL/CIVIC/ VOLUNTEER/COMMUNITY ACTIVITIES – OPTIONAL). HE/SHE is an active member of the Florida Institute of Certified Public Accountants, the professional association representing the interests of more than 18,400 CPAs with over 4,400 offices throughout Florida.

(MEMBER NAME) can be reached by telephone at (PHONE NUMBER), or via e-mail at  
(E-MAIL ADDRESS).

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