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ORIGINAL
ESSENTIAL
UNBIASED
INFORMATION

How to Leverage XBRL for Reporting and SEC Compliance

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What is XBRL?

- XBRL is a business reporting computer language that is standards-based and the data interactive.

- What this means to the business community is transparency of the financial information in the United States and the world over.

- All financial information becomes comparable.

- The SEC mandated all public companies file their quarterly and yearly financial reports in XBRL, with the first wave of filers beginning in the summer of 2009.

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Rivet SOFTWARE

RR DONNELLEY
Strategic
Partnership

Rivet is Market Leader in SEC Filings

2010

CrossView

2009

2008

DragonView

FORTUNE 500

2006

Crossfire
150,000 hours of development

2005

25% of First Wave use Rivet

2004

Rivet
SECs Voluntary Filing Program

2003

Rivet

2002

1998

DragonTag

XBRL
eXtensible Business Reporting Language

R Software

NHI

NATIONAL HEALTH INVESTORS

- Healthcare REIT traded on NYSE with 120 properties in 23 states

- Specialize in purchase/leaseback of healthcare properties to operators
  - construction loans, 2nd mortgages and investments in the securities of other REITs on a limited basis

- $1.2 billion market cap

- Lowest levered REIT in industry
  - 9% Debt to Book Capitalization ratio

- Quarterly dividend paid at an annualized rate of $2.42 per share
  - approx. 5.5% dividend yield

Financial Reporting Needs and Challenges
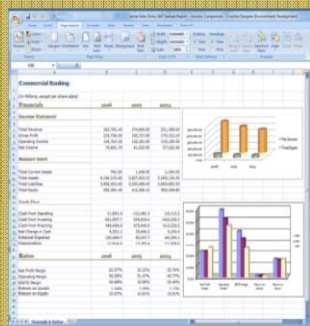
QUALITY of financial reporting

COMPLY to SEC XBRL Regulatory Mandates

Too many laborious **MANUAL** tasks

SPEED of "Close to Investor" Reporting Process
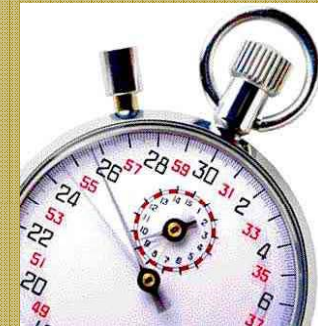
Under **COMPRESSED TIME** to close

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The Problems JCW, Jr3

NHI had several issues that slowed their processes.   LS4

1. Manual reporting process was cumbersome, time intensive and potential for error was high.

    LS2
2. Needed to comply with the SECs XBRL mandate.

    JCW, Jr2

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10-Q Creation Process Prior to Crossfire Implementation

1. Print detailed Balance Sheet and Income Statement from GL software

2. Roll forward Word 10-Q 'template' from previous quarter

3. Type each number in basic financials and notes

4. Chase rounding difference endlessly

5. Give up

6. Send to CAO for review

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The Solution

- Rivet offered to solve both problems with one software platform - Crossfire Financial Reporting Platform

  - Built an interface to NHI's General Ledger to pull data into Crossfire

  - Simplified the creation of Excel files used in creating their 10Q

  - Built NHI's XBRL filing package for submission to the SEC

10-Q Creation Process after Crossfire

1. Open Crossfire, change dates to current period & click 'Refresh'

2. Roll forward Word 10-Q 'template' from previous quarter

3. Re-establish links between Word and Crossfire

4. Send to CAO for review

'Linked' Balance Sheets in Rivet's Crossfire

Entire page is linked from Crossfire to Word so that updates to Balance Sheets in Crossfire are automatically reflected in Word document

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'Linked' Balance Sheets in Microsoft Word

Entire page is linked from Crossfire to Word so that updates to Balance Sheets in Crossfire are automatically reflected in Word document

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'Linked' MD&A LS5 LS6
'Portfolio Detail' Worksheet is Linked to GL by Crossfire
Summary Table in 10-Q or 10-K is Automatically Updated

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'Linked' MD&A
'Portfolio Detail' Worksheet is Linked to GL by Crossfire
Summary Table in 10-Q or 10-K is Automatically Updated

Table of Contents

The following tables summarize our investments in real estate (excluding corporate office and assets held for sale) and mortgage notes receivable as of June 30, 2010:

Real Estate Properties	Properties	Beds/Sq. Ft.*		Net Investment
Skilled Nursing Facilities	51	6,858	$	177,829,000
Assisted Living Facilities	26	1,585		114,186,000
Medical Office Buildings	4	124,427	*	8,541,000
Independent Living Facilities	4	456		7,001,000
Acute Psychiatric Hospitals	1	66		12,398,000
Acute Care Hospitals	1	55		5,852,000
Total Real Estate Properties	87			325,807,000
Mortgage Notes Receivable				
Skilled Nursing Facilities	30	3,061		68,012,000
Assisted Living Facilities	2	146		4,654,000
Transitional Rehabilitation Center	1	70		3,421,000
Total Mortgage Notes Receivable	33	3,277		76,087,000
Total Portfolio	120		$	401,894,000

Portfolio Summary	Properties	Investment Percentage		Net Investment
Real Estate Properties	87	81.1%	$	325,807,000
Mortgage Notes Receivable	33	18.9%		76,087,000
Total Portfolio	120	100.0%	$	401,894,000

Solution Process Uncovered Numerous Opportunities

JCW, Jr6

- The possibility of a simpler way to consolidate information and mine the data for analysis and answering one-off questions from management, investors, and other stakeholders.

  LS1   JCW, Jr7

- Ability for reporting benchmarking against industry peers.

- NHI collects varied financial information monthly from each investment property and they realized that Crossfire could make this information interactive, and therefore, more useful.

  JCW, Jr8

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Solutions – Part 2

- Created a custom taxonomy in XBRL for property identification

- Utilized the US GAAP taxonomy in XBRL for account elements

- Tagged property data

- Created standard monthly reports

- Created one-off reports to answer various stakeholders questions

Unexpected Outcomes and Realizations after implementing XBRL

- XBRL Tagging process forced NHI to reexamine some of their Financial Statement captions.

- Block tagging stage was nothing like the difficulties NHI expected (almost no weeping or gnashing of teeth).

- Realized that in-house solution is only long-term option for NHI due to timing of board meetings, early filing deadlines and need for flexibility in the last moments prior to filing.

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Conclusion

What first seemed like an added burden to file quarterly reports in XBRL ended up solving multiple problems and streamlined numerous processes.

The Future

- XBRL has the potential to streamline NHI's tenant/borrower compliance

- Developing a compliance monitoring solution using segments and element extensions

- Utilizing Crossfire to compare NHI data to other REIT data

NHI vs. Other REITs
Crossfire Comparison Analysis

Home | Insert | Page Layout | Formulas | Data | Review | View | Developer | Analytics | Tagging | Folio Review

Recent Folios | Folio Properties | Design | Row/Col/Cell Properties | Alerts | Assistants | Elements | Header and Footer | Refresh | Review | Validate | Zero Suppress | Query CrossTracks | ViewSheets | Hierarchy | Drilldown | Map Extensions | Full Taxonomy | Settings | Feedback | About

Undo/Redo

US GAAP SHARED ELEMENTS

	Element Label	Element ID	NHI	HOST Hotels & Resorts, Inc	HCP, Inc.	Prologis	Ventas Inc	Annaly Capital Management Inc
106	Cost Method Investments	us-gaap_CostMethodInvestments	38,132.0	0.0	0.0	0.0	0.0	0.0
182	Assets, Total	us-gaap_Assets	509,909.0	11,957,000.0	12,244,643.0	16,398,479.0	5,462,117.0	73,507,984.0
200	Short-term Bank Loans and Notes Payable	us-gaap_ShortTermBankLoansAndNotesPayab	43,823.0	0.0	0.0	0.0	0.0	0.0
313	Liabilities, Total	us-gaap_Liabilities	71,386.0	5,738,000.0	5,951,323.0	9,039,113.0	3,030,703.0	63,812,050.0
324	Common Stock, Value, Issued	us-gaap_CommonStockValue	277.0	7,000.0	308,039.0	4,767.0	39,343.0	5,598.0
327	Additional Paid in Capital, Common Stock	us-gaap_AdditionalPaidInCapitalCommonStoc	461,917.0	6,907,000.0	0.0	0.0	2,583,412.0	0.0
336	Accumulated Other Comprehensive Income (Loss), Available-for-sale Securities Adjustment, Net of	us-gaap_AccumulatedOtherComprehensiveInc	12,613.0	0.0	9,845.0	0.0	0.0	0.0
350	Stockholders' Equity, Including Portion Attributable to Noncontrolling Interest, Total	us-gaap_StockholdersEquityIncludingPortionA	438,523.0	6,050,000.0	6,293,320.0	7,359,366.0	2,431,414.0	0.0
364	Common Stock, Par or Stated Value Per Share	us-gaap_CommonStockParOrStatedValuePerSh	0.01	0.01	1.0	0.01	0.25	0.01
367	Common Stock, Shares Authorized	us-gaap_CommonStockSharesAuthorized	40,000.0	1,050,000.0	750,000.0	0.0	300,000.0	987,987.5
368	Common Stock, Shares, Issued	us-gaap_CommonStockSharesIssued	27,670.3	652,500.0	308,038.9	476,696.0	156,872.0	559,763.8
369	Common Stock, Shares, Outstanding	us-gaap_CommonStockSharesOutstanding	27,670.3	652,500.0	308,038.9	476,696.0	0.0	559,763.8
375	Common Stock, Value, Issued	us-gaap_CommonStockValue	277.0	7,000.0	308,039.0	4,767.0	39,343.0	5,598.0
396	Liabilities and Stockholders' Equity, Total	us-gaap_LiabilitiesAndStockholdersEquity	509,909.0	11,957,000.0	12,244,643.0	16,398,479.0	5,462,117.0	73,507,984.0
399	Investment Building and Building Improvements	us-gaap_InvestmentBuildingAndBuildingImpr	416,486.0	0.0	8,087,909.0	8,879,496.0	5,732,421.0	0.0
404	Land	us-gaap_Land	41,711.0	0.0	1,557,168.0	2,608,987.0	556,469.0	0.0
410	Real Estate Investment Property, at Cost, Total	us-gaap_RealEstateInvestmentPropertyAtCost	458,197.0	0.0	0.0	14,953,560.0	6,292,678.0	0.0
411	Real Estate Investment Property, Accumulated Depreciation	us-gaap_RealEstateInvestmentPropertyAccum	131,620.0	0.0	1,147,237.0	1,801,602.0	1,274,088.0	0.0
412	Real Estate Investment Property, Net, Total	us-gaap_RealEstateInvestmentPropertyNet	326,577.0	0.0	8,622,413.0	13,151,958.0	5,018,590.0	0.0
415	Cost Method Investments	us-gaap_CostMethodInvestments	38,132.0	0.0	0.0	0.0	0.0	0.0
430	Cash and Cash Equivalents, at Carrying Value, Total	us-gaap_CashAndCashEquivalentsAtCarryingV	11,744.0	1,171,000.0	96,260.0	25,102.0	27,794.0	327,979.0