

### ACCOUNTING + OVERSIGHT

The Accounting + Oversight module is designed to illuminate the big picture of the audit and regulatory environment. With this suite of databases, gain insight into audit quality, trends in PCAOB inspections, shareholder satisfaction with auditors, and more.

- Auditor Intelligence
- Financial Reporting Quality
- Due Diligence
- Compliance Monitoring

The Audit Analytics team draws on its experience in public accounting to provide our customers with comprehensive and timely research to complement and enhance their research workflow processes. Our proprietary methodologies enable quantitative analysis of qualitative factors.

### DATABASES

#### ■ Changes in Accounting Estimates

- Tracks all material disclosed changes in accounting estimates (ASC 250-10-50-4) for SEC registrants (foreign and domestic) as disclosed in annual and quarterly filings.
- Key data points include the nature of the change, impact on income and EPS, and the period in which the change was disclosed.

#### ■ Impairments

- Captures impairments as disclosed by SEC registrants in XBRL Annual Filings and 8-Ks.
- Key data points include reasons and characteristics of impairment, impact on pretax income, and impairment text.

#### ■ Out of Period Adjustments

- Tracks corrections of errors in prior financial statements that do not materially affect past or present financials.
- Key data points include the adjustment period, impact on income and equity, and the text of the disclosure. Each adjustment is categorized according to our standardized taxonomy.

#### ■ Auditor Ratification

- Contains the shareholder voting results for the ratification of independent auditors.
- Analyze by auditor, total votes (for, against, abstain and broker non-votes), and percentage against.

#### ■ PCAOB Inspection Reports

- Composed of all PCAOB reports assessing a firm's compliance with professional and regulatory audit standards.
- Each report has been analyzed and categorized according to our proprietary taxonomy.

**NETFLIX INC (NFLX)**  
Formerly: NETFLIX.COM INC

Overview | Company Info | Controversies | Legal

Recent Restatement | Recent Shareholder Dispute | Material Legal Proceedings | Significant Short Interest | Significant Decrease in Audit Fees

Ticker: NFLX (Nasdaq National MK) | Auditor: Ernst & Young LLP since 2012  
 IRS Number: 77-0487272 | CIK Code: 1065200 SEC Filings: '34 As Filer  
 Fiscal Year End: December 31st | Filer Status: Large Accelerated Filer as of 30 September 2013  
 Business Address: 100 WANCHESTER CIRCLE | Mailing Address: 100 WANCHESTER CIRCLE  
 LOB GATOS, CALIFORNIA 95032 | LOB GATOS, CALIFORNIA 95032-7606  
 (408) 540-3700  
 IPO Year: 2002 | Company Website: www.netflix.com  
 Index: Member: RHP 500 | Industry: SIC: 7811

Market Cap: \$19.43 | Revenue (tr)\*: \$4.14 | Revenue (mm): \$1,106 | Earnings (mm): | Book Value: \$4.801 | Assets: | Transfer Agent: COMR | Financial info as of 2013-09-28: | Changes in Accounting: For the period ending 2013 View Disclosure Text

Effect: Negative | Effective Date: 2013-09-30 | Impact on Income (USD): -\$16,700,000 (N) | YTD Impact on Income (USD): Pre-Tax(Y) / (N) | Impact on EPS: Base(Y) / (N) | YTD Impact on EPS: Base(Y) / (N)

Disclosure Text: 2. Reclassifications and Changes in Estimates  
 The Company had a change in estimate that is reflected in the consolidated financial statements for the three months ended September 30, 2013. When the Company started with original content, the Company did not have specific data about viewing patterns over time for content that premiered on Netflix. Based on experience with other similar television series and initial estimates of viewing patterns, the Company amortized the type of content on a straight-line basis over the shorter of four years or the license period. If a subsequent season is added, the remaining amortization period is extended by a year. Current estimates of viewing patterns indicate that viewing in the first few months is significantly higher, relative to the remaining amortization period, than previously estimated. As a result, in the third quarter of 2013, the Company began amortizing the type of content on an accelerated basis over the amortization period. The effect of this change in estimate was a \$20.2 million decrease in contribution profit for the Domestic streaming segment and a \$5.5 million increase in contribution loss for the International streaming segment for the three and nine months ended September 30, 2013. The effect to operating income and net income is a decrease of \$26.7 million and \$16.7 million, respectively, for the three and nine months ended September 30, 2013. The effect to basic earnings per share and diluted earnings per share was a decrease of \$0.28 and \$0.27, respectively, for the three months ended September 30, 2013 and a decrease of \$0.29 and \$0.27, respectively, for the nine months ended September 30, 2013. The effect of this change in estimate relates primarily to titles that first premiered on Netflix in the first and second quarters of 2013.

**Ernst & Young LLP - PCAOB Inspection Reports Beta**  
Formerly: ERNST & YOUNG LLP (Member / Acquisition on 2009-01-28)

Overview | Locations | Legal | Clients | Attorneys | Inspections

2013-09-28 - New York, NY - PCAOB Report on Inspection  
 2013-01-31 - Tokyo, Japan - PCAOB Report on Inspection  
 2013-01-31 - Tokyo, Japan - PCAOB Report on Inspection  
 2013-04-20 - Seoul, Korea (south) - PCAOB Report on Inspection  
 2012-12-04 - New York, NY - PCAOB Report on Inspection  
 2011-11-30 - New York, NY - PCAOB Report on Inspection  
 2010-02-02 - New York, NY - PCAOB Report on Inspection  
 2013-02-01 - Mexico City, Mexico - PCAOB Report on Inspection

Ownership Structure: Limited Liability Partnership (LLP)  
 Number of Offices: 70  
 Number of Partners: N/A  
 Number of Audit Clients: N/A

**Deloitte & Touche LLP - PCAOB Inspection Reports Beta**  
Formerly: HOLT & PATRICK LLP (Member / Acquisition on 2009-01-28)

Overview | Locations | Legal | Clients | Attorneys | Inspections

2013-11-28 - New York, NY - PCAOB Report on Inspection

Firm Overview: Deloitte & Touche LLP | Ownership Structure: Limited Liability Partnership (LLP)  
 Headquarters: New York, NY | Number of Offices: 66  
 Bus. Address: 30 Rockefeller Plaza | Number of Partners: N/A  
 Bus. Phone: New York, NY 10112 | Number of Audit Clients: N/A

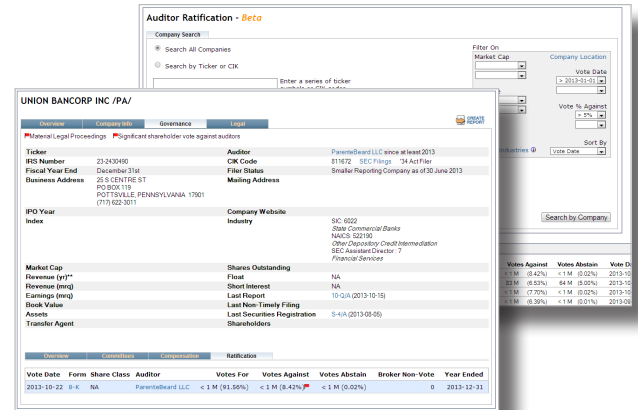
Report Type: PCAOB Report on Inspection | Filing date: 2012-12-12  
 PCAOB Release Number: 104-2012-271 | Issuance Date: 2012-11-28  
 Inspection Began: 2010-10-08 | Response Date: 2012-11-05  
 Inspection Ended: 2012-03-08

Report Details: Number of Audits Inspected: 52 | Number of Deficiencies: 50  
 Number of Offices Inspected: 33 | Firms Has Signed: No  
 Number of Deficient Audits: 22 | Has Written Response: Yes

Issues: GAAP Departure Deficiencies: Acc - Contingencies, legal issues, and commitments; Acc - Goodwill; Acc - Hedging; Acc - Investments, vendor, and cost of sales (SGA)  
 Other Audit Deficiencies: Acc - Accounts receivable

Audit Analytics is an independent research provider of audit, regulatory and disclosure intelligence. Through an easy-to-use online interface, Audit Analytics' comprehensive research is used daily around the world by the accounting, investment and legal communities for market intelligence, due diligence, compliance monitoring and trending.

Audit Analytics tracks in detail the issues related to audit, compliance, governance, corporate actions and federal litigation from a broad range of public disclosures, including: approximately 20,000 SEC registrants (including foreign and Canadian filers); nearly 4,000 Canadian SEDAR filers; more than 4,300 insurance companies filing with NAIC; 750,000 ERISA plans filing IRS Form 5500; and more.



- Market intelligence based on expert analysis.
- Comprehensive databases of disclosures from sources including the SEC, IRS, NAIC, SEDAR and more.
- Up to date changes and custom alert notifications.
- Custom research projects and professional services.

## Audit + Compliance

Track and understand customer and competitor activities and trends related to audit, regulatory and disclosure issues. The Audit + Compliance module addresses core informational demands for a variety of research needs including market intelligence, due diligence, benchmarking, compliance monitoring and trend analysis.

## Corporate + Legal

An integrated collection of databases focused on actions, disclosures, and correspondence by companies, advisors, regulators, and investors. Leading investment and legal professionals use this intelligence to achieve cost and time savings for accounting and securities law work, due diligence, and business development.

## Other Independent Audits (OIA)

Bring into focus hundreds of thousands of audits of non-public entities. Comprising two separate modules - Financial Services and Government + Non-Profit - this product covers a number of boutique industries, from broker dealers to benefit plans. These tools can help identify market and engagement opportunities.

## Canada (SEDAR)

Provides detailed research and expert analysis on nearly 4,000 Canadian public companies. We process the filings required by the Canadian Securities Administrators that are submitted to the online SEDAR database, enabling powerful and efficient data analytics.

## Peer Reporter

Benchmark and track key audit and compliance issues within defined peer groups on a daily basis. Comprehensive and timely custom reports are easily generated with the Peer Reporter application.

## Data Feeds

Integrate Audit Analytics data with internal information systems like CRM, compliance and risk management systems. Audit Analytics data feeds are designed for easy development of custom applications and dynamic reports.

## Custom Research

Apply Audit Analytics expertise to better understand specific public company disclosure trends and identify new business opportunities. Our analysts and development teams are available to help with custom research projects and expert analysis.

# AUDIT ANALYTICS®

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## FIND OUT MORE

For complete information about our audit, regulatory and disclosure intelligence, contact us today to schedule a personalized Audit Analytics demonstration.

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