

# Understanding Why Roll Ups are Missing

By

Charles Hoffman, CPA (charleshoffman@olywa.net)

March 19, 2014

This document is a collection of information about roll up computations (i.e. XBRL calculation relations) which are missing from SEC XBRL financial filings.

\* \* \*

*More importantly, this document summarizes a thought process for understanding the dynamics of what makes SEC XBRL financial filings usable by automated processes and what makes them unusable.*

*The goal is system equilibrium, for the system to be in balance. There are three things which impact the system:*

- 1. The SEC XBRL financial filing.*
- 2. The business rules.*
- 3. The software algorithm which reads the SEC XBRL financial filing.*

*There is some process and there is some set of process rules which work together as a system to offer automated reuse of financial information reported by SEC XBRL financial filings. Adjusting the rules of this process, adjusting SEC XBRL financial filings, or by adjusting software algorithms would yield 100.0% passing scores for each processing step category and arguably a system which provides safe, reliable, predictable, automated reuse of reported financial information.*

\* \* \*

The expression of roll up computations in the form of XBRL calculations is required by SEC Edgar Filer Manual rule 6.15.2. Of a set of SEC XBRL financial filings which contained a total of 6674 filings, 90.1% of assets roll ups, liabilities and equity roll ups, net income (loss) roll ups, and net cash flow roll ups were detected.

While the manual examination of each of the 1,463 SEC XBRL financial filings is possible, the time and effort necessary for such examination was not undertaken. Spot checks of filings and knowledge of XBRL show that there is no reason these XBRL calculation relations could not be expressed. Generally if a filer believes that they cannot express XBRL calculation relations correctly and therefore leave these relations from their XBRL financial filings it is because the representation of their XBRL information is flawed. If a non-flawed XBRL representation were to be created, there is never a reason the XBRL calculation relations could not be expressed and the XBRL calculations verified to be consistent where they should be consistent.

There are occasions where XBRL calculation relations are expressed and the validation of the relations yields an “inconsistent” result. This is a known issue with XBRL. However, such inconsistent XBRL calculation relations can be safely ignored.

The following is an example of a balance sheet with proper roll up relations expressed as XBRL calculations as represented in XBRL:

CONSOLIDATED BALANCE SHEETS [Abstract]	Period	
	2013-03-31	2012-03-31
<b>CONSOLIDATED BALANCE SHEETS [Abstract]</b>		
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	54,910,000	45,843,000
Short-term investments	23,354,000	21,689,000
Receivables (net of allowances of \$319 in 2013 and \$283 in 2012)	40,005,000	30,694,000
Inventories	26,786,000	19,597,000
Prepaid expenses and other current assets	3,319,000	5,423,000
Net deferred tax assets, current	4,589,000	4,151,000
Total current assets	152,963,000	127,397,000
Long-term investments	17,000,000	23,442,000
Investment in unconsolidated affiliate	2,613,000	2,626,000
Property and equipment, net	25,330,000	24,296,000
Intangible assets, net	3,122,000	3,990,000
Net deferred tax assets, non-current	643,000	0
Other assets	92,000	85,000
Total assets	201,763,000	181,836,000
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	8,123,000	6,381,000
Accrued payroll and related expenses	6,261,000	6,336,000
Accrued taxes	440,000	266,000
Other accrued liabilities	2,838,000	1,991,000
Deferred revenue	1,362,000	1,212,000
Warranty reserve	995,000	1,245,000
Total current liabilities	20,019,000	17,431,000
<b>Non-current liabilities:</b>		
Deferred rent	729,000	641,000
Net deferred tax liabilities	0	199,000
Deferred revenue	3,750,000	2,396,000
Warranty reserve	389,000	601,000
Notes payable, less current portion	682,000	783,000
Total non-current liabilities	5,550,000	4,620,000
Total liabilities	25,569,000	22,051,000
Commitments and contingencies (Note 10)	xsi:nil	xsi:nil
<b>Shareholders' equity:</b>		
Preferred stock, no par value: 5,000,000 shares authorized; no shares issued and outstanding in 2013 and 2012	0	0
Common stock, no par value: 35,000,000 shares authorized; 22,120,000 and 21,699,000 shares issued and outstanding in 2013 and 2012, respectively	121,019,000	110,063,000
Retained earnings	55,133,000	49,697,000
Accumulated other comprehensive income	42,000	25,000
Total shareholders' equity	176,194,000	159,785,000
Total liabilities and shareholders' equity	201,763,000	181,836,000

The rendering above shows XBRL calculation relations expressed within the actual rendering as green background shading of the total value.

This is the HTML version of the balance sheet of that same information represented in HTML:

	March 31,	
	2013	2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 54,910	\$ 45,843
Short-term investments	23,354	21,689
Receivables (net of allowances of \$319 in 2013 and \$283 in 2012)	40,005	30,694
Inventories	26,786	19,597
Prepaid expenses and other current assets	3,319	5,423
Net deferred tax assets, current	4,589	4,151
Total current assets	152,963	127,397
Long-term investments	17,000	23,442
Investment in unconsolidated affiliate	2,613	2,626
Property and equipment, net	25,330	24,296
Intangible assets, net	3,122	3,990
Net deferred tax assets, non-current	643	-
Other assets	92	85
Total assets	\$ 201,763	\$ 181,836
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 8,123	\$ 6,381
Accrued payroll and related expenses	6,261	6,336
Accrued taxes	440	266
Other accrued liabilities	2,838	1,991
Deferred revenue	1,362	1,212
Warranty reserve	995	1,245
Total current liabilities	20,019	17,431
Non-current liabilities:		
Deferred rent	729	641
Net deferred tax liabilities	-	199
Deferred revenue	3,750	2,396
Warranty reserve	389	601
Notes payable, less current portion	682	783
Total non-current liabilities	5,550	4,620
Total liabilities	25,569	22,051
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Preferred stock, no par value: 5,000,000 shares authorized; no shares issued and outstanding in 2013 and 2012	-	-
Common stock, no par value: 35,000,000 shares authorized; 22,120,000 and 21,699,000 shares issued and outstanding in 2013 and 2012, respectively	121,019	110,063
Retained earnings	55,133	49,697
Accumulated other comprehensive income	42	25
Total shareholders' equity	176,194	159,785
Total liabilities and shareholders' equity	\$ 201,763	\$ 181,836

Of the total of 1463 filings where roll ups for assets, liabilities and equity, net income (loss), and net cash flow it is possible, even perhaps likely, that the roll up was not detected because an extension concept was created for one of these fundamental accounting concepts. For example, if the filer created the concept "my:Assets", there is no way software could look for the concept "us-gaap:Assets" and then detect the roll up. However, fundamental accounting concepts such as "us-gaap:Assets" should always exist.

#	Reason	Count	Correction
1	Filer error	Total of 1463	Filer should provide required roll ups for all report components, including assets, liabilities and equity, net income (loss) and net cash flow

The following provides details of these 3 situations where roll ups for assets, liabilities and equity, net income (loss), or net cash flow could not be detected.

#1: ALLIED RESOURCES INC

<http://www.sec.gov/Archives/edgar/data/1211524/000121152413000098/alod-20121231.xml>

Statement	Period [Axis]	
	2012-01-01 - 2012-12-31	2011-01-01 - 2011-12-31
<b>Net Income (Loss) Attributable to Parent</b>		
<b>Income (Loss) from Continuing Operations before Income Taxes, Extraordinary Items, Noncontrolling Interest</b>		
<b>Operating Income (Loss)</b>		
<b>Gross Profit</b>		
<b>Revenues</b>		
Oil and gas Revenues	521,271	562,285
Revenues <span style="float: right;">▲</span>	521,271	562,285
<b>Cost of Revenue</b>		
<b>Operating Expenses</b>		
Production Costs	341,250	368,856
<b>Amortization of Deferred Charges</b>		
Depreciation Depletion and Amortization	82,117	105,403
General and Administrative Expense	234,884	235,883
Operating Expenses <span style="float: right;">▲</span>	658,251	710,142
Operating Income (Loss) <span style="float: right;">▲</span>	(136,980)	(147,857)
<b>Nonoperating Income (Expense)</b>		
<b>Investment Income, Nonoperating</b>		
Investment Income, Net	9,306	6,324
Income (Loss) from Continuing Operations before Income Taxes, Extraordinary Items, Noncontrolling Interest <span style="float: right;">▲</span>	(127,674)	(141,533)
<b>Income Tax Expense (Benefit)</b>		
Deferred Income Tax Expense (Benefit)		906,000
Net Income (Loss) Available to Common Stockholders, Basic <span style="float: right;">▲</span>	(127,674)	(1,047,533)
<b>Earnings Per Share</b>		
Earnings Per Share, Basic		
Weighted Average Number of Shares Outstanding, Basic		
Earnings Per Share, Diluted		
Weighted Average Number of Shares Outstanding, Diluted		
Earnings Per Share, Basic and Diluted	(0.02)	(0.19)
Weighted Average Number of Shares Outstanding, Basic and Diluted	5,653,000	5,653,000

ALLIED RESOURCES INC.  
STATEMENTS OF OPERATIONS  
Years Ended December 31, 2012 and 2011

	2012	2011
Oil and gas revenues	\$ 521,271	562,285
Operating expenses:		
Production costs	341,250	368,856
Depletion and amortization	82,117	105,403
General and administrative expenses	234,884	235,883
	<u>658,251</u>	<u>710,142</u>
Loss from operations	(136,980)	(147,857)
Interest income	9,306	6,324
Loss before provision for income taxes	(127,674)	(141,533)
Provision for income taxes - deferred	-	906,000
Net loss	\$ <u>(127,674)</u>	<u>(1,047,533)</u>

Note that numerous line items don't match in the XBRL and HTML representations. No XBRL calculation relations were provided.

#2: American Mining Corp

<http://www.sec.gov/Archives/edgar/data/1343009/000130368113000105/amcm-20130831.xml>

Statement of Cash Flows [Abstract]	2012-09-01 - 2013-08-31	2011-09-01 - 2012-08-31	2004-09-15 - 2013-08-31
<b>Statement of Cash Flows [Abstract]</b>			
<b>Cash flows from (used in) operating activities</b>			
Net (Loss) for the period	(56,401)	(1,652)	(467,746)
<b>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</b>			
- amortization	xsi:nil	xsi:nil	2,153
- imputed interest	xsi:nil	xsi:nil	1,458
- foreign exchange loss	xsi:nil	xsi:nil	5,040
- write-off of oil & gas property	xsi:nil	xsi:nil	97,635
- bad debt	xsi:nil	xsi:nil	94,960
<b>Changes in operating assets and liabilities</b>			
- increase (decrease) in due to a related party	9,714	7,889	30,798
- increase (decrease) in contingent liabilities	xsi:nil	(18,750)	xsi:nil
- increase (decrease) in accounts payable and accrued liabilities	19,442	12,513	47,350
Net cash used in operating activities	(27,245)	xsi:nil	(188,352)
<b>Cash flows from (used in) investing activities</b>			
Acquisition of oil and gas interest	xsi:nil	xsi:nil	(197,635)
Purchase equipment	xsi:nil	xsi:nil	(2,153)
Net Cash Used in Investing Activities	xsi:nil	xsi:nil	(199,788)
<b>Cash flows from (used in) financing activities</b>			
Proceeds from shareholder loans	100,000		100,000
Proceeds from issuance of common stock	0	xsi:nil	360,895
Net cash flows from (used in) financing activities	100,000		460,895
Increase (decrease) in cash and cash equivalents	72,755	xsi:nil	72,755

Statements of Cash Flows  
(Expressed in U.S. Dollars)

	Cumulative from September 15, 2004 (inception) to August 31, 2013	Year Ended August 31, 2013	Year Ended August 31, 2012
<b>Cash flows from (used in) operating activities</b>			
Net (Loss) for the period	\$ (467,746)	\$ (56,401)	\$ (1,652)
<b>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</b>			
- amortization	2,153	—	—
- imputed interest	1,458	—	—
- foreign exchange loss	5,040	—	—
- write-off of oil & gas property	97,635	—	—
- bad debt	94,960	—	—
<b>Changes in operating assets and liabilities</b>			
- increase (decrease) in due to a related party	30,798	9,714	7,889
- increase (decrease) in contingent liabilities	—	—	(18,750)
- increase (decrease) in accounts payable and accrued liabilities	47,350	19,442	12,513
Net cash used in operating activities	(188,352)	(27,245)	—
<b>Cash flows from (used in) investing activities</b>			
Acquisition of oil and gas interest	(197,635)	—	—
Purchase equipment	(2,153)	—	—
Net Cash Used in Investing Activities	(199,788)	—	—
<b>Cash flows from (used in) financing activities</b>			
Proceeds from shareholder loans	100,000	100,000	—
Proceeds from issuance of common stock	360,895	0	—
Net cash flows from (used in) financing activities	460,895	100,000	—
Increase (decrease) in cash and cash equivalents	72,755	72,755	—

Fragments of XBRL calculations are provided.

#3: NET TALK.COM, INC.

<http://www.sec.gov/Archives/edgar/data/1383825/000114420413054424/ntlk-20121231.xml>

Statement [Line Items]	2012-12-31	2011-12-31
<b>Assets</b>		
Cash and cash equivalents	96,347	1,539,263
Restricted cash	115,259	98,877
Accounts receivable, net	472,233	576,160
Inventory	1,467,774	2,205,255
Prepaid expenses	277,908	3,511
Note receivable	7,000	43,000
<b>Total current assets</b>	<b>2,436,521</b>	<b>4,466,066</b>
Building, telecommunications equipment, land and other property, net	2,980,068	3,000,039
Intangible assets, net	193,007	132,364
Other assets	37,253	39,754
<b>Total assets</b>	<b>5,646,849</b>	<b>7,638,223</b>
<b>Liabilities, redeemable preferred stock and stockholders' deficit</b>		
Accounts payable	2,211,622	888,993
Accrued dividends	1,301,116	701,116
Accrued expenses	477,743	532,159
Deferred revenue	2,246,052	1,683,948
Current portion of senior debentures and demand notes	15,640,336	2,211,483
<b>Total current liabilities</b>	<b>21,876,869</b>	<b>6,017,699</b>
Senior debentures	0	3,783,692
Mortgage payable	1,000,000	0
<b>Total liabilities</b>	<b>22,876,869</b>	<b>9,801,391</b>
Redeemable preferred stock, \$.001 par value, 10,000,000 shares authorized, 500 and 300 issued and outstanding as of December 31, 2012 and December 31, 2011.	6,379,016	10,382,957
<b>Stockholders' deficit:</b>		
Common stock, \$.001 par value, 300,000,000 authorized, 60,251,355 and 39,464,892 issued and outstanding as of December 31, 2012 and December 31, 2011.	60,260	39,465
Additional paid in capital	33,084,420	29,453,120
Accumulated deficit	56,753,716	(42,038,710)
<b>Total stockholders' deficit</b>	<b>(23,609,036)</b>	<b>(12,546,125)</b>
<b>Total liabilities, redeemable preferred stock and stockholders' deficit</b>	<b>5,646,849</b>	<b>7,638,223</b>

	December 31, 2012	December 31, 2011
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 96,347	\$ 1,539,263
Restricted cash	115,259	98,877
Accounts receivable, net	472,233	576,160
Inventory	1,467,774	2,205,255
Prepaid expenses	277,908	3,511
Note receivable	7,000	43,000
<b>Total current assets</b>	<b>2,436,521</b>	<b>4,466,066</b>
Building, telecommunications equipment, land and other property, net	2,980,068	3,000,039
Intangible assets, net	193,007	132,364
Other assets	37,253	39,754
<b>Total assets</b>	<b>\$ 5,646,849</b>	<b>\$ 7,638,223</b>
<b>Liabilities, redeemable preferred stock and stockholders' deficit</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 2,211,622	\$ 888,993
Accrued dividends	1,301,116	701,116
Accrued expenses	477,743	532,159
Deferred revenue	2,246,052	1,683,948
Current portion of senior debentures and demand notes	15,640,336	2,211,483
<b>Total current liabilities</b>	<b>21,876,869</b>	<b>6,017,699</b>
Senior debentures	-	3,783,692
Mortgage payable	1,000,000	-
<b>Total liabilities</b>	<b>22,876,869</b>	<b>9,801,391</b>
Redeemable preferred stock, \$.001 par value, 10,000,000 shares authorized, 500 and 300 issued and outstanding as of December 31, 2012 and December 31, 2011.	6,379,016	10,382,957
<b>Stockholders' deficit:</b>		
Common stock, \$.001 par value, 300,000,000 authorized, 60,251,355 and 39,464,892 issued and outstanding as of December 31, 2012 and December 31, 2011.	60,260	39,465
Additional paid in capital	33,084,420	29,453,120
Accumulated deficit	56,753,716	(42,038,710)
<b>Total stockholders' deficit</b>	<b>(23,609,036)</b>	<b>(12,546,125)</b>
<b>Total liabilities, redeemable preferred stock and stockholders' deficit</b>	<b>\$ 5,646,849</b>	<b>\$ 7,638,223</b>