

# Reasons Why Fundamental Accounting Concept<sup>1</sup> Test Fails

## BS1

**Equity** = Equity Attributable to Parent + Equity Attributable to Noncontrolling Interest

### What this rule tests

This rule tests the relationship between three very common line items of a financial report:

- Equity attributable to parent
- Equity attributable to noncontrolling interest
- Equity

If a reporting entity has no equity attributable to noncontrolling interest, then equity attributable to parent and equity are the same as there is no equity in noncontrolling interest.

Of all filers, approximately 98.6% pass this test. Of the remaining 1.4%, the following are the reasons this test is failed:

- Equity attributable to parent entered with the wrong polarity (30% of failures)
- Concepts used for equity attributable to parent and equity have been reversed (30% of failures)
- Equity or equity attributable to parent concept was not reported and could not be imputed
- Undetermined reasons

### Common reasons why test fails

#### ***Equity attributable to parent entered with the wrong polarity***

One common reason this test fails is that filers enter the value for equity attributable to noncontrolling interest using the wrong polarity (i.e. what should be a positive is entered as a negative; or what should be a negative is entered as a positive). For example, consider the balance sheet of this filing:

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=1310094&accession\\_number=0001193125-12-354294&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=1310094&accession_number=0001193125-12-354294&xbrl_type=v#)

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<sup>1</sup> For more information on the fundamental accounting concepts and the relations between these concepts please see <http://fundamentalaccountingconcepts.wikispaces.com>

Stockholders' deficit:		
Common stock, \$0.001 par value; 300,000,000 shares authorized; 86,686,661 shares issued and 85,138,525 outstanding at June 30, 2012; and 74,732,534 shares issued and 73,184,398 shares outstanding at September 30, 2011	86,687	74,733
Treasury stock, 1,548,136 shares, June 30, 2012 and September 30, 2011	(1,496,417)	(1,496,417)
Additional paid-in capital	274,121,131	260,730,525
Accumulated deficit	(335,744,152)	(333,870,254)
Total stockholders' deficit attributable to Accentia	(63,032,751)	(74,561,413)
Non-controlling interests	(15,528,986)	(12,497,700)
Total stockholders' deficit	(78,561,737)	(87,059,113)
Total liabilities and stockholders' deficit	\$ 3,312,557	\$ 5,914,014

At first glance this might seem correct. However, with closer examination you can see the following:

Equity attributable to parent is a credit:

Total stockholders' deficit attributable to Accentia	(63,032,751)	(74,561,413)
<b>+ Definition</b>		
<b>+ References</b>		
<b>- Details</b>		
Name:	us-gaap_StockholdersEquity	
Namespace Prefix:	us-gaap_	
Data Type:	xbrli:monetaryItemType	
Balance Type:	credit	
Period Type:	instant	

```
<us-gaap:StockholdersEquity contextRef="BalanceAsOf_30Sep2011" decimals="0" unitRef="USD">-74561413</us-gaap:StockholdersEquity>
<us-gaap:StockholdersEquity contextRef="BalanceAsOf_30Jun2012" decimals="0" unitRef="USD">-63032751</us-gaap:StockholdersEquity>
```

Equity attributable to noncontrolling interest is a credit:

Non-controlling interests	(15,528,986)	(12,497,700)
<b>+ Definition</b>		
<b>+ References</b>		
<b>- Details</b>		
Name:	us-gaap_MinorityInterest	
Namespace Prefix:	us-gaap_	
Data Type:	xbrli:monetaryItemType	
Balance Type:	credit	
Period Type:	instant	

The value in the XBRL instance is POSITIVE:

```
<us-gaap:MinorityInterest contextRef="BalanceAsOf_30Sep2011" decimals="0" unitRef="USD">12497700</us-gaap:MinorityInterest>
<us-gaap:MinorityInterest contextRef="BalanceAsOf_30Jun2012" decimals="0" unitRef="USD">15528986</us-gaap:MinorityInterest>
```

The concept in the balance sheet relation is negated.

The screenshot shows the XBRL structure of a balance sheet. The 'Element Information' panel for 'Minority Interest' is highlighted, showing its parent link and label role. The 'PreferredLabelRole' is 'negatedLabel', which is circled in red. The 'SelectedParentLink' is 'StockholdersEquityIncludingPortionAttributableToNoncontrollingInterestAbstract'.

The HTML version of the balance sheet shows this the clearest. Both the equity attributable to parent and the equity attributable to noncontrolling interest are deficits and therefore negative credits (i.e. debits) and equity is likewise a deficit arrived at by ADDING the parent and noncontrolling interest deficits.

**ACCENTIA BIOPHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**  
**(Continued)**

	June 30, 2012 (Unaudited)	September 30, 2011
Commitments and contingencies (Note 13)	—	—
<b>Stockholders' deficit:</b>		
Common stock, \$0.001 par value; 300,000,000 shares authorized; 86,686,661 shares issued and 85,138,525 outstanding at June 30, 2012; and 74,732,534 shares issued and 73,184,398 shares outstanding at September 30, 2011	86,687	74,733
Treasury stock, 1,548,136 shares, June 30, 2012 and September 30, 2011	(1,496,417)	(1,496,417)
Additional paid-in capital	274,121,131	260,730,525
Accumulated deficit	(335,744,152)	(333,870,254)
<b>Total stockholders' deficit attributable to Accentia</b>	<b>(63,032,751)</b>	<b>(74,561,413)</b>
<b>Non-controlling interests</b>	<b>(15,528,986)</b>	<b>(12,497,700)</b>
<b>Total stockholders' deficit</b>	<b>(78,561,737)</b>	<b>(87,059,113)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 3,312,557</b>	<b>\$ 5,914,014</b>

Each of these filings has a similar error which is easily detectable by taking the amount of the error, dividing it by 2, and comparing the value to equity attributable to noncontrolling interest. If the error divided by 2 is equal to the amount of the noncontrolling interest, the value has been entered with the wrong polarity:

LinkToXBRLInstance	EntityRegistrantName
<a href="http://www.sec.gov/Archives/edgar/data/1328655/000119312513111193/ck0001328655-20121231.xml">http://www.sec.gov/Archives/edgar/data/1328655/000119312513111193/ck0001328655-20121231.xml</a>	Affinia Group Intermediate Holdings Inc.
<a href="http://www.sec.gov/Archives/edgar/data/930245/000126327913000011/aasp-20121231.xml">http://www.sec.gov/Archives/edgar/data/930245/000126327913000011/aasp-20121231.xml</a>	All American Sportpark Inc.
<a href="http://www.sec.gov/Archives/edgar/data/1126003/000106299313006350/alyi-20121231.xml">http://www.sec.gov/Archives/edgar/data/1126003/000106299313006350/alyi-20121231.xml</a>	ALTERNET SYSTEMS INC
<a href="http://www.sec.gov/Archives/edgar/data/1108046/000155479513000227/afpw-20121231.xml">http://www.sec.gov/Archives/edgar/data/1108046/000155479513000227/afpw-20121231.xml</a>	AlumiFuel Power Corp

<b>LinkToXBRLInstance</b>	<b>EntityRegistrantName</b>
<a href="http://www.sec.gov/Archives/edgar/data/1142801/000109690613000908/amsu-20121231.xml">http://www.sec.gov/Archives/edgar/data/1142801/000109690613000908/amsu-20121231.xml</a>	AMANASU ENVIRONMENT CORP
<a href="http://www.sec.gov/Archives/edgar/data/1139822/000101968713002197/amru-20121231.xml">http://www.sec.gov/Archives/edgar/data/1139822/000101968713002197/amru-20121231.xml</a>	AMARU INC
<a href="http://www.sec.gov/Archives/edgar/data/1102238/000101054913000237/arl-20121231.xml">http://www.sec.gov/Archives/edgar/data/1102238/000101054913000237/arl-20121231.xml</a>	AMERICAN REALTY INVESTORS INC
<a href="http://www.sec.gov/Archives/edgar/data/104918/000010491814000036/ava-20131231.xml">http://www.sec.gov/Archives/edgar/data/104918/000010491814000036/ava-20131231.xml</a>	AVISTA CORP
<a href="http://www.sec.gov/Archives/edgar/data/1370030/000118518513000598/biad-20121231.xml">http://www.sec.gov/Archives/edgar/data/1370030/000118518513000598/biad-20121231.xml</a>	Bio-AMD Inc.
<a href="http://www.sec.gov/Archives/edgar/data/1364100/000136410013000010/dvr-20121231.xml">http://www.sec.gov/Archives/edgar/data/1364100/000136410013000010/dvr-20121231.xml</a>	Cal Dive International, Inc.
<a href="http://www.sec.gov/Archives/edgar/data/1430259/000110465913019760/cwi-20121231.xml">http://www.sec.gov/Archives/edgar/data/1430259/000110465913019760/cwi-20121231.xml</a>	Carey Watermark Investors Incorporated
<a href="http://www.sec.gov/Archives/edgar/data/1416083/000141608313000014/ck0001416083-20130630.xml">http://www.sec.gov/Archives/edgar/data/1416083/000141608313000014/ck0001416083-20130630.xml</a>	Catalent Pharma Solutions, Inc.
<a href="http://www.sec.gov/Archives/edgar/data/894544/000116552713000299/chag-20121231.xml">http://www.sec.gov/Archives/edgar/data/894544/000116552713000299/chag-20121231.xml</a>	CHANCELLOR GROUP INC.
<a href="http://www.sec.gov/Archives/edgar/data/1413263/000121390013003375/cjld-20130331.xml">http://www.sec.gov/Archives/edgar/data/1413263/000121390013003375/cjld-20130331.xml</a>	CHINA JO-JO DRUGSTORES, INC.
<a href="http://www.sec.gov/Archives/edgar/data/355019/000035501913000029/fnr-20140630.xml">http://www.sec.gov/Archives/edgar/data/355019/000035501913000029/fnr-20140630.xml</a>	Fonar Corporation
<a href="http://www.sec.gov/Archives/edgar/data/722572/000101968713003757/fkwl-20130630.xml">http://www.sec.gov/Archives/edgar/data/722572/000101968713003757/fkwl-20130630.xml</a>	FRANKLIN WIRELESS CORP
<a href="http://www.sec.gov/Archives/edgar/data/789944/000114420413022065/snktyob-20121231.xml">http://www.sec.gov/Archives/edgar/data/789944/000114420413022065/snktyob-20121231.xml</a>	Independence Resources PLC
<a href="http://www.sec.gov/Archives/edgar/data/357108/000141588913002645/irsn-20130930.xml">http://www.sec.gov/Archives/edgar/data/357108/000141588913002645/irsn-20130930.xml</a>	ISC8 INC. /DE
<a href="http://www.sec.gov/Archives/edgar/data/58361/000005836113000033/lee-20120930.xml">http://www.sec.gov/Archives/edgar/data/58361/000005836113000033/lee-20120930.xml</a>	Lee Enterprises, Inc.
<a href="http://www.sec.gov/Archives/edgar/data/1334699/000114420413054601/lieg-20130630.xml">http://www.sec.gov/Archives/edgar/data/1334699/000114420413054601/lieg-20130630.xml</a>	Li3 Energy, Inc.
<a href="http://www.sec.gov/Archives/edgar/data/854800/000117891313000945/lpst-20121231.xml">http://www.sec.gov/Archives/edgar/data/854800/000117891313000945/lpst-20121231.xml</a>	MICRONET ENERTEC TECHNOLOGIES, INC.
<a href="http://www.sec.gov/Archives/edgar/data/1399855/000119312513317482/nauh-20130531.xml">http://www.sec.gov/Archives/edgar/data/1399855/000119312513317482/nauh-20130531.xml</a>	National American University Holdings, Inc.
<a href="http://www.sec.gov/Archives/edgar/data/1080657/000138713113001140/netr-20121231.xml">http://www.sec.gov/Archives/edgar/data/1080657/000138713113001140/netr-20121231.xml</a>	NetReit, Inc.
<a href="http://www.sec.gov/Archives/edgar/data/1503636/000144530513002162/frac-20121231.xml">http://www.sec.gov/Archives/edgar/data/1503636/000144530513002162/frac-20121231.xml</a>	PLATINUM ENERGY SOLUTIONS, INC.
<a href="http://www.sec.gov/Archives/edgar/data/903127/000119312514075029/pps-20131231.xml">http://www.sec.gov/Archives/edgar/data/903127/000119312514075029/pps-20131231.xml</a>	POST PROPERTIES INC
<a href="http://www.sec.gov/Archives/edgar/data/318299/000118518513001701/srco-20130430.xml">http://www.sec.gov/Archives/edgar/data/318299/000118518513001701/srco-20130430.xml</a>	SPARTA COMMERCIAL SERVICES, INC.
<a href="http://www.sec.gov/Archives/edgar/data/1100747/000121465913002057/trgd-20121231.xml">http://www.sec.gov/Archives/edgar/data/1100747/000121465913002057/trgd-20121231.xml</a>	TARA GOLD RESOURCES CORP.
<a href="http://www.sec.gov/Archives/edgar/data/1387054/000121465913002027/tarm-20121231.xml">http://www.sec.gov/Archives/edgar/data/1387054/000121465913002027/tarm-20121231.xml</a>	Tara Minerals Corp.
<a href="http://www.sec.gov/Archives/edgar/data/1375686/000106299313001603/thti-20121231.xml">http://www.sec.gov/Archives/edgar/data/1375686/000106299313001603/thti-20121231.xml</a>	THT Heat Transfer Technology, Inc.
<a href="http://www.sec.gov/Archives/edgar/data/1425627/000147793213002245/imle-20121231.xml">http://www.sec.gov/Archives/edgar/data/1425627/000147793213002245/imle-20121231.xml</a>	TransBiotec, Inc.
<a href="http://www.sec.gov/Archives/edgar/data/103096/000151531613000035/trr-20130630.xml">http://www.sec.gov/Archives/edgar/data/103096/000151531613000035/trr-20130630.xml</a>	TRC COMPANIES INC /DE/
<a href="http://www.sec.gov/Archives/edgar/data/732026/000141588913001902/trt-20130630.xml">http://www.sec.gov/Archives/edgar/data/732026/000141588913001902/trt-20130630.xml</a>	TRIO TECH INTERNATIONAL
<a href="http://www.sec.gov/Archives/edgar/data/1171662/000114036113012481/gts-20121231.xml">http://www.sec.gov/Archives/edgar/data/1171662/000114036113012481/gts-20121231.xml</a>	TRIPLE-S MANAGEMENT CORP
<a href="http://www.sec.gov/Archives/edgar/data/1302946/000130294613000018/turv-20121231.xml">http://www.sec.gov/Archives/edgar/data/1302946/000130294613000018/turv-20121231.xml</a>	TWO RIVERS WATER & FARMING Co
<a href="http://www.sec.gov/Archives/edgar/data/883237/000119312514065148/vrts-20131231.xml">http://www.sec.gov/Archives/edgar/data/883237/000119312514065148/vrts-20131231.xml</a>	VIRTUS INVESTMENT PARTNERS, INC.
<a href="http://www.sec.gov/Archives/edgar/data/929008/000092900814000006/wcc-20131231.xml">http://www.sec.gov/Archives/edgar/data/929008/000092900814000006/wcc-20131231.xml</a>	WESCO INTERNATIONAL INC.
<a href="http://www.sec.gov/Archives/edgar/data/1277092/000114420413015574/hogs-20121231.xml">http://www.sec.gov/Archives/edgar/data/1277092/000114420413015574/hogs-20121231.xml</a>	ZHONGPIN INC.

**Concepts used for equity attributable to parent and equity have been reversed**

The vast majority of SEC filers use the proper concept to express equity and equity attributable to parent. However, there are 35 (in the set below) who reversed those concepts.

For example, consider this the balance sheet of this filing:

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=1413263&accession\\_number=0001213900-13-003375&xbri\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=1413263&accession_number=0001213900-13-003375&xbri_type=v#)

At first glance, the equity section seems fine, but if you look at the concepts used to express equity attributable to parent (Total stockholders' equity line item) and equity (Total equity line item) you notice that the filer reversed how the two concepts are generally used:

STOCKHOLDERS' EQUITY		
Preferred stock; \$0.001 par value; 10,000,000 shares authorized; nil issued and outstanding as of March 31, 2013 and 2012		
Common stock; \$0.001 par value; 250,000,000 shares authorized; 13,609,002 and 13,589,621 shares issued and outstanding	13,609	13,589
Additional paid-in capital	16,609,747	16,853,039
Statutory reserves	1,309,109	1,309,109
Retained earnings	17,095,369	31,429,100
Accumulated other comprehensive income	3,121,654	2,747,561
Total stockholders' equity	38,149,488	52,352,398
Noncontrolling interests	(1,879)	(1,073)
Total equity	38,147,609	52,351,325
Total liabilities and stockholders' equity	\$ 67,838,021	\$ 74,961,013

Total stockholders' equity	38,149,488	52,352,398
us-gaap_StockholdersEquityIncludingPortionAttributableToNoncontrollingInterests fix: us-gaap_ xbrli:monetaryItemType credit instant		

Total equity	38,147,609	52,351,325
+ Definition + References - Details Name: us-gaap_StockholdersEquity Namespace Prefix: us-gaap_ Data Type: xbrli:monetaryItemType Balance Type: credit Period Type: instant		

If you examine pretty much any other SEC XBRL financial filing you will see that filers use these concepts in a manner which is the reverse of how this filer, who is one of only 35 filers to take this alternative approach (as compared to 5543 who use the correct approach).

Fundamental Concept	LookedForConcept	FoundParent	Count
Equity	us-gaap:StockholdersEquity	us-gaap:LiabilitiesAndStockholdersEquity	4378
Equity	us-gaap:StockholdersEquityIncludingPortionAttributableToNoncontrollingInterest	us-gaap:LiabilitiesAndStockholdersEquity	1447
Equity	us-gaap:StockholdersEquity	us-gaap:StockholdersEquityIncludingPortionAttributableToNoncontrollingInterest	1164
Equity	us-gaap:StockholdersEquity	Network (i.e. is the parentTotal)	205
Equity	us-gaap:PartnersCapital	us-gaap:LiabilitiesAndStockholdersEquity	149
Equity	us-gaap:StockholdersEquityIncludingPortionAttributableToNoncontrollingInterest	Network (i.e. is the parentTotal)	91
Equity	us-gaap:PartnersCapitalIncludingPortionAttributableToNoncontrollingInterest	us-gaap:LiabilitiesAndStockholdersEquity	54
Equity	us-gaap:PartnersCapital	us-gaap:PartnersCapitalIncludingPortionAttributableToNoncontrollingInterest	39
Equity	us-gaap:StockholdersEquityIncludingPortionAttributableToNoncontrollingInterest	us-gaap:StockholdersEquity	35
Equity	us-gaap:StockholdersEquity	us-gaap:CapitalizationLongtermDebtAndEquity	25
Equity	us-gaap:MembersEquity	us-gaap:LiabilitiesAndStockholdersEquity	24
Equity	us-gaap:MembersEquity	us-gaap:StockholdersEquity	10
Equity	us-gaap:CommonStockholdersEquity	us-gaap:LiabilitiesAndStockholdersEquity	9
Equity	us-gaap:PartnersCapital	us-gaap:StockholdersEquityIncludingPortionAttributableToNoncontrollingInterest	9
Equity	us-gaap:StockholdersEquityIncludingPortionAttributableToNoncontrollingInterest	us-gaap:CapitalizationLongtermDebtAndEquity	8
Equity	us-gaap:PartnersCapital	Network (i.e. is the parentTotal)	6
Equity	us-gaap:PartnersCapitalIncludingPortionAttributableToNoncontrollingInterest	Network (i.e. is the parentTotal)	4
Equity	us-gaap:CommonStockholdersEquity	us-gaap:StockholdersEquity	4
Equity	us-gaap:MembersEquity	us-gaap:LimitedLiabilityCompanyLlcMembersEquityIncludingPortionAttributableToNoncontrollingInterest	3
Equity	us-gaap:PartnersCapital	us-gaap:MembersEquity	3
Equity	us-gaap:CommonStockholdersEquity	us-gaap:CapitalizationLongtermDebtAndEquity	2
Equity	us-gaap:MembersEquity	us-gaap:PartnersCapital	2
Equity	us-gaap:StockholdersEquity	abbv:StockholdersEquityIncludingParentInvestmentPriorToSeparation	1
Equity	us-gaap:MembersEquity	acep:MembersEquityTotal	1
Equity	us-gaap:CommonStockholdersEquity	amba:LiabilitiesRedeemableConvertiblePreferenceSharesAndShareholdersEquity	1
Equity	us-gaap:PartnersCapital	amid:TotalLiabilitiesAndPartnersCapital	1
Equity	us-gaap:MembersEquity	audh:LiabilitiesAndMembersEquity	1
Equity	us-gaap:StockholdersEquity	CEHD:TotalEquity	1
Equity	us-gaap:MembersEquity	cik0001394922:LiabilitiesAndMembersEquity	1
Equity	us-gaap:MembersEquity	cik0001463389:LiabilitiesAndMembersEquity	1
Equity	us-gaap:MembersEquity	cik0001519117:LiabilitiesAndMembersEquity	1
Equity	us-gaap:PartnersCapitalIncludingPortionAttributableToNoncontrollingInterest	ck0001531744:LiabilitiesAndPartnershipCapital	1
Equity	us-gaap:MembersEquity	eastas:LiabilitiesAndMemberSEquity	1

This error is easy to detect by examining the parent roll up concept of concepts which are used to articulate equity within the XBRL calculation relations.