

Reasons Why Fundamental Accounting Concept¹ Test Fails

CF4

Net Cash Flow = Net Cash Flows, Operating = Net Cash Flows, Operating, Continuing + Net Cash Flows, Operating, Discontinued

What this rule tests

This rule tests the relationship between total, continuing, and discontinued net cash flow, operating activities:

- Net cash flow, operating activities, continuing
- Net cash flow, operating activities, discontinued
- Net cash flow, operating

Of all filers, approximately 99% pass this test. Of the remaining 1%, the following are the reasons this test is failed:

- Fact used in one area of financial report inconsistent with another area
- Undetermined reasons

Common reasons why test fails

Fact used in one area of financial report inconsistent with another area

While in the set of financial reports analyzed, 9,640 expressed no inconsistency between total, continuing, and discontinued net cash flows from operating activities. However, 39 did have some sort of inconsistency. In this one example, one fact was disclosed on the cash flow statement and another related fact was disclosed in the disclosures, and the two facts are inconsistent. See this financial report:

http://www.sec.gov/cgi-bin/viewer?action=view&cik=1403433&accession_number=0001019056-14-000646&xbrl_type=v#

On the cash flow statement you can see the line item “Net cash used in operating activities”, the value is -800,042 for the 9 months ended March 31, 2014:

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

CONSOLIDATED STATEMENTS OF CASH FLOWS (USD \$)	3 Months Ended		9 Months Ended	
	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013
Cash flows from operating activities:				
Net loss	\$ (251,599)	\$ (173,175)	\$ (786,450)	\$ (320,309)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation	2,041	1,996	6,033	3,325
Changes in operating assets and liabilities				
Inventory	21,270	0	(42,330)	(87,370)
Prepaid expenses and other current assets	(15,158)	3,118	(21,686)	(3,500)
Accounts payable and accrued liabilities	11,090	0	44,391	0
Net cash used in operating activities	(232,356)	(168,061)	(800,042)	(407,854)
Cash flows from investing activities:				
Capitalized cost of trademark	0	0	0	(1,601)
Purchase of property and equipment	0	0	(900)	(17,257)
Net cash used in investing activities	0	0	(900)	(18,858)
Cash flows from financing activities:				
Proceeds from convertible notes payable	100,000	0	100,000	0
Proceeds from related party advances	165,903	201,648	689,158	470,355
Proceeds from issuance of common stock	1,500	0	1,500	0
Net cash provided by financing activities	267,403	201,648	790,658	470,355
Net (decrease) increase in cash	35,047	33,587	(10,284)	43,643

And the concept used to report the fact was *us-gAAP:NetCashProvidedByUsedInOperatingActivities* as can be seen here:

Net cash used in operating activities	(232,356)	(168,061)	(800,042)	(407,854)
- Definition				
Amount of cash inflow (outflow) from operating activities, including discontinued operations. Operating activity cash flows include transactions, adjustments, and changes in value not defined as investing or financing activities.				
+ References				
- Details				
Name: <i>us-gAAP:NetCashProvidedByUsedInOperatingActivities</i>				
Namespace Prefix: <i>us-gAAP_</i>				
Data Type: <i>xbri:monetaryItemType</i>				
Balance Type: <i>na</i>				
Period Type: <i>duration</i>				
Cash at beginning of period	15,006	16,094	60,337	6,038

Yet, in the “Basis of presentation and going concern consists of (Details)” disclosure, the line item “Net cash used in operations” was disclosed with a value of -232,356 as seen here using a different concept to report that fact *us-gAAP:NetCashProvidedByUsedInOperatingActivitiesContinuingOperations*:

Basis of presentation and going concern consists of the following (Details) (USD \$)	9 Months Ended Mar. 31, 2014
Basis of presentation and going concern consists of the following (Details)	
Net loss	\$ (251,599)
Net cash used in operations	(232,356)
inflow (outflow) from operating activities, excluding discontinued operations. Operating activity cash flows include transactions, adjustments, and changes in value not defined as investing or financing activities.	
Name: <i>us-gAAP:NetCashProvidedByUsedInOperatingActivitiesContinuingOperations</i>	
Namespace Prefix: <i>us-gAAP_</i>	
Data Type: <i>xbri:monetaryItemType</i>	
Balance Type: <i>na</i>	

Other

This filer created an inappropriate extension concept:

http://www.sec.gov/cgi-bin/viewer?action=view&cik=355356&accession_number=0001193125-12-270666&xbrl_type=v#

Changes in operating assets and liabilities:		
Change in accounts receivable	451,115	(33,520)
Change in prepaid expenses	1,097,432	0
Change in other assets	(10,666)	30,287
Change in accounts payable	(111,258)	494,768
Change in accrued expense	(28,381)	748,488
Changes in customer deposits	0	(162,031)
Net cash provided by (used in) operating activities-continued	(195,741)	(71,537)
Net cash provided by (used in) operating activities-discontinued	2,210,112	2,069,767
Cash provided (used by) operating activities	2,014,371	1,998,230

Net cash provided by (used in) operating activities-discontinued	2,210,112	2,069,767
------------------------------------------------------------------	-----------	-----------

provided by (Used in) Operating Activities, Discontinued Operations

es

ipmn_NetCashProvidedByUsedInOperatingActivitiesDiscontinuedOperations

Prefix: ipmn_

xbrli:monetaryItemType

pe: na

pe: duration

This filer used two concepts and the values are inconsistent:

http://www.sec.gov/cgi-bin/viewer?action=view&cik=820096&accession_number=0000820096-13-000014&xbrl_type=v#

Consolidated Statements of Cash Flows (USD \$) In Millions, unless otherwise specified	3 Months Ended	
	Sep. 28, 2013	Sep. 29, 2012
Cash Flows From (For) Operating Activities		
Net income	\$ 111.4	\$ 105.6
Adjustments to derive cash flows		
Non-cash restructuring charges	1.9	0
Depreciation and amortization	47.7	33.4
Share-based compensation	5.9	4.8
Income tax benefit from exercise of stock options	1.8	2.0
Excess tax benefit of stock transactions	(7.2)	(13.3)
Deferred income taxes	(14.6)	(3.5)
Subtotal	146.9	129.0
Changes in operating assets and liabilities		
Accounts receivable	(45.7)	(6.7)
Inventories	(12.0)	(48.1)
Accounts payable	(67.6)	(12.6)
Payroll and related taxes	(8.6)	(32.3)
Accrued customer programs	27.5	6.4
Accrued liabilities	21.2	2.7
Accrued income taxes	34.6	15.7
Other	2.4	(9.2)
Subtotal	(48.2)	(84.1)
Net cash from operating activities	98.7	44.9

The line item "Subtotal" is a clearly inappropriate concept to use to report that fact.

Subtotal	146.9	129.0
----------	-------	-------

- Definition
Amount of cash inflow (outflow) from operating activities, excluding discontinued operations. Operating activity cash flows include transactions, adjustments, and changes in value not defined as investing or financing activities.

+ References

- Details
Name: us-gaap_NetCashProvidedByUsedInOperatingActivitiesCont
Namespace Prefix: us-gaap_
Data Type: xbrli:monetaryItemType
Balance Type: na

Net cash from operating activities	98.7	44.9
------------------------------------	------	------

+ Definition

+ References

- Details
Name: us-gaap_NetCashProvidedByUsedInOperatingActivities
Namespace Prefix: us-gaap_
Data Type: xbrli:monetaryItemType
Balance Type: na
Period Type: duration