

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

## IS1

**Gross Profit** = Revenues - Cost Of Revenue

### What this rule tests

This rule tests the relationship between revenues, cost of revenues, and gross profit. This test is ONLY applicable to economic entities which report gross profit using a multi-step type income statement.

- Revenues
- Cost of Revenues
- Gross Profit

Of all filers, approximately 47% report gross profit. Of those who report gross profit, 95% conform to this test and gross profit = revenues – cost of revenues. Of the remaining 10%, the following are the reasons this test is failed:

- Neither revenues nor cost of revenues found (approximately 10%)
- Concepts reported but they don't tie together appropriately
- Inappropriate concept use
- Inappropriate extension concept
- Changing the meaning of concept
- Total for revenues not reported
- Rounding
- Undetermined

### Common reasons why test fails

#### ***Neither revenues nor cost of revenues found***

Some economic entities reported gross profit, but reported no revenues nor cost of revenues. Consider the income statement of this financial report:

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=1159167&accession\\_number=0001159167-14-000034&xbri\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=1159167&accession_number=0001159167-14-000034&xbri_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>

Consolidated Statements of Income (Unaudited) (USD \$) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 28, 2014	Jun. 29, 2013	Jun. 28, 2014	Jun. 29, 2013
<b>Revenue:</b>				
Total revenue		\$ 130,362		
<b>Cost of revenue:</b>				
Total cost of revenue		68,757		
Gross margin	62,121	61,605	113,831	108,132
<b>Operating expenses:</b>				
Research and development	17,245	15,997	34,179	30,405
Selling and marketing	23,535	22,309	38,067	33,006
General and administrative	11,666	15,395	23,930	27,853
Total operating expenses	52,446	53,701	96,176	91,264
Operating income	9,675	7,904	17,655	16,868
Other income (expense), net	92	(105)	(95)	(201)
Income before income taxes	9,767	7,799	17,560	16,667
Income tax expense	1,237	(495)	3,750	18
Net income	8,530	8,294	13,810	16,649

The HTML version of their financial statement reported revenues and cost of revenues:

	Three Months Ended		Six Months Ended	
	June 28, 2014	June 29, 2013	June 28, 2014	June 29, 2013
Revenue	\$ 139,803	\$ 130,362	\$ 254,007	\$ 236,557
Cost of revenue (1)	77,682	68,757	140,176	128,425
Gross margin	62,121	61,605	113,831	108,132
Operating expenses:				
Research and development (1)	17,245	15,997	34,179	30,405
Selling and marketing (1)	23,535	22,309	38,067	33,006
General and administrative (1)	11,666	15,395	23,930	27,853
Total operating expenses	52,446	53,701	96,176	91,264
Operating income	9,675	7,904	17,655	16,868
Other income (expense), net	92	(105)	(95)	(201)
Income before income taxes	9,767	7,799	17,560	16,667
Income tax expense (benefit)	1,237	(495)	3,750	18
Net income	\$ 8,530	\$ 8,294	\$ 13,810	\$ 16,649

Statement [Line Items]	2014-03-30 - 2014-06-28				
	Income Statement Location [Axis]				
	Cost of Sales [Member]	Research and Development Expense [Member]	Selling and Marketing Expense [Member]	General and Administrative Expense [Member]	Income Statement Location [Domain]
<b>Revenue:</b>					
Product revenue					
Total revenue					
<b>Cost of revenue:</b>					
Cost of product revenue					
Cost of contract revenue					
Total cost of revenue					
Gross margin					62,121,000
<b>Operating expenses:</b>					
Research and development					17,245,000
Selling and marketing					23,535,000
General and administrative					11,666,000
Total operating expenses					52,446,000
Operating income					9,675,000
Other income (expense), net					92,000
Income before income taxes					9,767,000
Income tax expense					1,237,000
Net income					8,530,000

### Concepts reported but they don't tie together appropriately

Economic entities report pieces, generally in different disclosures, and the pieces do not tie together appropriately. Either (a) they should not tie and therefore they have been expressed incorrectly or (b) they should tie together no matter where the information is disclosed. Consider the following example:

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=1503518&accession\\_number=0001104659-14-063525&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=1503518&accession_number=0001104659-14-063525&xbrl_type=v#)

This entity provided an income statement, but the income statement does not report cost of revenues nor gross profit:

Condensed Consolidated Statements Of Operations And Comprehensive Loss (USD \$) In Thousands, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013
<b>Revenues:</b>				
Net patient service revenue	\$ 245,950	\$ 175,847	\$ 459,858	\$ 347,820
Management fees	16,856		33,453	
Other revenue	3,092	2,262	5,984	4,266
Total revenues	265,898	178,109	499,295	352,086
<b>Expenses:</b>				
Salaries and benefits	135,803	99,687	261,712	195,940
Medical supplies	24,502	14,407	46,236	30,249
Facility rent expenses	17,167	10,675	32,662	20,858
Other operating expenses	16,096	10,997	30,477	21,273
General and administrative expenses	34,060	23,161	64,174	43,896
Depreciation and amortization	22,162	15,320	42,884	30,491
Provision for doubtful accounts	3,428	2,015	7,724	5,090
Interest expense, net	29,899	20,473	57,426	40,417
Impairment loss	182,000		182,000	
Equity initial public offering expenses	4,163		4,163	
Loss on sale leaseback transaction			135	
Fair value adjustment of earn-out liability	204		403	
Gain on the sale of an interest in a joint venture		(1,460)		(1,460)
Loss on foreign currency transactions	79	758	107	802
Loss (gain) on foreign currency derivative contracts		190	(4)	242
Total expenses	469,563	196,223	730,099	387,798
Loss before income taxes	(203,665)	(18,114)	(230,804)	(35,712)
Income tax expense	934	1,371	3,040	3,150
Net loss	(204,599)	(19,485)	(233,844)	(38,862)
Net income attributable to noncontrolling interests - redeemable and non-redeemable	(2,925)	(654)	(3,861)	(1,018)
Net loss attributable to 21st Century Oncology Holdings, Inc. shareholder	(207,524)	(20,139)	(237,705)	(39,880)

Yet, in a disclosure cost of revenue is disclosure:

Basis Of Presentation (Details) (USD \$)	3 Months Ended		6 Months Ended		Jan. 31, 2014	Dec. 31, 2013						
	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013								
Variable Interest Entities [Line Items]												
Assets related to VIEs	\$ 1,111,467,000		\$ 1,111,467,000			\$ 1,128,191,000						
Equity investments in joint ventures	2,925,000		2,925,000			2,555,000						
Cost of revenues	188,700,000	127,300,000	359,800,000	251,400,000								
<div><div>- Definition</div><div>The aggregate cost of goods produced and sold and services rendered during the reporting period.</div><div>+ References</div><div>- Details</div><div>Name: us-gaap_CostOfRevenue</div><div>Namespace Prefix: us-gaap_</div><div>Data Type: xbrli:monetaryItemType</div><div>Balance Type: debit</div><div>Period Type: duration</div></div>											23.00%	
									8.13		8.0	6.52
									111,200,000			71,300,000
										27		
			47									
			15.00%	18.90%								
Variable Interest Entities [Line Items]												
Number of variable interest entities	6		6									
Equity investments in joint ventures	\$ 2,900,000		\$ 2,900,000			\$ 2,600,000						
Unconsolidated VIEs [Member]   Minimum [Member]												
Variable Interest Entities [Line Items]												
Ownership interest			33.60%									
Unconsolidated VIEs [Member]   Maximum [Member]												
Variable Interest Entities [Line Items]												
Ownership interest			50.10%									

And in yet another disclosure, gross profit is disclosed.

Segment And Geographic Information (Schedule Of Reconciliation Of The Company's Reportable Segment Profit And Loss) (Details) (USD \$) In Thousands, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013
<b>Reconciliation Of The Company's Reportable Segment Profit And Loss</b>				
Facility gross profit	\$ 82,524	\$ 50,813	\$ 149,794	\$ 100,650
General and administrative expenses	34,060	23,161	64,174	43,896
General and administrative salaries	135,803	99,687	261,712	195,940
General and administrative depreciation and amortization	22,162	15,320	42,884	30,491
Provision for doubtful accounts	3,428	2,015	7,724	5,090
Interest expense, net	29,899	20,473	57,426	40,417
Impairment loss	182,000		182,000	
Equity IPO expenses	4,163		4,163	
Fair value adjustment of earn-out liability	204		403	
Loss on sale leaseback transaction			135	
Gain on the sale of an interest in a joint venture		(1,460)		(1,460)
Foreign currency transaction loss	79	758	107	802
(Gain) loss on foreign currency derivative contracts			(4)	242
Loss before income taxes	(203,665)	(18,114)	(230,804)	(35,712)

Facility gross profit	\$ 82,524	\$ 50,813	\$ 149,794
<div> <div>- Definition</div> <div>Aggregate revenue less cost of goods and services sold or operating expenses directly attributable to the revenue generation activity.</div> <div>+ References</div> <div>- Details</div> <div> <div>Name:</div> <div>us-gaap_GrossProfit</div> </div> <div> <div>Namespace Prefix:</div> <div>us-gaap_</div> </div> <div> <div>Data Type:</div> <div>xbri:monetaryItemType</div> </div> <div> <div>Balance Type:</div> <div>credit</div> </div> <div> <div>Period Type:</div> <div>duration</div> </div> </div>			

Yet, these facts do not tie together appropriately.

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=935494&accession\\_number=0000935494-14-000020&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=935494&accession_number=0000935494-14-000020&xbrl_type=v#)

The reporting entity used the concept *us-gaap:SalesRevenueNet* on their income statement:

Consolidated Statements Of Income (USD \$) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013
<b>Net sales:</b>				
Product	\$ 288,224	\$ 275,663	\$ 550,488	\$ 541,081
Software maintenance	24,487	20,463	46,897	41,533
Total net sales	312,711	296,126	597,385	582,614
<b>Cost of sales:</b>				
Product	80,642	82,787	150,263	151,413
Software maintenance	1,179	1,028	2,760	2,642
Total cost of sales	81,821	83,815	153,023	154,055
Gross profit	230,890	212,311	444,362	428,559
<b>Operating expenses:</b>				
Sales and marketing	119,374	112,561	231,290	226,631
Research and development	55,851	58,473	111,110	119,729
General and administrative	23,640	22,156	46,113	45,000
Acquisition related adjustment				(1,316)
Total operating expenses	198,865	193,190	388,513	390,044
Operating income	32,025	19,121	55,849	38,515
<b>Other income:</b>				
Interest income	234	177	431	362
Net foreign exchange loss	(603)	(1,051)	(553)	(2,513)
Other income, net	265	400	353	424
Income before income taxes	31,921	18,647	56,080	36,788
Provision for income taxes	7,398	4,226	12,834	3,767
Net income	\$ 24,523	\$ 14,421	\$ 43,246	\$ 33,021

Total net sales	312,711	296,126	597,385	582,614
- Definition				
Total revenue from sale of goods and services rendered during the reporting period, in the normal course of business, reduced by sales returns and allowances, and sales discounts.				
+ References				
- Details				
Name: <u>us-gaap_SalesRevenueNet</u>				
Namespace Prefix: <u>us-gaap_</u>				
Data Type: xbrli:monetaryItemType				
Balance Type: credit				
Period Type: duration				
Total operating expenses	198,865	193,190	388,513	390,044

That concept tied to their segment disclosure which used the same concept *us-gaap:SalesRevenueNet*:

Segment Information (Schedule Of Net Sales, Operating Income, Interest Income And Long-Lived Assets By Major Geographical Areas) (Details) (USD \$) In Thousands, unless otherwise specified	3 Months Ended		6 Months Ended		Dec. 31, 2013
	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013	
Revenues from External Customers and Long-Lived Assets [Line Items]					
Net sales	\$ 312,711	\$ 296,126	\$ 597,385	\$ 582,614	
Operating income	32,025	19,121	55,849	38,515	
Unallocated: Research and development expenses	(55,851)	(58,473)	(111,110)	(119,729)	
Interest income	234	177	431	362	
Property and equipment, net	263,709		263,709		260,568
Americas [Member]					
Revenues from External Customers and Long-Lived Assets [Line Items]					
Net sales	120,013	112,522	235,119	232,239	
Operating income	6,031	5,673	12,992	18,596	
Interest income	8	(2)	18	19	
Property and equipment, net	119,802		119,802		120,829
Europe [Member]					
Revenues from External Customers and Long-Lived Assets [Line Items]					
Net sales	83,597	74,611	167,454	153,672	
Operating income	36,172	30,037	73,481	62,996	
Interest income	199	152	367	284	
Property and equipment, net	4,344		344		

Segment Information (Schedule Of Net Sales, Operating Income, Interest Income And Long-Lived Assets By Major Geographical Areas) (Details) (USD \$) In Thousands, unless otherwise specified	3 Months Ended		6 Months Ended		Dec. 31, 2013
	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013	
Revenues from External Customers and Long-Lived Assets [Line Items]					
Net sales	\$ 312,711	\$ 296,126	\$ 597,385	\$ 582,614	
- Definition					
Total revenue from sale of goods and services rendered during the reporting period, in the normal course of business, reduced by sales returns and allowances, and sales discounts.			10)	(119,729)	
+ References					
- Details					
Name: us-gaap_SalesRevenueNet					
Namespace Prefix: us-gaap_					
Data Type: xbrli:monetaryItemType			19	232,239	
Balance Type: credit			92	18,596	
Period Type: duration			18	19	

But then in the geographic information disclosure, the concept *us-gaap:Revenues* was used, which is a higher-level concept and therefore anything that is *us-gaap:SalesRevenueNet* is also *us-gaap:Revenues*. The filer did not properly differentiate what it is saying is revenues is not total consolidated revenues, but rather a portion of that which is related to revenues outside the US.

Segment Information (Narrative) (Details) (USD \$) In Millions, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014 region	Jun. 30, 2013
Segment Information [Abstract]				
Number of geographic regions where products are sold			4	
Total sales outside the United States	\$ 200.0	\$ 192.0	\$ 379.0	\$ 372.0

**- Definition**  
Amount of revenue recognized from goods sold, services rendered, insurance premiums, or other activities that constitute an earning process. Includes, but is not limited to, investment and interest income before deduction of interest expense when recognized as a component of revenue, and sales and trading gain (loss).

**+ References**

**- Details**

**Name:** us-gaap\_Revenues  
**Namespace Prefix:** us-gaap\_  
**Data Type:** xbrli:monetaryItemType  
**Balance Type:** credit



***Inappropriate extension of cost of sales***

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=919012&accession\\_number=0001193125-14-325486&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=919012&accession_number=0001193125-14-325486&xbrl_type=v#)

Consolidated Statements of Operations and Retained Earnings (USD \$) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended		6 Months Ended	
	Aug. 02, 2014	Aug. 03, 2013	Aug. 02, 2014	Aug. 03, 2013
Total net revenue	\$ 710,595	\$ 727,313	\$ 1,356,724	\$ 1,406,790
Cost of sales, including certain buying, occupancy and warehousing expenses	473,048	481,818	893,332	897,686
			X 463,392	509,104
- Definition Cost of sales, including certain buying, occupancy and warehousing expenses.			375,136	368,589
+ References			67,784	65,273
- Details			20,472	75,242
Name: aeo_CostOfSalesIncludingCertainBuyingOccupancyAndWareho			1,536	467
Namespace Prefix: aeo			22,008	75,709
Data Type: xbrli:monetaryItemType			12,329	28,139
Balance Type: debit			9,679	47,570
Period Type: duration				
			\$ 0.05	\$ 0.25
Net income per diluted share	\$ 0.03	\$ 0.10	\$ 0.05	\$ 0.24
Cash dividends per common share	\$ 0.125	\$ 0.125	\$ 0.250	\$ 0.125
Weighted average common shares outstanding - basic	194,511	192,731	194,285	192,720
Weighted average common shares outstanding - diluted	194,747	195,951	194,751	196,451
Retained earnings, beginning	1,542,106	1,592,706	1,569,851	1,553,058
Net income	5,813	19,594	9,679	47,570
Cash dividends and dividend equivalents	(24,954)	(24,574)	(49,831)	(24,574)
Reissuance of treasury stock	(109)	368	(6,843)	12,040
Retained earnings, ending	\$ 1,522,856	\$ 1,588,094	\$ 1,522,856	\$ 1,588,094

**Inappropriate concept use**

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=1504307&accession\\_number=0001255294-12-000331&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=1504307&accession_number=0001255294-12-000331&xbrl_type=v#)

Statements of Operations (USD \$)	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
<b>REVENUES, net</b>		
Car lot sales	\$ 328,145	\$ 571,601
Auto auction sales	233,260	
Interest income	11,115	9,144
<b>Total Revenues</b>	<b>572,520</b>	<b>580,745</b>
<b>COST OF SALES, net</b>		
Car lot sales	298,589	453,534
Auto auction sales	206,370	
<b>Total Cost of Sales</b>	<b>504,959</b>	<b>453,534</b>
<b>GROSS PROFIT</b>	<b>67,561</b>	<b>127,211</b>
<b>OPERATING EXPENSES</b>		
Advertising expense	2,384	4,303
Bad debt expense		21,458
Payroll expenses	37,368	9,050
Professional fees	25,762	34,859
Rent expense	7,500	7,500
General and administrative expenses	52,593	23,078
Total Operating Expenses	125,607	100,248
<b>OPERATING INCOME (LOSS)</b>	<b>(58,046)</b>	<b>26,963</b>
<b>OTHER EXPENSE</b>		
Interest expense	(1,232)	
Total Other Expense	(1,232)	
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	<b>(59,278)</b>	<b>26,963</b>
<b>PROVISION FOR INCOME TAXES</b>		<b>(10,517)</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (59,278)</b>	<b>\$ 16,446</b>

<b>Total Cost of Sales</b>	<b>504,959</b>	<b>453,534</b>
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- Definition  
Total costs of sales and operating expenses for the period.

+ References

- Details

Name: **us-gaap\_CostsAndExpenses**

Namespace Prefix: us-gaap\_

Data Type: xbrli:monetaryItemType

Balance Type: debit

Period Type: duration

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=1431888&accession\\_number=0001387308-12-000128&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=1431888&accession_number=0001387308-12-000128&xbrl_type=v#)

Filer used the concept us-gAAP:CostOfRevenue, but it was for part of the subtotal of cost of revenues, not the total.

Consolidated Statements of Operations (USD \$)	3 Months Ended		9 Months Ended	
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011
<b>Revenues:</b>				
Vending Route	\$ 267,624	\$ 265,356	\$ 786,876	\$ 731,850
Manufacturing Machine Sales	3,546,134	1,773,723	9,888,308	5,021,175
Non-vending	0	158,320	194,085	516,498
Total revenues	3,813,758	2,197,399	10,869,269	6,269,523
<b>Cost of Vending Products</b>	88,535	146,864	405,746	442,022
Cost of Manufacturing	1,599,955	514,717	4,597,053	1,811,820
Cost of Non-vending	0	55,745	114,764	193,179
Cost of Sales	1,688,490	717,326	5,117,563	2,447,021
Gross Profit	2,125,268	1,480,073	5,751,706	3,822,502
<b>Operating Expenses:</b>				
General and Administrative	1,721,861	894,254	4,217,986	2,667,990
Depreciation and Amortization	224,952	232,239	674,856	670,797
Total Operating Expenses	1,946,813	1,126,493	4,892,842	3,338,787
<b>Other Income (Expense):</b>				
Interest Expense	43,142	96,001	109,730	181,420
(Loss) on Sale of Restaurant	0	0	(54,513)	0
Provision for Income Taxes	0	0	0	0
Total Other Income (Expense)	43,142	96,001	55,217	181,420
Net Income	\$ 135,313	\$ 257,579	\$ 694,621	\$ 302,295

Cost of revenues is NOT the total

Cost of Vending Products	88,535	146,864	405,746
			X 97,053
- Definition			14,764
The aggregate cost of goods produced and sold and services rendered during the reporting period.			17,563
			51,706
+ References			
- Details			
Name: us-gAAP_CostOfRevenue			17,986
Namespace Prefix: us-gAAP_			74,856
Data Type: xbrli:monetaryItemType			92,842
Balance Type: debit			
Period Type: duration			09,730
(Loss) on Sale of Restaurant	0	0	(54,513)

The concept us-gAAP:CostOfGoodsSold, which is part of us-gAAP:CostOfRevenues, was used to express the total cost of sales:

Cost of Sales	1,688,490	717,326	5,117,563
			X 51,706
- Definition			
Total costs related to goods produced and sold during the reporting period.			17,986
+ References			74,856
- Details			92,842
Name: us-gAAP_CostOfGoodsSold			
Namespace Prefix: us-gAAP_			
Data Type: xbrli:monetaryItemType			09,730
Balance Type: debit			(54,513)
Period Type: duration			0

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=1354071&accession\\_number=0001017386-14-000129&xbri\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=1354071&accession_number=0001017386-14-000129&xbri_type=v#)

The line item “Sales rebates” was represented using *us-gaap:CostOfRevenue*:

Consolidated Statements of Operations and Comprehensive (Loss) Income (USD \$)	3 Months Ended	
	Mar. 31, 2014	Mar. 31, 2013
Income Statement [Abstract]		
Sales	\$ 1,790,681	\$ 1,003,714
Sales rebates	(209,510)	(121,231)
Sales, net of rebates	1,581,171	882,483
Cost of sales	980,506	503,446
Gross profit	600,665	379,037
Advertising expense	183,893	796,001
Selling, general and administrative expense	386,823	481,999
Provision for doubtful accounts	1,259,178	3,240,731
(Recovery of) Impairment loss on prepaid expenses	(66,746)	604,272
Impairment loss on intangible assets	482,207	
(Loss) from operations	(1,644,690)	(4,743,966)
Interest income	117,691	
Total Other Income	117,691	
Net (Loss)	(1,526,999)	(4,743,966)

Sales rebates	(209,510)	(121,231)
- Definition		
The aggregate cost of goods produced and sold and services rendered during the reporting period.		
+ References		
- Details		
Name:	us-gaap_CostOfRevenue	
Namespace Prefix:	us-gaap_	
Data Type:	xbri:monetaryItemType	
Balance Type:	debit	
Period Type:	duration	

Then the line item “Cost of sales” was represented using a subcomponent of cost of revenue, *us-gaap:CostOfGoodAndServicesSold*:

Cost of sales	980,506	503,446
- Definition		
The aggregate costs related to goods produced and sold and services rendered by an entity during the reporting period. This excludes costs incurred during the reporting period related to financial services rendered and other revenue generating activities.		
+ References		
- Details		
Name:	us-gaap_CostOfGoodsAndServicesSold	
Namespace Prefix:	us-gaap_	
Data Type:	xbri:monetaryItemType	
Balance Type:	debit	
Period Type:	duration	

## Changing the meaning of concept

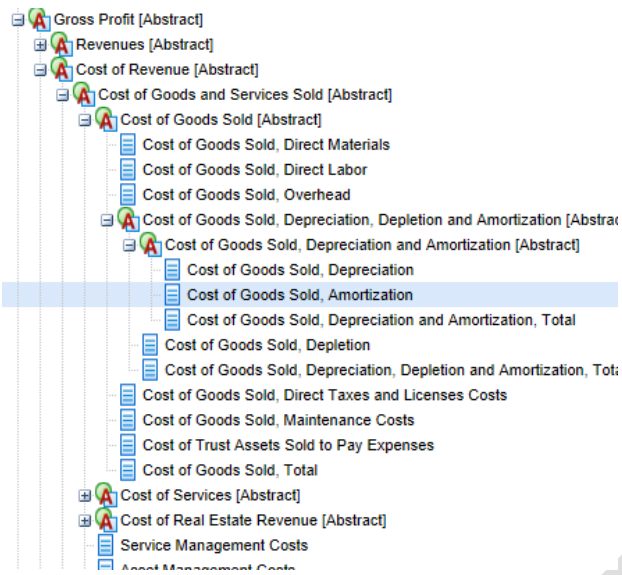
In the example below, a filer took a detailed concept which is part of cost of revenues, and moved it to be a sibling of cost of revenues, thus changing the definition of cost of revenues.

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=912093&accession\\_number=0001104659-14-035422&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=912093&accession_number=0001104659-14-035422&xbrl_type=v#)

CONSOLIDATED STATEMENTS OF OPERATIONS (USD \$) In Millions, except Per Share data, unless otherwise specified	3 Months Ended		9 Months Ended	
	Mar. 29, 2014	Mar. 30, 2013	Mar. 29, 2014	Mar. 30, 2013
<b>CONSOLIDATED STATEMENTS OF OPERATIONS</b>				
Net revenue	\$ 418.0	\$ 405.3	\$ 1,294.6	\$ 1,255.6
Cost of sales	222.3	233.0	687.5	690.0
Amortization of acquired technologies	11.0	17.0	32.3	48.7
Gross profit	184.7	155.3	574.8	516.9
<b>Operating expenses:</b>				
Research and development	74.1	65.8	216.0	190.9
Selling, general and administrative	113.4	107.3	329.5	317.4
Amortization of other intangibles	5.2	3.1	10.7	8.8
Restructuring and related charges	3.6	0.4	3.8	6.1
Total operating expenses	196.3	176.6	560.0	523.2
(Loss) income from operations	(11.6)	(21.3)	14.8	(6.3)
Interest and other income (expense), net	0.6	(0.9)	0.4	(3.7)
Interest expense	(7.7)	(4.2)	(21.3)	(15.4)
Loss from continuing operations before income taxes	(18.7)	(26.4)	(6.1)	(25.4)
(Benefit from) provision for income taxes	(17.2)	1.6	(13.7)	9.1
(Loss) income from continuing operations, net of tax	(1.5)	(28.0)	7.6	(34.5)
Loss from discontinued operations, net of tax				(1.0)
Net (loss) income	\$ (1.5)	\$ (28.0)	\$ 7.6	\$ (35.5)

Amortization of acquired technologies	11.0	17.0	32.3
<b>- Definition</b> The amount of expense recognized in the current period that reflects the allocation of the costs of intangible assets over the expected benefit period of such assets. This element applies only to intangible assets used in the production of goods.			
<b>+ References</b> <b>- Details</b> Name: us-gaap_CostOfGoodsSoldAmortization Namespace Prefix: us-gaap_ Data Type: xbrli:monetaryItemType Balance Type: debit Period Type: duration			

This is the location of *us-gaap:CostOfGoodsSoldAmortization* in the US GAAP XBRL Taxonomy.



[http://www.sec.gov/cgi-bin/viewer?action=view&cik=18937&accession\\_number=0000018937-12-000036&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=18937&accession_number=0000018937-12-000036&xbrl_type=v#)

The line item “IMPAIRMENT CHARGES”, a part of cost of sales, is included outside of that concept within the income statement, thus changing the meaning of the concept:

Consolidated Statements Of Income (USD \$) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended		9 Months Ended	
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011
Consolidated Statements Of Income (Unaudited) [Abstract]				
NET SALES	\$ 106,204	\$ 147,974	\$ 343,156	\$ 443,452
COST OF GOODS SOLD	75,777	94,248	246,883	278,681
IMPAIRMENT CHARGES	7,000		7,000	
Gross profit	23,427	53,726	89,273	164,771
OPERATING EXPENSES				
Selling, general and administrative	17,864	19,251	54,213	57,543
Research and development	4,842	2,974	13,189	9,255
Restructuring - plant closure and severance	289		962	
Acquisition related charges	2,023	702	2,254	2,124
Impairment charges	13,795		13,795	
Operating Expenses, Total	38,813	22,927	84,413	68,922
INCOME (LOSS) FROM OPERATIONS	(15,386)	30,799	4,860	95,849
OTHER INCOME (EXPENSE):				
Interest income	995	1,069	3,189	2,744
Interest expense	(1,795)	(1,721)	(5,363)	(4,838)
Miscellaneous	(1,178)	1,081	(2,627)	1,671
Other Income (Expense), Total	(1,978)	429	(4,801)	(423)
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	(17,364)	31,228	59	95,426
PROVISION FOR INCOME TAXES	5,696	10,819	12,491	32,291
NET INCOME (LOSS)	\$ (23,060)	\$ 20,409	\$ (12,432)	\$ 63,135

IMPAIRMENT CHARGES	7,000	7,000	
- Definition			
Nonrecurring impairment charges related to the write-off of production-related equipment and inventory. This tag is used when an Entity charges this cost to cost of goods sold.			
+ References			
- Details			
Name:	us-gaap_ProductionRelatedImpairmentsOrCharges		
Namespace Prefix:	us-gaap_		
Data Type:	xbrli:monetaryItemType		
Balance Type:	debit		
Period Type:	duration		

[-] Gross Profit [Abstract]
[-] Revenues [Abstract]
[-] Cost of Revenue [Abstract]
[-] Cost of Goods and Services Sold [Abstract]
[-] Cost of Goods Sold [Abstract]
[-] Cost of Services [Abstract]
[-] Cost of Real Estate Revenue [Abstract]
Service Management Costs
Asset Management Costs
Cost of Property Repairs

Cost of Reimbursable License
Excise and Sales Taxes
[-] Production Related Impairments or Charges [Abstract]
Inventory Write-down
Production Related Impairments or Charges, Total
Cost of Goods and Services Sold, Total
[-] Financial Services Costs [Abstract]
Other Cost of Operating Revenue
Cost of Revenue, Total
Gross Profit, Total

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=95052&accession\\_number=0000095052-14-000021&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=95052&accession_number=0000095052-14-000021&xbrl_type=v#)

The concept us-gaap:CostOfRevenue, was used as a component of a concept which is a part of cost of revenue:

Consolidated Statements Of Operations (USD \$) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended		9 Months Ended	
	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013
Consolidated Statements Of Operations [Abstract]				
Net sales	\$ 210,841	\$ 264,484	\$ 972,587	\$ 1,076,944
Cost of goods sold:				
Cost of sales	119,205	136,643	538,115	562,220
Depreciation related to cost of goods sold	1,967	1,656	5,784	4,674
Total cost of goods sold	121,172	138,299	543,899	566,894
Gross profit	89,669	126,185	428,688	510,050
Operating expenses:				
Selling, general and administrative	107,338	111,597	365,713	404,257
Depreciation and amortization	11,286	10,254	33,122	28,755
Total operating expenses	118,624	121,851	398,835	433,012
(Loss) income from operations	(28,955)	4,334	29,853	77,038
Interest expense, net	6,605	5,893	18,371	18,515
(Loss) income before income taxes	(35,560)	(1,559)	11,482	58,523
(Benefit from) provision for income taxes	(8,626)	(286)	2,172	12,803
Net (loss) income	(26,934)	(1,273)	9,310	45,720
Net loss attributable to noncontrolling interests (See Note 5)	(491)		(897)	
Net (loss) income attributable to Elizabeth Arden shareholders	\$ (26,443)	\$ (1,273)	\$ 10,207	\$ 45,720



Cost of sales	119,205	136,643	538,115	X	84
- Definition					
The aggregate cost of goods produced and sold and services rendered during the reporting period.					
+ References					
- Details					
Name:	us-gaap_CostOfRevenue				22
Namespace Prefix:	us-gaap_				35
Data Type:	xbri:monetaryItemType				53
Balance Type:	debit				71
Period Type:	duration				82

Cost of goods sold:					
Cost of sales	119,205	136,643	538,115		
Depreciation related to cost of goods sold	1,967	1,656	5,784		
Total cost of goods sold	121,172	138,299	543,899	X	88
- Definition					
Total costs related to goods produced and sold during the reporting period.					
+ References					
- Details					
Name:	us-gaap_CostOfGoodsSold				13
Namespace Prefix:	us-gaap_				22
Data Type:	xbri:monetaryItemType				35
Balance Type:	debit				53
Period Type:	duration				71
					82
					72
					10

Cost of Revenue [Abstract]
Cost of Goods and Services Sold [Abstract]
Cost of Goods Sold [Abstract]
Cost of Goods Sold, Direct Materials
Cost of Goods Sold, Direct Labor
Cost of Goods Sold, Overhead
Cost of Goods Sold, Depreciation, Depletion and Amortization [Abstract]
Cost of Goods Sold, Direct Taxes and Licenses Costs
Cost of Goods Sold, Maintenance Costs
Cost of Trust Assets Sold to Pay Expenses
Cost of Goods Sold, Total
Cost of Services [Abstract]
Cost of Real Estate Revenue [Abstract]
Cost of Goods and Services Sold, Total
Financial Services Costs [Abstract]
Other Cost of Operating Revenue
Cost of Revenue, Total

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=1423723&accession\\_number=0001193805-12-001816&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=1423723&accession_number=0001193805-12-001816&xbrl_type=v#)

The filer reported a portion of cost of sales (basically a disclosure) outside of cost of sales, thus changing the meaning of cost of sales. This perhaps should have been a disclosure.

Consolidated Statements of Operations and Comprehensive Income (Unaudited) (USD \$)	3 Months Ended		9 Months Ended	
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011
<b>Income Statement [Abstract]</b>				
Sales	\$ 12,736,088	\$ 9,678,303	\$ 21,042,548	\$ 15,308,878
Cost of Sales	4,357,773	3,719,246	8,136,256	6,532,665
Cost of sales - related party	206,410	59,929	622,062	140,163
Gross profit	8,171,905	5,899,128	12,284,230	8,636,050
<b>Operating expenses</b>				
Selling General and administrative	966,646	442,530	2,580,853	1,007,873
Lease expenses-related party	76,667	111,297	231,053	260,303
Total operating expenses	1,043,313	553,827	2,811,906	1,268,176
Income from operations	7,128,592	5,345,301	9,472,324	7,367,874
<b>Other income</b>				
Subsidy income				109,231
Interest Income		38,064	878	112,835
Total other income		38,064	878	222,066
Income before income tax expense	7,128,592	5,383,365	9,473,202	7,589,940
Income tax expense	(1,802,545)	(1,354,072)	(2,441,694)	(1,869,700)
Net income	5,326,047	4,029,293	7,031,508	5,720,240
<b>Other comprehensive income</b>				
Foreign currency translation gain (loss)	90,123	151,992	111,277	315,896
Total Comprehensive income	\$ 5,416,170	\$ 4,181,285	\$ 7,142,785	\$ 6,036,136
Earnings per share - basic and diluted	\$ 0.4	\$ 0.45	\$ 0.54	\$ 0.68
Weighted average number of shares outstanding - basic and diluted	13,259,600	8,884,933	13,027,483	8,461,644

This concept is part of disclosures, not part of income statement line items:

<b>Income Statement [Abstract]</b>			
Sales	\$ 12,736,088	\$ 9,678,303	\$ 21,042,548
Cost of Sales	4,357,773	3,719,246	8,136,256
Cost of sales - related party	206,410	59,929	622,062
			X 12,284,230
<b>- Definition</b>			
Amount included in cost of sales related to transactions with related parties incurred and recorded in the statement of operations for the period.			2,580,853
			231,053
			2,811,906
			9,472,324
<b>+ References</b>			
<b>- Details</b>			
Name: us-gaap_RelatedPartiesAmountInCostOfSales			
Namespace Prefix: us-gaap			
Data Type: xbrli:monetaryItemType			
Balance Type: debit			878
Period Type: duration			878

250000 - Disclosure - Accounting Policies	
Accounting Policies [Abstract]	
Significant Accounting Policies [Text Block]	
[1..50]	
Basis of Accounting, Policy [Policy Text Block]	
Cash and Cash Equivalents, Policy [Policy Text Block]	
Receivables, Policy [Policy Text Block]	
Concentration Risk, Credit Risk, Policy [Policy Text Block]	
Revenue Recognition, Policy [Policy Text Block]	
Cost of Sales, Policy [Policy Text Block]	
Related Parties Amount in Cost of Sales	
Cost of Sales, Vendor Allowances, Policy [Policy Text Block]	
Selling, General and Administrative Expenses, Policy [Policy Text Block]	

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=57725&accession\\_number=0001104659-14-037038&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=57725&accession_number=0001104659-14-037038&xbrl_type=v#)

Gross profit = Revenues – Cost of revenues. The one-time expense related to JSP contract renewal cost is part of cost of sales, and therefore should be included within the total cost of sales. The one-time line item could be either a disclosure of details of those costs, or a subcomponent of total cost of sales. For example

All other cost of sales	74,572
JSP contract renewal cost	20,100
Cost of sales	94,672

Further, there was no need to create an extension concept for that line item, a concept such as *us-gaap: OtherCostOfOperatingRevenue* would have been more appropriate.

CONSOLIDATED STATEMENTS OF OPERATIONS (USD \$) In Thousands, except Share data, unless otherwise specified	3 Months Ended		9 Months Ended	
	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013
<b>CONSOLIDATED STATEMENTS OF OPERATIONS</b>				
Net sales	\$ 79,997	\$ 39,022	\$ 193,152	\$ 110,880
Cost of sales	23,865	23,852	74,572	68,663
JSP contract renewal cost			20,100	
Gross profit	56,132	15,170	98,480	42,217
<b>Operating expenses:</b>				
Research and development	10,583	5,229	21,113	12,565
Selling, general, and administrative	9,560	5,245	26,629	16,571
Total operating expenses	20,143	10,474	47,742	29,136
Operating income	35,989	4,696	50,738	13,081
<b>Other income (expense):</b>				
Foreign currency gain	1		1	3
Gain (loss) on sale of assets		93	(55)	51
Gain on investment securities	200	538	1,765	843
Litigation settlement				1,250
Interest and dividend income	109	22	204	84
Interest expense	(13)	(59)	(117)	(194)
Other			(87)	
Total other income	297	594	1,711	2,037
Income before income taxes	36,286	5,290	52,449	15,118
Income tax expense	13,280	1,327	18,838	5,353
Net income	23,006	3,963	33,611	9,765
Less: Net income attributable to noncontrolling interest	11	16	45	11
Net income attributable to Lannett Company, Inc.	\$ 22,995	\$ 3,947	\$ 33,566	\$ 9,754

JSP contract renewal cost	20,100	
	X 98,480	42,217
<b>- Definition</b>		
One-time charge incurred during the reporting period, pertaining to the JSP contract renewal.		
	21,113	12,565
	26,629	16,571
<b>+ References</b>		
<b>- Details</b>		
<b>Name:</b>	ici_JSPContractRenewalCost	
<b>Namespace Prefix:</b>	ici	
<b>Data Type:</b>	xbri:monetaryItemType	
<b>Balance Type:</b>	debit	
<b>Period Type:</b>	duration	
	1	3
	(55)	51
	1 765	843

### ***Rounding***

This is an example of rounding errors. See the income statement of this filing:

[http://www.sec.gov/cgi-bin/viewer?action=view&cik=1511159&accession\\_number=0000721748-14-000855&xbrl\\_type=v#](http://www.sec.gov/cgi-bin/viewer?action=view&cik=1511159&accession_number=0000721748-14-000855&xbrl_type=v#)

Statements of Operations (Unaudited) (USD \$)	3 Months Ended		6 Months Ended	
	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013
<b>Income Statement [Abstract]</b>				
REVENUES	\$ 3,352	\$ 449	\$ 7,201	\$ 449
Cost of Goods Sold	4,406		7,565	
Gross Profit	(1,054)	449	(365)	449
Advertising and Promotion	810	6,901	2,105	13,567
General and Administrative	2,666	1,103	6,779	1,714
Professional Fees	3,500	53,569	11,730	56,319
Interest	2,374	500	5,002	500
Total Operating Expenses	9,350	62,073	25,616	72,100
Income (Loss) Before Income Taxes	(10,404)	(61,624)	(25,980)	(71,651)
Provision for Income Taxes				
Net (loss)	\$ (10,404)	\$ (61,624)	\$ (25,980)	\$ (71,651)

Revenues of 7,201 less Cost of goods sold of 7,565 is (364) rather than the reported (365). Adjustments for these sorts of rounding issues should be made prior to putting numbers into a financial report.