

US GAAP XBRL Taxonomy Inconsistency

Temporary Equity

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The US GAAP Financial Reporting XBRL Taxonomy represents the important high-level relationships related to temporary equity on the balance sheet as follows:

Temporary equity is part of liabilities and equity:

(See <http://goo.gl/IHVBz5>; four different networks show exactly the same relationship but with different equity concepts)

104000 - Statement - Statement of Financial Position, Classified

		Liabilities	Cr
+		Commitments and Contingencies	Cr
+	Temporary Equity, Carrying Amount, Including Portion Attributable to Noncontrolling	Interests	Cr
+	Stockholders' Equity, Including Portion Attributable to Noncontrolling Interest		Cr
		Liabilities and Equity	Cr

Temporary equity is broken down into two parts:

(See <http://goo.gl/T8zinF>)

Temporary Equity, Carrying Amount, Including Portion Attributable to Noncontrolling Interests

Calculations

104000 - Statement - Statement of Financial Position, Classified

		Temporary Equity, Carrying Amount, Attributable to Parent	Cr
+		Redeemable Noncontrolling Interest, Equity, Carrying Amount	Cr
		Temporary Equity, Carrying Amount, Including Portion Attributable to Noncontrolling	Cr
		Interests	Cr

Redeemable noncontrolling interest is broken into parts:

(See <http://goo.gl/cgiQCy> for balance sheet, same information in disclosure <http://goo.gl/GjwYL2>)

Redeemable Noncontrolling Interest, Equity, Carrying Amount

Calculations		
104000 - Statement - Statement of Financial Position, Classified		
	Redeemable Noncontrolling Interest, Equity, Common, Carrying Amount	Cr
+	Redeemable Noncontrolling Interest, Equity, Preferred, Carrying Amount	Cr
+	Redeemable Noncontrolling Interest, Equity, Other, Carrying Amount	Cr
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	Redeemable Noncontrolling Interest, Equity, Carrying Amount	Cr

There are other concepts that are occasionally used on the balance sheets of public companies to represent temporary equity line items.

Fair value is used occasionally to report temporary equity on the balance sheet. Is this appropriate? Shouldn't the amount booked to the balance sheet be the carrying amount?

(See <http://goo.gl/MSrwch>)

- Redeemable Noncontrolling Interest, Equity, Fair Value [Abstract]
- Redeemable Noncontrolling Interest, Equity, Range of Estimated Fair Value [Abstract]
- Redeemable Noncontrolling Interest, Equity, Common, Fair Value
- Redeemable Noncontrolling Interest, Equity, Preferred, Fair Value
- Redeemable Noncontrolling Interest, Equity, Other, Fair Value
- Redeemable Noncontrolling Interest, Equity, Fair Value, Total

OMNICOM GROUP INC.

<http://www.sec.gov/Archives/edgar/data/29989/00002998916000015/000029989-16-000015-index.htm>

Long-Term Debt	3,564,200,000	4,542,100,000
Long-Term Liabilities	800,500,000	774,300,000
Long-Term Deferred Tax Liabilities	469,100,000	543,900,000
Commitments and Contingent Liabilities (See Note 16)	xsi:nil	xsi:nil
Temporary Equity - Redeemable Noncontrolling Interests	167,900,000	185,700,000
Equity:		
Shareholders' Equity:		
Preferred stock, \$10 million shares issued	0	0
Common stock, \$10 million shares issued, 239.7 million and 246.7 million shares outstanding	59,600,000	59,600,000

us-gaap:RedeemableNoncontrollingInterestEquityFairValue

Occasionally the concept “**us-gAAP:TemporaryEquityValueExcludingAdditionalPaidInCapital**” is used to report temporary equity on the balance sheet. It seems that that concept is for a disclosure related to a class of temporary equity and not the balance sheet line item.

Further, one filer used this concept as part of current liabilities:

Hydra Industries Acquisition Corp.

<http://www.sec.gov/Archives/edgar/data/1615063/000114420415064714/0001144204-15-064714-index.htm>

Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	1,631,988	152,227
Franchise tax accrual	293,862	158,862
Common stock to be redeemed, 9,284,472 shares at \$10.00 as of September 30, 2015	92,844,720	0
Total current liabilities	94,770,570	311,089
Deferred underwriter fee	0	4,375,000
Total liabilities	94,770,570	4,686,089
Commitments and Contingencies		
Common stock subject to possible redemption; 11,573,940 shares at \$10.00 as of December 31, 2014	0	115,739,399
Stockholders' equity:		
Preferred stock, \$.0001 par value; 1,000,000 shares authorized; none issued	0	0
Common stock, \$.0001 par value, authorized 400,000,000 shares; 3,125,000 and 4,051,060 shares issued and outstanding (excluding 9,284,472 and 11,573,940 shares subject to possible redemption) at September 30, 2015 and December 31, 2014, respectively	312	404
Additional paid-in capital	1,195,560	5,921,069
Accumulated deficit	(2,885,376)	(921,466)

Others use it as part of temporary equity:

ROI Acquisition Corp. II

<http://www.sec.gov/Archives/edgar/data/1581607/000114420415066007/0001144204-15-066007-index.htm>

Current Liabilities			
Accounts payable and accrued expenses		0	65
Advance from related party			
	Total Current Liabilities	2,103,343	85,794
Deferred underwriting fees		2,800,000	2,800,000
	Total Liabilities	4,903,343	2,885,794
Commitments and Contingencies			
Common stock subject to possible redemption, 7,060,059 and 7,341,017 shares at conversion value as of September 30, 2015 and December 31, 2014, respectively		xsi:nil	xsi:nil
		70,612,494	73,410,170
Stockholders' Equity			
Preferred stock, \$0.0001 par value; 1,000,000 authorized, none issued and outstanding		0	0
Common stock, \$0.0001 par value; 29,000,000 shares authorized; 2,939,941 and 2,658,983 shares issued and outstanding (excluding 7,060,059 and 7,341,017 shares subject to possible redemption) as of September 30, 2015 and December 31, 2014, respectively		294	266
Additional paid-in capital		7,938,916	5,141,268
Accumulated deficit		(2,939,209)	(141,529)
	Total Stockholders' Equity	5,000,001	5,000,005

us-gaap:TemporaryEquityValueExcludingAdditionalPaidInCapital

Below are a number of observations from XBRL-based public company financial filings to the SEC which appear to show the relations documented above or contradict those relations:

EXAMPLE #1: Actua Corp

<http://www.sec.gov/Archives/edgar/data/1085621/000108562115000008/0001085621-15-000008-index.htm>

This company's representation is consistent with the US GAAP XBRL Taxonomy and the information summarized above:

us-gaap:TemporaryEquityCarryingAmountIncludingPortionAttributableToNoncontrollingInterests		0
Deferred revenue	561,000	1,256,000
Other liabilities	5,610,000	4,408,000
Total liabilities	81,647,000	69,810,000
Redeemable noncontrolling interests	9,200,000	10,346,000
Actua Corporation's Stockholders' Equity		
Preferred stock, \$0.01 par value; 10,000 shares authorized, none issued or outstanding	0	0
Common stock, \$0.001 par value; 2,000,000 shares authorized, 46,779 shares (2015) and 46,405 shares (2014) issued	47,000	46,000
Treasury stock, at cost 5,988 shares (2015) and 5,892 shares (2014)	(55,509,000)	(53,807,000)
Additional paid-in capital	3,567,437,000	3,553,430,000
Accumulated deficit	(3,113,170,000)	(3,069,241,000)

There are approximately 49 public companies that report temporary equity in this manner.

In this specific case, one could possibly make the argument that the concept "us-gaap:RedeemableNoncontrollingInterestEquityCarryingAmount" which is narrower could be a better concept to use.

EXAMPLE #2: ANWORTH MORTGAGE ASSET CORP

<http://www.sec.gov/Archives/edgar/data/1047884/000156459016013531/0001564590-16-013531-index.htm>

This representation of the temporary equity line item is consistent with expectation. (Note that the "Dividends payable on stock" and "Cumulative Preferred Stock" is not consistent with expectations but this is a different issue)

Statement [Line Items]	Period				
	2015-12-31				
	Statement Class Of Stock				
	Series A Preferred Stock	Series B Preferred Stock	Series C Preferred Stock	Common Stock	Class Of Stock
ASSETS					
Agency MBS:					
Agency MBS pledged to counterparties at fair value					4,694,731,000
Agency MBS at fair value					173,344,000
Payables receivable					24,707,000
us-gaap:TemporaryEquityCarryingAmountIncludingPortionAttributableToNoncontrollingInterests					
Juniorordinated notes					37,380,000
Derivative instruments at fair value					34,547,000
Dividends payable on stock	1,035,000	394,000	207,000	14,861,000	
Accrued expenses and other					1,308,000
Total Liabilities					5,934,189,000
Series B Cumulative Convertible Preferred Stock: par value \$0.01 per share; liquidating preference \$25.00 per share (\$25,241 and \$25,241, respectively); 1,010 and 1,010 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively					
					23,924,000
Stockholders' Equity:					
Cumulative Preferred Stock	46,537,000		10,039,000		
Common Stock: par value \$0.01 per share; authorized 200,000 shares, 99,078 issued and 98,944 outstanding at December 31, 2015 and 109,972 issued and 109,234 outstanding at December 31, 2014, respectively					991,000
Additional paid-in capital					981,034,000
Accumulated other comprehensive gain (loss) consisting of unrealized gains and losses					949,000
Accumulated deficit					(361,323,000)
Total Stockholders' Equity:	46,537,000		10,039,000		678,227,000
Total Liabilities and Stockholders' Equity					6,636,340,000

EXAMPLE #3: MOOG INC.

<http://www.sec.gov/Archives/edgar/data/67887/000006788716000172/0000067887-16-000172-index.htm>

Representation is consistent with expectation.

Other accrued liabilities	106,740,000	116,300,000
Total current liabilities	568,189,000	605,505,000
Long-term liabilities	333,441,000	348,239,000
Deferred income taxes	69,136,000	60,209,000
Other long-term liabilities	3,363,000	2,919,000
Total liabilities	2,104,698,000	2,091,939,000
Commitments and contingencies (Note 17)	0	0
Redeemable noncontrolling interest	9,106,000	0
Shareholders' equity		
Common stock	51,280,000	51,280,000
Other shareholders' equity	951,756,000	943,252,000
Total shareholders' equity	1,003,036,000	994,532,000
Total liabilities and shareholders' equity	3,116,840,000	3,086,471,000

EXAMPLE #4: Ashford Hospitality Prime, Inc.

<http://www.sec.gov/Archives/edgar/data/1574085/000157408515000093/0001574085-15-000093-index.htm>

Representation is consistent with expectation.

Other liabilities	1,146,000	1,131,000
Total liabilities	809,773,000	805,510,000
Commitments and contingencies (Note 14)	xsi:nil	xsi:nil
5.50% Series A cumulative convertible preferred stock, \$0.01 par value, 2,600,000 shares issued and outstanding at September 30, 2015	62,339,000	0
Redeemable noncontrolling interests in operating partnership	59,484,000	149,555,000
Equity:		
Common stock, \$0.01 par value, 200,000,000 shares authorized, 29,736,757 and 25,393,433 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	297,000	254,000
Additional paid-in capital	391,184,000	391,184,000
Accumulated deficit	(96,404,000)	(96,404,000)
Treasury stock, at cost, 1,265,753 and 929,270 shares at September 30, 2015 and December 31, 2014, respectively	(21,826,000)	(16,130,000)
Total stockholders' equity of the Company	351,079,000	278,904,000

EXAMPLE #5: Ashford Hospitality Prime, Inc.

<http://www.sec.gov/Archives/edgar/data/95052/000009505216000056/0000095052-16-000056-index.htm>

Representation is consistent with expectation.

Long-term debt		200
Deferred income taxes and other liabilities	us-gaap:RedeemableNoncontrollingInterestEquityCarryingAmount	
Total long-term liabilities		408,385,000 410,535,000
Total liabilities		652,779,000 626,512,000
Redeemable noncontrolling interest (see Note 5)		2,411,000 4,222,000
Commitments and contingencies (see Note 11)	xsi:nil	xsi:nil
Redeemable Series A Serial Preferred Stock, \$0.01 par value 50,000 shares authorized: 50,000 shares issued and outstanding		50,000,000 50,000,000
Shareholders' Equity		
Common stock, \$.01 par value, 50,000,000 shares authorized; 34,790,625 and 34,652,963 shares issued, respectively		348,000 347,000
Additional paid-in capital		375,796,000
Accumulated deficit	us-gaap:TemporaryEquityCarryingAmountAttributableToParent	(133,989,000)
Treasury stock (4,841,308 at cost)		(93,169,000) (93,169,000)
Accumulated other comprehensive loss		(19,869,000) (16,586,000)
Total North Arden shareholders' equity		109,876,000 109,876,000

EXAMPLE #6: Energy Transfer Equity, L.P.

<http://www.sec.gov/Archives/edgar/data/1276187/000127618716000132/0001276187-16-000132-index.htm>

This representation is INCONSISTENT with the US GAAP XBRL Taxonomy because it uses the WHOLE and then a PART of the WHOLE both as PARTS of temporary equity.

Accrued and current interest liabilities	2,502,000,000	2,102,000,000
Current maturities of long-term debt	131,000,000	1,008,000,000
Total current liabilities	4,910,000,000	6,683,000,000
us-gaap:RedeemableNoncontrollingInterestEquityOtherCarryingAmount	0	29,477,000,000
	0	4,410,000,000
Non-current derivative liabilities	137,000,000	154,000,000
Other non-current liabilities	1,069,000,000	1,193,000,000
Commitments and contingencies	xsi:nil	xsi:nil
Redeemable noncontrolling interests	15,000,000	15,000,000
PREFERRED UNITS OF SUBSIDIARY (Note 7)	33,000,000	33,000,000
Equity:		
Partners' Capital		
General Partner	(2,000,000)	(1,000,000)
Limited Partners:		
Common Unit holders (1,044,000 and 1,077,533,700 units)		
us-gaap:TemporaryEquityCarryingAmountIncludingPortionAttributableToNoncontrollingInterests		
Class D Units (2,156,000 and 3,080,000 units authorized, issued and outstanding as of December 31, 2015 and 2014, respectively)	22,000,000	22,000,000
Accumulated other comprehensive loss	0	(5,000,000)
Total partners' capital	(932,000,000)	564,000,000

The relationship below is violated:

(See <http://goo.gl/T8zinF>)

Temporary Equity, Carrying Amount, Including Portion Attributable to Noncontrolling Interests

Calculations

104000 - Statement - Statement of Financial Position, Classified

	Temporary Equity, Carrying Amount, Attributable to Parent	Cr
+	Redeemable Noncontrolling Interest, Equity, Carrying Amount	Cr
	<u>Temporary Equity, Carrying Amount, Including Portion Attributable to Noncontrolling Interests</u>	Cr

(See <http://goo.gl/cgiQCy> for balance sheet, same information in disclosure <http://goo.gl/Gjwyl2>)

Redeemable Noncontrolling Interest, Equity, Carrying Amount

Calculations

104000 - Statement - Statement of Financial Position, Classified

	Redeemable Noncontrolling Interest, Equity, Common, Carrying Amount	Cr
+	Redeemable Noncontrolling Interest, Equity, Preferred, Carrying Amount	Cr
+	Redeemable Noncontrolling Interest, Equity, Other, Carrying Amount	Cr
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	Redeemable Noncontrolling Interest, Equity, Carrying Amount	Cr

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