

THE FINANCIAL EDGE

October 2016



The Power of People

Personal comments by Mary

My recent trip to Kenya was a great example of the power of people. In September my boys and I went on an African Safari in Kenya. Some very key people made our trip extra special...

- Samit, our host & my son James' friend - increased our safety factor and eased the way in many situations with his intimate knowledge of Nairobi and his connections. He also shared with us his family and friends.
- Nick our driver in Nairobi - got us from the airport to our hosts, to a few visitor sites and back to the airport.
- Jimmy our airport expediter, met us at the airport checked us in, through customs and bypassed a lot of lines.
- Teeku, our guide at Lake Nakuru, introduced us to the game drive. Teeku is a wildlife photographer and an outspoken conservationist that grew up in Kenya. His love for nature shined thru.
- Jonathan, born and raised in Kenya, is the manager at Finch Hatton Camp. He and his staff made sure we had all the comforts of home. He along with Julius our guide and Suanni our translator, we saw a unique and moving view of the lives of those living right outside Tsavo national park. They provided us with an enjoyable bush breakfast and sundowner. We watched the sunset on Mount Kilimanjaro with drinks and hors d'oeuvres.
- The Kenyan lady who created the necklace we purchased in the local village. Communication consisted of a smile and a "thumbs up".

Most of all James my son who made my bucket list trip from just a safari to trip beyond anything I could imagine. It was the experience of a lifetime.

How can you increase your customers' experience when they work with you? Does it matter if it is family, a friend or a paying customer?

Mary Guldan-Lindstrom



"Improving the lives of small business owners" FOCUS CPA Inc

WHAT CLIENTS ARE SAYING...

"I see Mary as my rent-a-CFO. My business does not need a full time CFO, but it does need the watchful eyes of one. In addition, Mary is the perfect sounding board for any endeavor I choose to pursue. Her guidance has always been practical and to the point. We have enjoyed great success as a result. In addition, Mary has a far greater network in the area than I have. Her suggestions on professionals for other business needs have always proven valuable?"

Greg Lake,
President of Lake Companies

Your referrals are appreciated and will be treated with utmost care!



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While you're there please take a minute to leave us a review.



The Book Review

Title: Presence. Bringing your boldest to your biggest challenges.

Author: Amy Cuddy

Topic: Personal Power

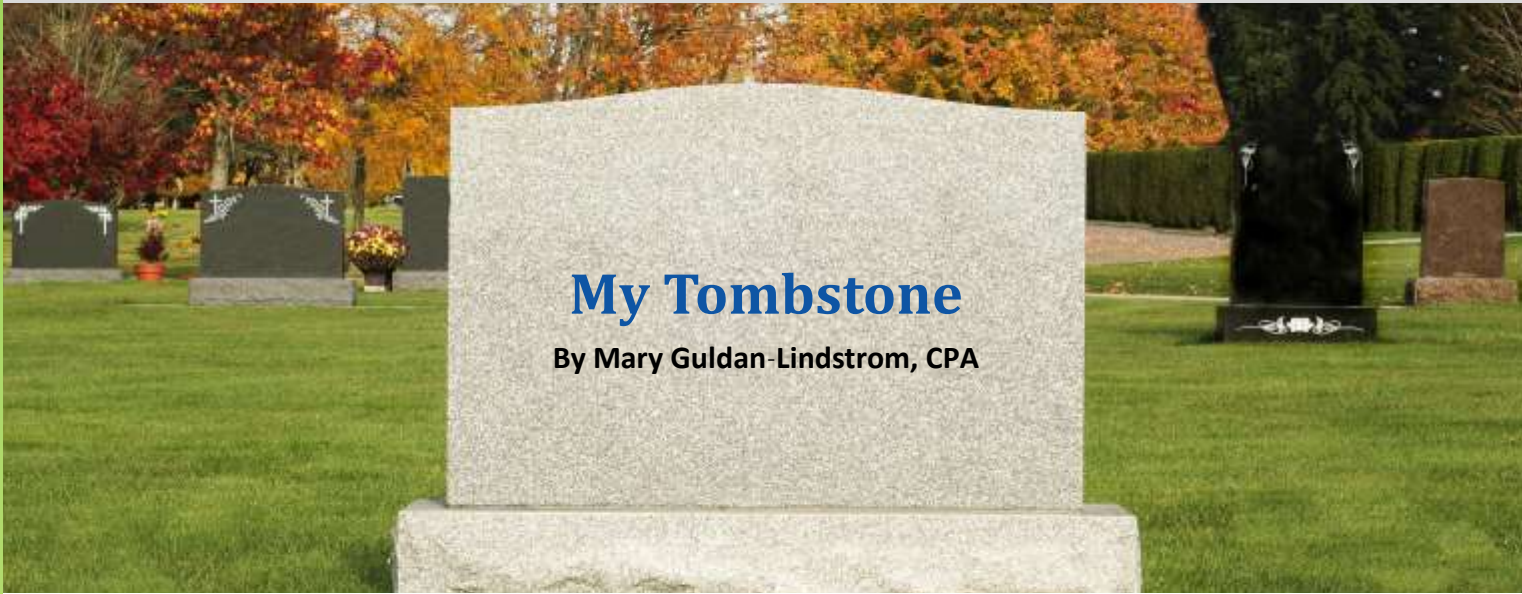
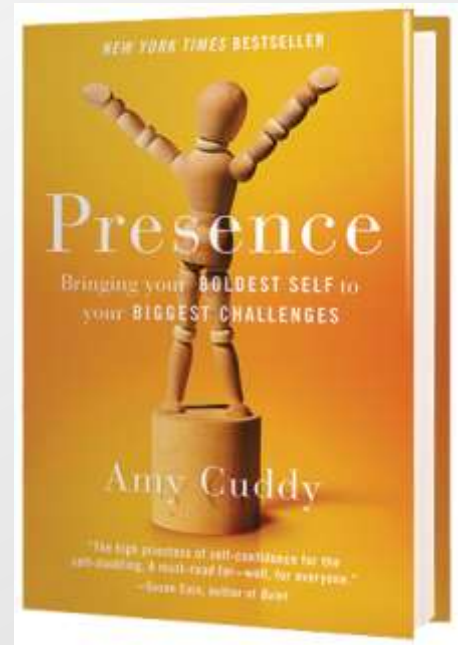
Easy to Read: \$\$\$ (3 out of 5 dollars—Included detailed research)

Applicable to small business: \$\$\$\$\$ (5 out of 5 dollars)

Summary: The author shares her research on how the body and mind affect who we are and how we are perceived. Through research she explains how to use your body to access your personal power and bring your best self forward.

My recommendation: The author created an awareness of how my body position ties in with my personal power. It made me question which one causes the other, if at all - my thoughts or my body posture. Her research is intense, but giving it a try made me a believer.

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My Tombstone

By Mary Guldán-Lindstrom, CPA

Steve, my husband, constantly reminds that he will not put "She was the best CPA" on my tombstone when I die. It seems I am constantly working to achieve that goal. I find it necessary to be competent in whatever I do. Since he won't put "best CPA" on my gravestone I must now find another worthwhile achievement to list. Maybe I can hang my hat on "Great Mom". However most of that job is over, the boys are 27. So I need to find another worthwhile venture to pursue.

Recently I was introduced to a global business group, The Mavericks. My son, James, is part of this group. They are a group of business owners that blaze their own trail, overcome obstacles, find unconventional solutions and define success beyond dollars. They focus on making a meaningful impact and paying it forward. In Africa I got a chance to see another Maverick in action, improving the lives of Kenyans.

I have decided to achieve the most I can with the talents I have. To keep an open mind, heart and with my efforts see how far I can reach. This includes finances, but even more important is my desire to make a positive impact on the world I live in. Thus my new goal is to have Steve place on my headstone "she gave her best and left the world a better place".

Mary

P.S. Going to Africa in September was one step in living my new life. A very special THANK YOU to Samit Gehlot, my sons, my travel agent Anne and my husband Steve for making our recent trip - a trip of a lifetime!



Financial Statements—Are You Winning?

By Mary Guldan-Lindstrom, CPA

Can you image playing a football game and never knowing the score? Financial statements provide owners their financial score. To keep the business financially healthy it is important to review your financial statement once a month. The challenge is that many don't know what to look for.

But before you look make sure the statements are reliable enough to use. Some areas to look at -

- **Accuracy** - Do you really have \$10,000 in the bank? Do you have \$50,000 due from your customers? Do you owe your vendors \$20,000? Do the sales reported agree with your sales reports? The numbers are just samples. Before you make any judgements or decisions based on the statements verify that you can trust them.
- **Timing** - to get a true picture it is important that income is reported when earned and expenses are recorded when you receive the services or goods. This may differ from the tax return that is filed. It is common to report financial statements on the cash basis, however if customers pay in 30 days and you wait to pay your vendors it is difficult to match income to expenses.

Once you confirm that the statements are reliable and you are aware of timing issues, they can be a useful tool in judging the financial results and in making business decisions.

When I look at the financial statements here are some areas that I focus on:

- **Evaluate the business' ability to generate profits.** Most people go directly to the bottom line to look at Net profit. However it is important to know how those results were generated. Using the Income Statement look for answers to the following questions - Where are the sales coming from? Where are the profits being generated? Is gross margin reasonable? Look at a sales report by customer to clarify your observations.
- Is there enough gross profit to cover overhead?

Are the sales and marketing investments achieving the desired results? Note percentages of income as well as dollars.

- By looking at multiply months, quarters or years you can tell if the results are the financial reporting are consistent. One can determine how productive the current system is and if they are following a system.
- **Determine the adequacy and use of the businesses current resources that are available.** This is found by looking at the Balance Sheet and the relationship between the results reported on the income statement. Define working capital by subtracting current liabilities from current assets. At a minimum it should be positive, however the higher the number the better. This may indicate that the business debt structure could be improved.
- In general are there more assets than liabilities? The more assets that exceed liabilities the stronger the business is financially. If inventory is utilized how often do they sell it? (Cost of Goods Sold/Inventory value) How many days of sales do they have in Accounts Receivable? How long does it take to get paid? Common sense says the sooner the better.
- Calculate and review financial ratios. Compare them with the past and with industry averages if available.

Ideally the financial statement information will confirm what you think is happening. If they don't there are two possibilities – your statements aren't reliable or you don't have a clear picture of the financial results of your business. ***Either way the financial statements can help you refine your game plan so you can improve your score!***

If you need assistance in interpreting your statements, please contact our office. We can perform a financial analysis and meet to discuss our observations.

DON'T GET ANGRY GET CONTROL



Of your taxes that is...

No one likes tax surprises but you can prevent that from happening. As a business owner, you are under unprecedented tax, regulatory and financial pressure – making every decision you make more complicated and more challenging. If your income is over \$200,000 or your income is dramatically different than last year – now is the time to review your personal tax situation. We will see how the tax laws will affect you and give you time to do something about it.

Contact our office at
920-351-4842

to reserve a time to meet and assess your situation. We can reduce the surprises and create a plan to manage your taxes.

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Please Welcome... Jimmy to FOCUS CPA!

On September 19, Jimmy (James) Raiche joined Focus CPA. Last May he graduated from the University of Wisconsin Milwaukee with his Master's degree in accounting. He has passed all 4 parts of the certified public accountant exam and with 1 year of experience he will obtain his CPA license. He grew up in Marinette, WI.

Jimmy is excited about applying his tax knowledge to help small business owners reduce their tax risks and fully utilize the tax opportunities available. Feel free to stop on and say "Hi" or drop him an email at Jimmy@focus-CPA.com.



Some Fun Halloween Facts

Ireland is typically believed to be the birthplace of Halloween.

Scarecrows, a popular Halloween fixture, symbolize the ancient agricultural roots of the holiday.

The first Jack O'Lanterns were actually made from turnips.

According to legend, if you see a spider on Halloween, it's actually the spirit of a loved one watching you.

The word "witch" comes from the Old English wicce, meaning "wise woman." In fact, wiccan were highly respected people at one time. According to popular belief, witches held one of their two main meetings, or sabbats, on Halloween night.

Samhainophobia is the fear of Halloween.

It's actually very rare for a full moon to occur on Halloween. Although, it's predicted to occur on 10/31/2020.