

THE FINANCIAL EDGE

December 2022



THE PERFECT GIFT

Personal comments by Mary

It's late at night I am staring at the Christmas tree thinking of that perfect gift to give. The one that will bring joy to the person I am giving it to. Is there such a thing as the perfect gift? I struggle finding it.

I recall when I was about 8 years old, I would sneak down the stairs to see what Santa brought. The tree lights would be on and the floor would be covered with wrapped gifts. Santa was here! I would count the packages, read the tags to see who they were for and then go back upstairs to wake my family so we could open them. As I opened my gifts, I was always amazed that Santa knew exactly what I wanted. Later I

found out that my mom clued him in.

The joy of that Christmas morning warms my heart. As I get older, my joy comes from giving and not so much by receiving. I enjoy sending cards to family and friends at this time of year. I savor the warmth of a hug from a loved one, the smiles of others and the laughter of a child.

May you find joy this season, whether it be giving or receiving the perfect gift.

MERRY CHRISTMAS,

Mary Guldán-Lindstrom

"Santa Claus is anyone who loves another and seeks to make them happy; who gives himself by thought or word or deed in every gift that he bestows."

Edwin Osgood Grover

"Christmas gives us an opportunity to pause and reflect on the important things around us."

David Cameron



☞ 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.☞

Greg Lake, President
Lake Companies, Inc.

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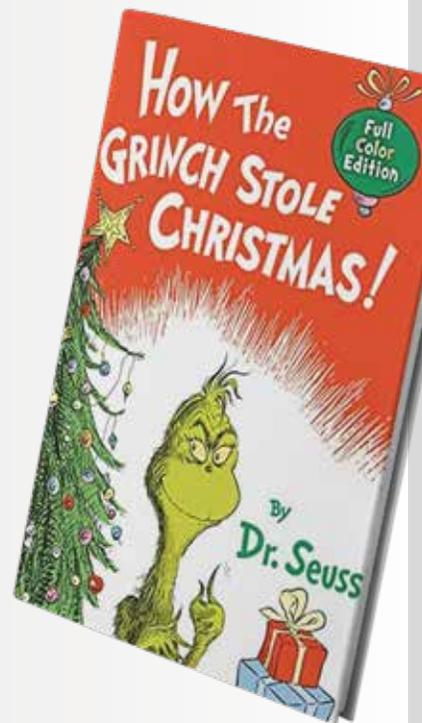


THE BOOK REVIEW

TITLE: How the Grinch Stole Christmas
AUTHOR: Dr. Seuss
TOPIC: Christmas Story
EASY TO READ: \$\$\$\$\$ (5 out of 5 dollars)
APPLICABLE TO SMALL BUSINESS: \$\$ (2 out of 5 dollars)

Summary: The Grinch, who didn't like Christmas, attempted to steal it from the Who's in Whoville. He stole the ribbons, bows, presents, food, Christmas trees and all the trappings – but didn't succeed. He concluded that Christmas “doesn't come from a store. Maybe Christmas...perhaps...means a little bit more!”

My recommendation: A simple children's book with a strong a message to us all. The captivating story demonstrates that Christmas comes from the inside - not from all the trappings that we surround ourselves with. Same is true in business – passion is realized by out interactions with the people we work with – not all the bells and whistles. Share the story this holiday season with a child and take the meaning to your heart.



Pages: 50 | Published: 1957



GIVING TO CHARITY GUIDELINES

BY MARY GULDAN-LINDSTROM CPA

This time of year, I think of charitable giving. This is challenging at a time when more people are in need of assistance but fewer are in a financial position to be able to provide it. I encourage you to think of others if you are in a position to give. However, I want you to give wisely, thus here's some guidelines to assist you. If you decide to donate, learn more about the nonprofit.

ARE THEY TRULY A CHARITABLE ORGANIZATION?

First verify that they are approved by the IRS as a designated charity that can receive tax deductible donations. Go to <https://www.irs.gov/charities-non-profits/tax-exempt-organization-search> to see if your charity has this designation. Religious organization and churches are automatically considered tax-exempt.

DO THEY FUND WORTHWHILE PROGRAMS?

Every IRS approved nonprofit is required by law to file an annual tax return, Form 990, and that return is available to the public. Here are two websites that will provide in-

formation for free - www.guidestar.org or www.charitynavigator.org. You can see their accomplishments, salaries paid to key executives and on page 10 you can see how much they spent for program, management and fund raising. Another option is to volunteer and learn more about the organization first hand.

WILL THE DONATION PROVIDE YOU A TAX BENEFIT?

Maybe, to provide a benefit your itemized deduction consisting of state taxes, mortgage interest and donations need to exceed your standard deduction.

BEWARE OF FRAUD

Charity scams are sadly common; after high-profile disasters, there are often reports of fraudulent charities seeking to take advantage of those who want to help. By checking the IRS site to confirm their existence, then looking at the annual tax return to determine how much actually goes toward the programs you can improve the quality of help that you are donating for.



BUSINESS FINANCIAL HEALTH CHECKUP HOW DO YOU MEASURE UP?

BY MARY GULDAN-LINDSTROM CPA

We take care of things that we value. You take your car to the mechanic to keep it running smoothly. You have your furnace serviced every year to insure heat during the winter. You exercise and watch what you eat to keep in top performance. You also need to perform regular checkups on your business financial health. It's not just about performance, it's about safety.

Most business owners are extremely busy. Without regular check-ups on financial health, you can easily lose control and become susceptible to financial problems. With that in mind, here's a rundown of how to create and maintain a regular health check-up plan for your small business.

DO YOU HAVE FINANCIAL INFORMATION?

There are 3 key areas to consider when reviewing your financial statements.

- 1 Are they timely? You review them at a minimum once a month. Sales, collections and production activity every week.
- 2 Are they reasonably accurate? The numbers agree to what you think is happening.
- 3 Usable? The format organizes the information so you can have a reading on where the business stands. It confirms profitability, cash flow and expenses that are changing.

IS CASH FLOW ADEQUATE? Cash is the life blood of a business.

- 1 Be sure you are collecting enough to cover your expenses, debt payments and a return on your investment.
- 2 Verify that proper debt is in place. Credit cards are paid timely. Short term debt fluctuates based on short term needs. Long

term debt is set up to pay for equipment that will provide a benefit on a long-term basis.

- 3 Are your prices adequate and generate a profit that covers your overhead?

ARE CUSTOMER SALES STRONG? The business is only as strong as the customers they serve.

- 1 Your customers are financially strong.
- 2 No one customer accounts for more than 10% of your gross margin
- 3 The market that you serve is growing and strong.
- 4 Your pricing generates profit on all sales to clients/customers.

BUSINESS OVERHEAD IS FLEXIBLE AND ALLOWS A PROFIT. Overhead grows easily. Are you comparing it each month looking for trends?

OWNERS' COMPENSATION IS ADEQUATE. Does the business provide a fair market wage and a business profit compared to the risk you are taking?

LEADERSHIP AND SYSTEMS ARE IN PLACE TO MAINTAIN BUSINESS VALUE. There is a management team in place, so that the business is not solely dependent on the owner. An emergency succession plan is in place to hold the business value in case of health issues.

REDUCE YOUR RISK. Verify that the business is in compliance with all government regulations. Insurance is in place as needed.

The end of the year is a great time to evaluate where you are at. Take the health checklist, identify a key area to work on that will improve your situation. Then take action to improve that situation.

If you would like to review your financials together, please contact our office. As part of our tax return preparation, we create tax financials and compare it to the prior year. This is a great tool to identify trends.

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

IS IT TIME FOR YOUR BUSINESS FINANCIAL CHECKUP?

You have no time? Not your most favorite thing to do?

Let's schedule a meeting and go through a business financial health checklist and see how you score. We can work together to identify a key area for improvement. Then make a list of steps you can take to improve your business.

We are taking appointments for January only. Business financial checkups will resume in May.

Let's see how we can improve your life. Call and set up an appointment with Mary:

920-351-4842

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A LITTLE HUMOR: HOME FOR CHRISTMAS

An old man in Miami calls up his son in New York and says, "Listen, your mother and I are getting divorced. Forty-five years of misery is enough."

"Dad, what are you talking about?" the son screams.

"We can't stand the sight of each other any longer," he says. "I'm sick of her and I'm sick of talking about this, so call your sister in Chicago and tell her." He hangs up.

Now, the son is worried. So, he calls up his sister.

She says, "They're not getting divorced!" and calls her father immediately.

"You're not getting divorced! Don't do another thing, the two of us are flying home tomorrow to talk about this. Until then, don't call a lawyer, don't file a paper, DO YOU HEAR ME?" and she hangs up.

The old man turns to his wife and says "Okay, they're coming for Christmas and paying their own airfares."