

THE FINANCIAL EDGE

July 2016



Planting Perennials That Deliver Financial Success

This Fourth of July I lounged in my backyard and took some well needed down time. I sank into my Adirondack chair, soaked up the warm air, had a large glass of ice tea and settled in to read a good book. My goal was to get lost in a book and savor the day. Summer in Wisconsin is so very precious; actually every single day is precious.

In July my garden comes alive. In winter it looks desolate but in July it bursts into color. The daylilies start to bloom - yellow, orange and red. They start their display after the daffodils, tulips, iris, wild daisies, peonies, and other flowers that I have forgotten their names have exhausted themselves. It amazes how much color I get when I spend such little time in my garden now. The perennials have rooted themselves and deliver the riot of color every year.

What if success is like a perennial garden? You spend lots of time learning what grows best where. You prepare the foundation, plant it and watch it carefully the first year or two to make sure it takes root. Then just apply a little loving care every year to nurture it.

Each of us can achieve financial success. The United State Declaration of Independence states "that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness." This lays the groundwork for each of us to pursuit financial success.

So how do I start? First acknowledge your fears and self-imposed limitations. Second learn the basic principles. Determine what type of approach or investment will work best for you. Third organize current finances to determine where you are at now. Dream and define what financial success means to you. Finally take action – one step at a time. Nothing happens unless you act.

I would not be able to enjoy the riot of color in my backyard if I never planted the first flowers.

Mary Guldán-Lindstrom



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

CLIENTS SAY IT BEST...



Mary gives a dimension of trust, professionalism, integrity, knowledge; add in her

accessibility and you have the key issues covered. You don't want to get yourself in trouble and you want to have a plan for the future. She has the ability to put it all together with the integral pieces that may come at any moment.

*Pat Quinn, Co-founder
Mackinaws Grill and Spirits*

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



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The Book Review

Title: The Dream Manager

Author: Matthew Kelly

Topic: Personal Management, Employee Motivation

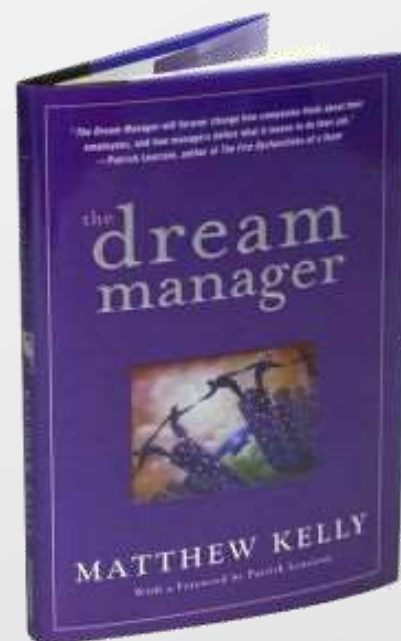
Easy to Read: \$\$\$\$ (5 out of 5 dollars)

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

Summary: The author shares a story of how a cleaning company solved their problem of high turnover by adding a dream manager that worked with employees to find and fund their dreams.

My recommendation: Loved the idea of being a dream manager, whether it is for you or for those you work with or work for. This is a fantastic way to engage employees.

Pages: 150 | Published: 2007



Some of my Favorite Financial Quotes

“

A budget is telling your money where to go instead of wondering where it went.

—Dave Ramsey

”

“

Don't tell me where your priorities are. Show me where you spend your money and I'll tell you what they are.

—James W. Frick

”

“

Be nice to geeks, you'll probably end up working for one. — Bill Gates

”

“

Money won't create success, freedom to make it will.

— Nelson Mandela

”

“

An investment in knowledge pays the best interest.

— Benjamin Franklin

”

“

Too many people spend money they haven't earned, to buy things they don't want, to impress people they don't like.

— Will Smith

”

“

Financial freedom is a mental, emotional and educational process. —Robert Kiyosaki

”



A Critical Financial Tool— The Personal Financial Statement

By Mary Guldán-Lindstrom, CPA

Financial security is important for today and tomorrow. Living our life is dependent upon money. It may be your money or someone else's. We need it to meet our basic needs such as food and shelter. However we can do so much more than just meet our basic needs. Do you dream of financial freedom? To live the lifestyle you desire? How close are you to your dream? To find out start with creating your own personal financial statement.

A Personal Financial Statement calculates your net worth. Knowing your net worth will provide an insight as to how financially sound you are and how prepared you are for your future. Banks use a personal financial statement when providing financing. Many who fill it out have little understanding of this statement. Majority are filled out incorrectly. To begin with I am not a fan of the small, really small print, on the standard bank form. But the form does provide a starting place to gather information.

LET'S BREAK IT DOWN INTO 3 PARTS

ASSETS - A list of your assets or financial resources on hand. We accumulate different types of assets. Not all assets are equal. Some are easily accessible like cash or publicly held stocks. Others provide tax benefits such as retirement accounts. Most people have assets that create their lifestyle such as home or car. Personal lifestyle assets typically lose value very quickly. The most complex assets to value and to turn into cash consist of privately held businesses, rental property and land held for development or for sale.

LIABILITIES - The other side is a list of your liabilities or what you owe to others. This includes consumer debt such as credit cards, school loans and medical bills. Next we look at secured debt or mortgages.

NET WORTH - This is what is left after you subtract your liabilities from your assets. The higher the net worth the more financial sound you are.

Now that you have built your personal financial statement here are some issues to watch for -

Liquidity - If something happened do you have access to cash? Enough cash to help? The piggy bank on the bookshelf won't do it. It is recommended that you maintain 3 to 12 months of living expenses.

Retirement funds - Are you prepared for your future? Are you putting enough away so that you don't have to live with your kids when you can no longer work? We would all like to enjoy the golden years.

Lifestyle assets - This consists of home, vehicles, jewelry, vacation home, big toys, etc. They create your lifestyle. Is most of your financial worth invested in your lifestyle? This is normally the poorest type of asset, since it loses its value very quickly.

Debt - Is debt taking over? Credit card debt, school loans, and medical bills can accumulate quickly. They come at a time when money is tight. Do you have the discipline to pay cash for what you need today? Do you delay immediate gratification?

Investments - Financial experts recommend that you invest 10% of your annual income. The idea is to create a "passive income stream" with these funds. Passive income, such as interest income, dividends, rental income and royalties, provide an income stream that does not require you to work. Have you been investing?

Business value - This is a very unique, complicated asset that comes with high risk. A personally owned business can be worth 5 times annually net earnings. Due to the complexity the safest value is the checking account balance. Note that many millionaires have been created from a small business. The key issue is to cash out.

According to Suze Orman "a big part of financial freedom is having your heart and mind free from worry about the what ifs of life". Financial freedom is a dream worth having. Start by determining where you are today.

How's Your Financial Health?

If you need assistance or just want another opinion regarding your personal financial statement – we can help. Our staff at FOCUS CPA can assist with gathering your personal financial and create a plan to improve your financial health.

Contact our office at
920-639-0861 or email
Mary@focus-cpa.com
to set up a meeting to
discuss your needs.

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My Favorite Financial Quotes

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A Little Humor... The Not So Bright Stickup

A guy walked into a little corner store with a shotgun and demanded all of the cash from the cash drawer.

After the cashier put the cash in a bag, the robber saw a bottle of Scotch that he wanted behind the counter on the shelf.

He told the cashier to put it in the bag as well, but the cashier refused and said, "Because I don't believe you are over 21." The robber said he was, but the clerk still refused to give it to him because she didn't believe him.

At this point, the robber took his driver's license out of his wallet and gave it to the clerk. The clerk looked it over and agreed that the man was in fact over 21 and he put the Scotch in the bag.

The robber then ran from the store with his loot. The cashier promptly called the police and gave the name and address of the robber that he got off the license. They arrested the robber two hours later.



~ Source Unknown