

THE FINANCIAL EDGE

May 2021



TIME FOR AN ADVENTURE

Personal comments by Mary

Lately I have been feeling tired and lacking excitement in my life. I am tired of being confined by a mask, by cold weather and by work. I am tired of the constant news of sickness and death. Then I recall a remark I overheard that offered me a bit of hope.

A father with 2 young children was looking for ways to entertain them. This was a challenge this past winter when everything was shut down. Instead of a movie or taking them to a fast-food place to play in the playground or to the YMCA to swim, he bundled them up and took them outside and together built a snowman. Something simple, no special tools required, no specific place to be and low cost. He created an adventure for him and his children. It reminded me

that adventures can be simple.

Adventure comes in all shapes, sizes and dimensions. It's not an exotic trip away from home or getting lost in a man-made environment such as Disney nor a huge gathering at a concert or sporting event. It's being fully engaged in the moment with our body, mind and soul. It's clearing our minds and setting aside our everyday worries. It's being free and safe to be ourself, to laugh or to cry.

Now that spring is here it is time for me to find the simple adventures of life.

Happy scouting!

*Mary Guldán-
Lindstrom*



**"Jobs fill your pockets,
but adventures fill your soul."**

~ Jaime Lyn



"I am excited about what my future may bring, and I owe much of it to the people at Focus CPA for helping me get there!"



Toni Moretti, Owner
Momentum Carnivore Nutrition

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THE BOOK REVIEW

TITLE: Business Brilliant

AUTHOR: Lewis Schiff

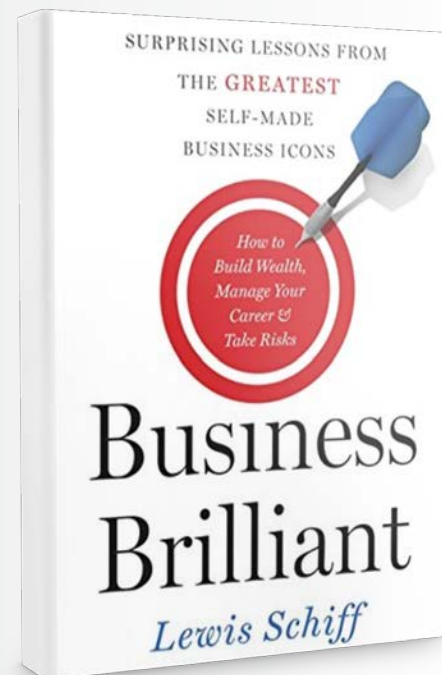
TOPIC: Wealth

EASY TO READ: \$\$\$\$\$ (5 out of 5 dollars)

APPLICABLE TO SMALL BUSINESS: \$\$\$\$\$ (5 out of 5 dollars)

Summary: The author analyzes and presents the beliefs and actions of self-made millionaires who come from the middle class. Schiff shares stories of how others achieved their success. He finishes the book with 17 actions you can take to attain your business brilliance.

My recommendation: The book is a cross between research and a how to book. Great stories. Provides 17 practical helpful steps to improve your personal financial value. Presents research that discounts the common advice that is sold to us every day.



Pages: 218 | Published: 2013



THE IRS GLOBAL HIGH-WEALTH GROUP

By Mary Guldán-Lindström CPA

As Congress is looking for ways to fund the budget a little-known tool is coming to the fore front. In 2009, the IRS Commissioner formed an elite group of field examiners identified as the Global High Wealth Industry Group. They were formed to take a holistic approach in addressing the high wealth population, to look at the complete financial picture of high wealth individuals and the enterprises they control. The IRS has invested time and money to develop data analytic tools. They employ an army of data scientists who create algorithms to ferret out corroborating documentation.

One example of this type of investigative work can occur when a business owner wants to increase their credit line. The taxpayer fills out financial statements for the bank. In the past that information would stay in the bank files. Now with algorithms the IRS is able to discover if a taxpayer filled out a loan application that indicates a different income than what is being reported on their tax return.

Now instead of auditing the four corners of an individual tax return, the IRS can pull together all the entities that were uncovered. Every entity with the person's name attached will get on the list, including S corporations, trusts, foundations, partnerships, and any entity that might serve to bury their income.

HOW LIKELY ARE YOU TO BE AUDITED?

According to the most recent year available, Tax Year 2015, the exam coverage rate of taxpayers with incomes of \$10 million or more is 8.16%. The rate for those between \$1 million and \$10 million is 2.53%. Other income categories are far below that – generally less than 1%.

As we leave digital traces and there is more data sharing, it is becoming harder to stay private and harder to manipulate your financial information to your advantage.



WILL THIS BOAT FLOAT?

Questions to Ask Yourself Before Venturing into a New Business

By Mary Guldán-Lindström CPA

In 2020 it was estimated that there were 800,000 business startups. Statistics only give a 50% of those a chance to survive over 5 years. The odds are against you. Personally, I have started 4 businesses. Three of them I would consider successful, but one was definitely not. Life is a journey and we learn a lot from failure. However, if I had a choice, I would have preferred to avoid the failure or at least have been able to better manage the damage. Rarely does someone venture into a new business or project with failure in mind.

Think of a business as a boat. Do you know how ocean worthy it is? Do you know if there are any holes? Do you know how to captain it? How do you know which boat will float?

Here's six questions to answer to see if it this is a good venture fit for you.

- 1** What will it cost to get started or to build the boat? Make a list, with a dollar value, of everything you need to purchase. Include services you need to employ and all the work you need to put in before you earn your first dollar. Note your assumptions, for they will change.
- 2** Once your business is started, what will it cost to stay afloat? Add up all the anticipated monthly bills and labor costs. Include a dollar value of your time.
- 3** What is your best-case scenario? Estimate a reasonable high-end number of dollars the project would generate if everything ran perfectly based on the costs you have estimated. Do your research on similar types of businesses. Define your limitations - market, space, resources, etc. Note that not every business has the same potential.
- 4** How much will it cost you if it sinks? Define how much are you willing to lose. How hard will it be for you to take a loss? Prepare for the worst and see what it might look like.
- 5** What other potential benefits will this business offer to you? Will it provide the lifestyle you desire, optimize your strengths, provide a higher profile, give you a new set of connections, etc.?
- 6** How much would someone have to pay you to hand over the boat? Set the value - if you are successful and someone is interested, what would you accept. In the heat of the moment, we forget why we started.

It's easy to see the upside of starting a new business. The downside is harder to accept and can be much harder to live with. This list of questions can prepare you for your journey ahead.

You can also use it to improve the results by asking additional questions. How can I reduce the cost to get started? How can I reduce overhead? Can I share the risk to reduce the potential downside? Apply forethought to improve the possible outcomes.

It is difficult trying to stay afloat on a sinking ship. Knowing that a working life boat is aboard can improve your odds.

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THE CROCODILE FARM

A group of tourists were visiting a crocodile farm and were standing on a floating structure in the middle of an enormous lake, surrounded by crocodiles. Suddenly, the farm's owner shouts, "The first person to jump into the lake and successfully swim to shore, will receive 10 million dollars." The silence was deafening. People were looking at each other with expressions of absolute horror on their faces.

Then suddenly, a man jumps into the water and starts swimming like his life depended on it. As the other visitors watched events unfold, the man headed for the shore, with a dozen crocodiles chasing in hot pursuit, all anticipating

of an unexpected meal. The crocodiles were fast but the man swam like greased lightning, and he managed to reach the shore unharmed. As the man staggered up the beach, the owner announced, "Ladies and gentlemen, we have a winner!"

After receiving the reward, the man and his wife returned to their hotel. The man's face was still ashen, as he said to his wife, "I didn't jump. I was pushed by someone." His wife smiled and with a wink of her eye, said, "I know dear, it was me!"

Moral of the Story: Behind every successful man, there's always a woman to give him a little push.

Found on roysutton.co.uk/long-funny-stories-with-morals

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