

Memorandum

To: Clients, Associates & Friends of Pro@ctive CPA
From: Mark L. Wyssbrod, Managing Member
Date: December 1, 2014
Re: Planning for 2015

In this memorandum, you will receive information about the following:

- Five years of 20%+ is a bubble
- Planning for 2015
- Deadline reminders
- Financial ration of the month

Please contact me should you have any questions. Keep focused on solutions!

Five years of 20%+ is a bubble

If we pay attention to our economy, we may find ourselves often surprised by the impossible happening! Before this big economical surprise, we may have been placidly moving along in our habits, supposed common sense, and long-used standards. Then, there's that big economic surprise! We wonder, "How did that happen?" as we scratch our heads in amazement. When we look at the event in hindsight, we can explain how obvious it was through our personal views, politics, or experiences, personalizing the story as we tell and retell it.

In January 2014, my economic update predicted the price of oil going below \$80 a barrel. This predication was not the norm nor accepted by several people. How was I able to predict this? First, I observed the amount of gas and oil coming out of the ground (due to the new technology of fracking) and phrases as "the US is the new Saudi Arabia of oil." Then I noticed our previous energy source, coal, was becoming obsolete. Combine that with a lesson I learned and implemented during the pre-housing implosion: If an asset class increases by 20% or more for more than five years in a row, it is a bubble. Other factors complicate this potential bubble further: we do not know how much oil the Earth produces each year (we assume zero), and the news of large oil finds and reserves around the world.

The information regarding an over-supply of oil was right in front of our eyes. If we step back from our daily routine, disconnect our biases and think about what events are really occurring, we can map out a strategic plan and direction. Beware! You may be right even when the market place is telling you that you are wrong; patience may be required. For instance, oil started the

year at ~\$90 a barrel and increased to ~\$103 a barrel before it's descended to ~\$66 a barrel today. Emotions would tell you up to a few months ago that the prediction of \$80 a barrel of oil was incorrect; even though a few months later victory!

Find a few days to disconnect, to relax and strategically plan for 2015,

Mark W.

Planning for 2015

The holiday season is in full swing, and the end of the year is rapidly approaching! You are charged with planning wisely for the rest of 2014 and to spend time with your family during the holidays. And then you realize, "I need to start planning for 2015." When are you going to do that?

Here are a few items which could help!

- Understand and prioritize your goals
 - Write down your short-term and long-term goals
- Review your strengths, weaknesses, opportunities and threats (a SWOT analysis)
 - Compile a list of resources
 - Next to each resource list how it can help you accomplish a goal
 - Compile a list of weaknesses
 - Next to each weakness address how you will resolve it
 - Do the same with strengths, opportunities and threats
- Unplug from your daily routine
 - Relax and ask yourself what is the result of your efforts
 - Are you realizing the result you anticipated?
 - What steps can you take to improve the process?
- Review your economic environment
 - Are you expanding where there is no opportunity?
 - Are you allowing fear to overwhelm your sense of direction to a degree that you don't see any opportunity?
- Create a step-by-step action plan
 - Including a flexible timetable
- Implement
 - Be flexible once you implement; you may find new items you will need to factor in and address

Pro@ctive CPA

Interact With Your Accountant

I hope you have a strong finish to 2014 and plan wisely for 2015 and beyond. Merry Christmas to those who celebrate and Happy Holidays to all,

Mark W.

Deadline reminders

- December 15 – 4th quarter corporate, partnership and trust estimated income and composite taxes are due
- December 31 – S-corporation owners must report health insurance in W-2 for favorable tax treatment
- December 31 – Deadline to set up SEP, 401(k) and other retirement plans. You may need to fund the plans (employee portion) by this date as well
- December 31 – Deadline to set up, communication, sign up and change employee benefit plans for 2014
- December 31 – Write down your odometer reading by vehicle and have your vehicle mileage log(s) in order for your tax preparer
- December 31 – Conduct an inventory count, if applicable for your business
- January 15 – 4th quarter 2014 estimated tax payments are due
- January 15th – 4th quarter 2014 corporate, partnership and trust composite taxes are due

Financial ratio of the month

Debt -to-Equity Ratio = Total Liabilities / Total Equity

This ratio indicates the composition of a company's total capitalization: the balance between the money or assets owed versus the money or assets owned. Generally speaking, the lower the debt-to-equity ratio the better!

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.