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KALA

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BACK ISSUES

UPCOMING EVENTS & COURSES

July 12 Event: Donec ullamcorper nulla non metus lorem ipsum sed.

July 18 8-Credit Course: Sociis natoque penatibus et magnis dis parturient

July 23 2-Credit Course: Donec ullamcorper nulla non metus lorem ipsum sed.

July 24 Event: Donec ullamcorper nulla non metus lorem ipsum sed.

Aug 2 8-Credit Course: Sociis natoque penatibus et magnis dis parturient

Aug 6 2-Credit Course: Donec ullamcorper nulla non metus lorem ipsum sed.

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Penalty Relief Available to Some Storm Victims Unable To File On Time

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HSCPA 54th Annual Conference June 20, 2014



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KĀLĀ

**KALA will be
published digitally
through the HSCPA
website. Printed
copies will be
available only until
December 2013.**

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KALA (the Hawaiian word for money) is published monthly and is the official publication of the Hawai'i Society of Certified Public Accountants. Please direct all inquiries regarding editorial content, subscriptions and circulation to HSCPA, 900 Fort Street Mall, Suite 850, Honolulu, Hawai'i 96813.

President's Message

By Michael Tanaka



Aloha, Members!
Dancing, singing,
cheering and lots of
laughter at a CPA
conference? You bet

... besides getting an update on the profession from Richard Caturano, AICPA Chairman, and wise ethical words from our own Donny Shimamoto and Ron Heller, we were treated to a spirited competition pitting select "Young" versus "Young at Heart" members at our recent 53rd Annual Conference. I'm proud to say that the wily and seasoned "Young at Heart" team members eked out a victory though both teams were impressive and very good sports whether they were catching marshmallows with a bucket on their head, doing Psy's Gangnam Style dance moves, moving an Oreo cookie from your forehead to your mouth using only facial muscles, or handling other fun-filled tasks and trivia.

At the Conference, we were also proud to recognize Terri Fujii for her distinguished public service, Chuck Sted for his award to the Business & Industry

Hall of Fame, and Ron Heller for his 25 years of dedicated service to the HSCPA Board of Directors. Congratulations to all for their well-deserved awards and significant contributions to the profession and the community!

Thank you to American Savings Bank for their continued support as our lunch sponsor and for the funky collapsible metal chopsticks. Thanks also to Office Tools Professional and XCM Solutions for exhibiting and sharing their practice management and workflow products – consider visiting their websites if you couldn't attend the conference or didn't have a chance to speak with them. A big MAHALO to Kathy Castillo, Debbie Cortes, Patrick Oki, Norman Okimoto, Trisha Nomura, Darryl Nitta and Gordon Tom for planning a fantastic conference.

This past June, the AICPA released the Financial Reporting Framework for Small- and Medium-Sized Entities (FRF for SMEs™) which provide a new financial reporting option for businesses that aren't required to use GAAP. This option is available for use effective im-

mediately and is now included with other special purpose reporting frameworks (commonly referred to as OCBOA - other comprehensive basis of accounting) such as cash basis, modified cash basis and tax basis. Unfortunately, the framework doesn't apply to non-profit entities.

The new framework was developed by the AICPA in response to hearing from numerous small- and medium-sized entities, the CPAs who serve them, and users of their financial statements on the need to improve private company financial reporting when GAAP is not required.

Bob Durak, AICPA Director of Private Company Financial Reporting, provides a brief overview of the framework in his article included in this month's KALA on page 6. He also mentions the numerous free resources available on the AICPA website including toolkits for 1) CPAs and CPA Firms; 2) Financial Statement Users; and 3) Small Businesses, which are definitely worth reviewing if you're interested in familiarizing yourself with the new framework.

The framework document itself is only about 200 pages and is more "principles-based" rather than "rules-based" (i.e., there aren't pages and pages of bright line guidance and interpretations) so practitioners will need to exercise sound professional judgment. The AICPA maintains that it does not plan on making frequent changes to the framework unless there are significant developments in accounting and financial reporting matters affecting SMEs.



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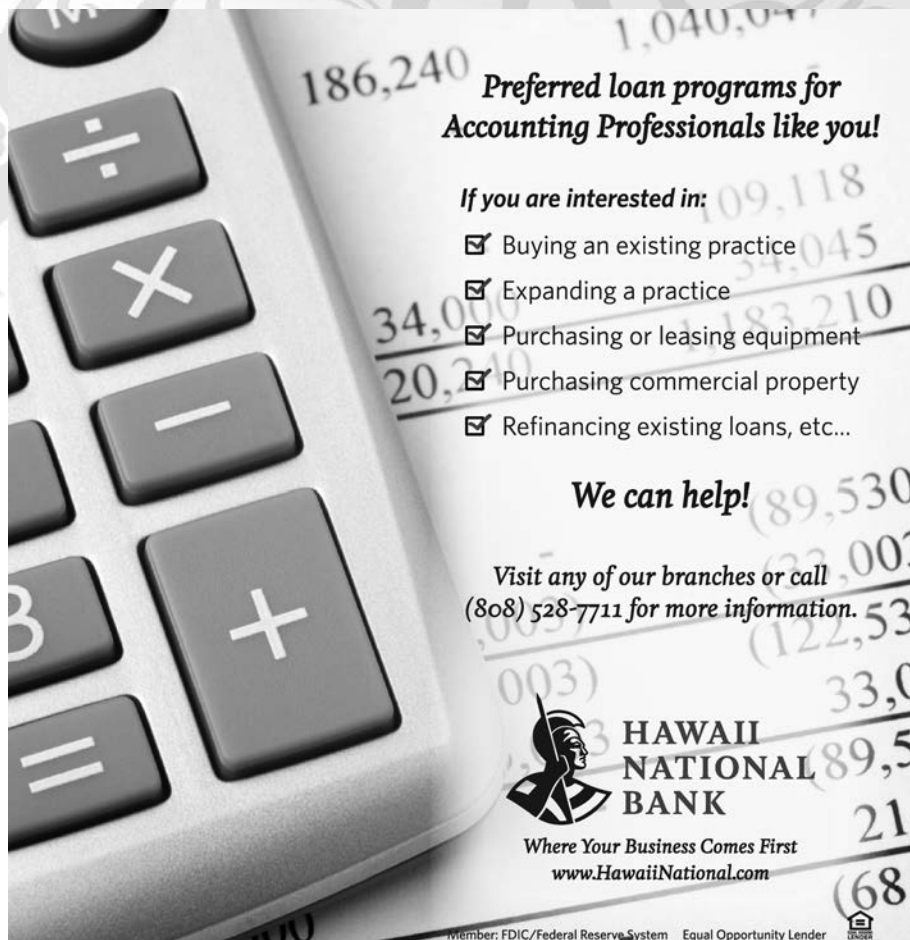
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For those in public practice that issue financial reports, consider:

- Learning more about the FRF for SMEs™
- Getting staff members up to speed
- Identifying clients who may be candidates
- Communicating with those clients about the benefits of FRF for SMEs™, and
- Communicating with bankers and other users about the FRF for SMEs™.

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AICPA's New Financial Reporting Framework to Help Main Street Businesses

By Bob Durak, CPA, CGMA AICPA - Director of Private Company Financial Reporting

June 10 marks a significant change in the financial reporting landscape for America's for-profit, owner-managed businesses – the backbone of the nation's economy. On that day the American Institute of CPAs released the Financial Reporting Framework for Small- and Medium-Sized Entities, a game-changing new reporting option enabling financial statements that are robust yet relevant for smaller businesses that are not required to use GAAP. The FRF for SMEs™ accounting framework delivers financial statements that provide meaningful information to owners of private companies and the users of their financial statements in a reliable and simplified way so they can make informed business or credit decisions.

The FRF for SMEs™ framework offers small business owners an alternative to current non-GAAP reporting options. The other special purpose frameworks, such as income tax or cash bases of accounting, remain and will continue to play an important role in non-GAAP reporting. Main Street businesses and their stakeholders looking for comprehensive and consistent financial statements may want to explore the FRF for SMEs™ accounting option.

Opportunities and Implications for CPAs

The FRF for SMEs™ accounting framework reinforces CPAs' reputation as credible, knowledgeable professionals who apply the most up-to-date accounting methods and practices to provide information that is tailored to clients' or employers' needs. Using the framework, CPAs can produce financial statements that clearly and concisely report what a business owns, what it owes and its cash flow – exactly the information small business owners and their stakeholders want.

As it's based on a blend of traditional accounting principles and accrual income tax methods, the FRF for SMEs™ is intuitive and understandable. Some of the framework's key features are:

- Historical cost as the primary measurement basis; the framework steers away from costly fair value measurements and impairment testing
- Management has an appropriate level of choice in selecting accounting policies that best meet the needs of their financial statement users
- Fewer prescriptive, detailed rules are included

- Disclosure is adequately informative but not excessive

Importantly, the framework avoids topics that are generally not relevant to small businesses, such as comprehensive income and variable interest entities. What it does do is focus on the accounting and financial reporting topics typically encountered by small- and medium-sized private companies and in a way that reflects their environment.

Marketplace Acceptance

Millions of private companies now have the FRF for SMEs™ framework as an additional accounting option in the non-GAAP space. The AICPA has long heard from CPAs, business owners and users of financial statements that relevance and understandability need to be priorities in financial reporting. The FRF for SMEs™ reporting option answers those calls in the marketplace.

Efforts to educate key audiences on the framework are under way, explaining the framework and highlighting its benefits. The AICPA has begun a targeted communications and advertising campaign to small businesses, bankers and others. In addition, many state societies and CPA firms are working to boost awareness and discussing the opportunity the framework presents to the small business community and its stakeholders. Free resources have been created to help small businesses and users of financial statements understand the FRF for SMEs™ option, and CPAs have access to those resources to support their efforts with clients, employers and others.

Looking Ahead

For smaller companies with limited resources and no need for GAAP financial

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reporting, the FRF for SMEs™ framework offers a stable platform that will not be subject to frequent amendments or updates. CPAs can put it to work confident in the knowledge that it is a reliable choice that will minimize complexity and enhance understandability. As the framework is not authoritative or required, it may be used immediately. Download a FREE copy of the framework to see whether it is the best financial reporting option for your clients or employers who do not need GAAP financial statements.

Related Resources

CPAs can download the FRF for SMEs™ framework and related educational resources for free. Use the toolkit, segmented by firm size, to discuss the framework with clients, employers and users of financial

statements. Among the many materials you will find in the CPA toolkit are:

- Learning and implementation plan for using the toolkit and framework
- Introduction to the framework, including chapter-by-chapter summaries and sample CPA reports for compilations, reviews and audits
- Illustrative financial statements
- Presentation and disclosure checklist
- Application guidance
- Comparisons of the framework to U.S. GAAP, tax basis of accounting and IFRS for SMEs
- Backgrounder
- Flyer for clients and users of financial statements
- Sample client cover letters
- FRF for SMEs logo for firms' use

and other marketing materials

- PowerPoint slide deck you can brand for your firm and a short summary video for presentations and meetings
- FAQs

For more information:

Website: www.aicpa.org/FRF-SMEs

Twitter hashtag: #MainStFinancials

Email: FRFforSMEs@aicpa.org

Bob Durak oversaw development of the AICPA's FRF for SMEs™ framework. Previously, he staffed the Private Company Financial Reporting Committee, a joint effort of the AICPA and the Financial Accounting Standards Board. Durak also recently helped staff the CPA profession's Blue Ribbon Panel on Standard Setting for Private Companies

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Highlights of the HSCPA 53rd Annual Conference

An Ethics Reunion for Hawaii CPAs

GREAT SPEAKERS, LOTS OF FOOD, FUN AND HAPPY HOUR!



It was another sold-out Conference with many preparing to fulfill the mandatory Ethics CPE for license renewal by December 31, 2013. CPAs, “Young and Young-at-Heart”, took advantage of the opportunity to reacquaint with friends, make new friends, fulfill their Ethics requirement – and earn up to 7 CPE credit hours while having fun, too!

A big Mahalo shout out to the great speakers, conscientious participants, selfless volunteers, and generous sponsors – Corporate Lunch Sponsor American Savings Bank, Office Tools Professional and XCM Solutions LLC for supporting the HSCPA and contributing to the success of the Conference.



The Conference kicked off with our traditional Hawaiian welcome... the blowing of the pu, oli and hula. Thank you to mea oli Ed Punua (Kauai), pu blowers Rodney Harano and Craig Watanabe, a welcome hula by Kathy Castillo and maile “lei of royalty” presentation to special guest, Richard “Rich” Caturano, Chairman of the American Institute of CPAs.



It was business as usual with then President, Craig Watanabe, presiding over the Annual Election Meeting as voting members elected the new officers and directors for the 2013-2014 year. Conference chair Patrick Oki welcomed the group and dove right into Conference business by introducing keynote speaker AICPA Chair, Rich Caturano.

Rich provided the popular information-packed update on the profession and shared personal stories. He led the group from his bluecollar upbringing to achieving the highest rungs in the profession. Rich mentioned one of his top priorities in promoting broader diversity among CPAs at the leadership level. He captured the group’s attention with his funny stories and photos about fishing and his work attire in the “early” days . . . you had to have been there.



Opening the Ethics session of the Conference was Donny Shimamoto, managing director of Intraprise-TechKnowlogies LLC. Donny focused his presentation on Business Ethics and the Accounting Department. From a business perspective, he explained how to apply “ethics” for those in finance, internal audit, or other leadership positions in business and industry.

Taking a break from the “serious” business, we were honored to have Rich Caturano conduct the installation of the 2013-2014 officers and directors. Craig Watanabe proudly passed the gavel of office to Michael Tanaka. Thank you to all the HSCPA officers and directors for their leadership and commitment to the HSCPA!





The Conference also provides us the opportunity to recognize and honor special members. Larry Rodriguez proudly awarded Terri Fujii the distinguished Outstanding Public Service award for her dedication and commitment to the Hawaii community through public service on the many boards and organizations she serves. Ross



Murakami presented the Business & Industry Hall of Fame award to Charles "Chuck" Sted for his insight and vision to the companies he served and for demonstrating the leadership, commitment and strategic ability necessary to help those companies meet the challenges of today's dynamic market conditions. Last and certainly not the least, we saluted Ron Heller for his 25th year of service on the HSCPA Board of Directors with a special Sustained Contributor Award [Life Sentence]. Thank you, Ron – we wish you many more!



On a much lighter side, it was time for the ultimate Challenge between the Young and Young-at-Heart. Three groups of fun members 'volunteered' to be up for the Challenge. Trivia questions and Minute to Win It games brought out

the best of the contestants. From singing chorus lines to moving an Oreo cookie using only facial muscles from forehead to mouth, made it a fun time for all. Thank you to coaches Trisha Nomura and Norman Okimoto, referees Darryl Nitta and Gordon Tom – and especially to the fantastic member contestants who were great sports!



Closing out the Conference with his popular Ethics presentation was Ron Heller, attorney/CPA and director at Torkildson Katz Moore Hetherington & Harris. Ron provided an update on the basic tenets of professional ethics, and explained recent changes in the AICPA Code of Professional Conduct and the Hawaii Administrative Rules on Professional Conduct.



At the close of the Conference, the popular Early Bird Happy Hour began at 3:00 p.m. for networking and a 'reward' after a hard day's work.

Thank you to our special sponsors . . . Gabe Lee of American Savings Bank – the HSCPA is grateful for the many years of partnership and support. We welcomed – Hawaiian style – newcomers, Jared Freiberg of Office Tools Professional and Kim Hogan of XCM Solutions LLC. A big THANK YOU and group hug to our great speakers and volunteers - Y-CPA Squad, Norman Okimoto & Staff.

Mark your calendars and save the date for next year's 54th Annual Conference on June 20, 2014. AICPA President and CEO, Barry Melancon, will be here to give his popular and dynamic overview of professional issues – this, you won't want to miss! 53rd Annual Conference Highlights



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CGMA Innovation

In the late 1950s, the average tenure of a company in the S&P 500® was 61 years. Today it is down to only 18 years. In just the last decade, approximately half of the companies in the Index have been replaced by newcomers such as Google and Facebook. Organizations that are able to foster the creativity needed for innovation, and finance and efficiently implement it across the organization, reap numerous rewards in terms of growth, profitability and marketplace distinction.

In the midst of this uncertain marketplace, a new role for management accountants—manager of innovation—has not only emerged but has also grown in demand. What uniquely positions management accountants as catalysts for the innovation needed for long-term success? Their ability to evaluate the risks associated with specific opportunities, and their multi-faceted role across the organization when helping to transform creative ideas into commercially successful innovations.

New Resource for Management Accountants

To obtain further insights into how management accountants drive innovation, the American Institute of CPAs (AICPA) and Chartered Institute of Management Accountants (CIMA) developed a program to explore how successful organizations encourage innovation without compromising risk management. They were also interested in learning more about how man-

agement accountants can promote a culture of creativity while providing for sustainable success, reliable data analysis and strategic decision making.

As part of the program, the AICPA and CIMA held roundtable meetings and conferences in the Americas, Asia and Europe where financial leaders from

The Coca-Cola Company, Royal Dutch Shell, BT Group and a wide range of other organizations from around the world shared their experiences and opinions. The result is a Chartered Global

Management Accountant (CGMA) report titled *Managing Innovation: Harnessing the Power of Finance*.

The report combines top insights from roundtable and conference participants with AICPA and CIMA research findings, and explains how management accountants are playing a vital role in ensuring that the most innovative ideas are funded and properly executed. It also features real-life examples and anecdotes from a diverse range of senior financial executives and acclaimed thought leaders about how the finance function, working with innovation strategies, can have a positive, measurable, bottom-line impact on the organization. The report concludes with a detailed checklist that management accountants can apply to their own organization's innovation plans.

Four Steps to Unleashing Innovation

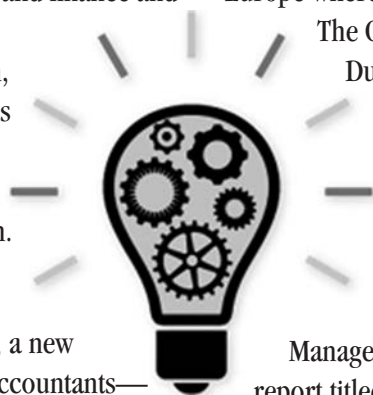
Building a culture that comfortably balances creative thought and flexibility

as well as it does discipline and control can be a challenge for even the best-managed organizations. The following are four areas where management accountants can help strike this balance and put an organization on the path to an innovation-powered future.

Create a New Mindset. Support from the top is necessary for the success of the most important initiatives, and shaping an innovation-centric mindset is no exception. More than half of respondents to a recent McKinsey & Company survey cited C-suite support as a driver of innovation success. With demonstrated backing from the leadership team, innovation can more successfully flow within the organization—and spread among supporters and advocates at all levels.

Focus on Flexibility. When evaluating and measuring innovation, financial metrics need to be more flexible than the traditional metrics applied to business operations. Financial processes and metrics should align with different innovation lifecycle stages—more relaxed criteria that gradually tightens as ideas approach implementation—with ideas challenged and refined as necessary at each stage. There also needs to be an understanding that there will likely be detours, and in some cases failures, in the pursuit of innovation.

Pave a Path to Profits. The long-term rewards of innovation require that projects conceivably generate some degree of profit—innovation is not an end in itself. With expert advice on costs, financing and resource allocation



tion, among other areas, a more successful progression from idea to implementation can occur. What follows is finance being valued as a contributor to, and not a constraint on, innovation.

Take a Balanced View of Risk.

Although minimizing risk plays an indispensable role in an organization's daily activities, it can present a challenge when applied to innovation, which includes risk as an inherent part of its process. However, innovative organizations recognize that the risk function helps ensure that they have balanced strategies and actions needed for growth, which repositions risk as a value driver. Organizations are then better able to make business decisions that allow innovation to flourish.

Innovation is not easy to unleash and support. It can be disruptive to operations and uncertain in its outcomes, and requires new thinking and a strong appetite for risk. However, it has become a life force for today's organizations. Management accountants can guide organizations through the many stages of the innovation process and help them avoid the risks that can undermine long-term success, including what is perhaps the greatest risk of all—the failure to innovate.

Additional Information

CGMA designation holders can download a copy of *Managing Innovation: Harnessing the Power of Finance* at <http://www.cgma.org/Resources/Reports/Pages/managing-innovation.aspx>.

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Penny Pincher

By Gene Marks



Six Ways Google Is About To Transform Your Small Business

In June 2013, Google held its annual I/O Conference for its developers and partners and announced a bunch of new products and services. This is a company that doesn't stop innovating. They are not afraid to invest in new ideas, make changes, expose themselves to criticism. They are also not afraid to kill projects that aren't working out either. Good for them.

And good for small businesses, too.

My company sells and I write about small business technologies frequently and many of the same names keep popping up: Microsoft, Intuit, Apple, Amazon, Google, etc. But when I look at my clients, it's Google's technologies that seem to be popping up more and more. They are almost always free (or close to it) and for the most part Google's stuff just...works. I know many who run their companies on Google Docs, Drive, Gmail and Calendar. There are countless thousands of small businesses who generate revenues through Google AdWord and AdSense. And there are just as many who are developing communities on Google+ as the social media service continues its relentless creep on Facebook.

Want more proof how Google will be transforming your small business? Just take a look at the announcements from last week's I/O conference. I counted, at a minimum, six new initiatives that will benefit my company and so many others like mine over the next few years. So get ready!

1. Android. The company announced that there have been 900 million Android activations to date, with 48 billion apps downloaded. You may think that Apple owns the mobile market, but did you know that 75% of all smart phones sold in the past quarter were Android based? The Android operating system allows a business to have a uniform look and feel across many devices from multiple manufacturers and synchronize contacts, calendar and other data among employees. The system is arguably more open for developers to create new custom applications for a business. And a Galaxy tablet, for example, is about the same cost as an iPad Mini so equipping your employees with different Android devices from different vendors is an easy proposition for a business with many people out in the field. The Android platform continues to become more flexible, reliable and cost effective for small businesses.

2. Developer Tools like App Translation, alpha testing and Android Studio. Like me, the typical small business owner is not a developer. But my developer friends tell me that new announcements made at last week's conference are fantastic for them...and for their clients. App translation will let them get localized services right in their development console, which significantly speeds up their programming efforts. New tools to help application testing will allow developers to pick a percentage of users who will get an update for testing purposes instead of sending it out to all users which is a big help. And a new developer environment, named Android Studio, is being launched to also improve the time

it takes to develop apps. Finally, the company's push messaging service, Google Cloud Messaging, has been enhanced to support persistent connections, upstream messaging and notification synchronization which means that your company data used by any Android app will synchronize faster and better. Less time means less money spent with outside developers, not to mention more flexibility to design that perfect app for your business.

3. 41 new Google+ features. Google+, with 190 million users, continues to eat into Facebook's social media dominance. And with these kinds of numbers, small business owners can't ignore this community any more. As we turn our attention towards Google+ many of us are finding ourselves chatting, messaging and conducting events on Google Hangouts. In fact at last week's conference it was announced that Hangouts would now be the primary messaging service for holding one-on-one or group conversations across multiple devices. And Google isn't standing still. Their new features will include enhancing the Hangouts and Photos section, along with updates to the overall Google+ interface (it'll have a more Pinterest look and feel). The company continues to integrate Google+ with their applications and services, including search, so it's only a matter of time before most of us are working within this community daily. If your business is not on Google+ it's clear to me that you better start moving in that direction.

4. Payments via Email. At the conference, the company also announced a new way for customers to make payments via Gmail (they can receive money

even if they don't have Gmail) with Google Wallet. After downloading the application, your customer will be able to "attach" a payment (similar to attaching a document) to an email with the amount indicated and send it directly to you. Once things are setup on both sides you can get paid faster and easier than ever before. Google plans on rolling out this service over the next 18 months or so and it could have an enormous impact on small businesses like mine. And don't worry... Google is assuring 100% coverage of the transaction.

5. Online buying/paying enhancements. And speaking of payments, Google announced new initiatives to push forward their technologies that will help individuals and small businesses pay their bills electronically. At the conference they announced an API (application programming interface) for Instant Buy to help developers create a more streamlined process for visitors buying (and paying for) items from a company's ecommerce site. Google also announced it will support other companies' loyalty cards when making payments via Wallet too.

6. Google Maps. Small business owners like me, who spend much time on the road, have grown to rely heavily on Google Maps and Navigation. And more changes are planned. A new version that will run on the iPad was alluded to and there will be greater improvements for reporting traffic incidents and making re-routing suggestions. On the desktop, look for better imagery and 3-D views, with images from Google Earth and Street View all in one place. Many of my clients who are in the roofing, repair and contracting businesses use these tools to create estimates without even leaving their offices so the enhancements planned will have an

enormous impact on their ability to better cost out jobs.

I'm not even mentioning some of the other goodies announced, from "conversational search" to the quickly growing Google Now to new tools that could make Google Chrome the operating system of choice for many small businesses. And then there's YouTube. But I'm likely missing others, right?

OK, I'm gushing. And here's the main reason why. For decades, small businesses like mine have been forced to deal with different software running multiple databases on disparate machines. We've watched Microsoft fight with Apple, Dell battle HP and Intuit wage war on Sage. We don't care. We just want to enter data once and have it populate all of our applications without any further effort. We just want software that will relieve headaches, not create more.

We want to work faster so we can make more money.

With Google, we have a company that is quickly building a unified platform for applications and services that talk to each other and help us do our business faster and more profitably. We have a CEO that says "we should be building great things that don't exist." And we have a company that's not afraid to innovate, fail and keep innovating. And because of this attitude, we have new technologies that will transform our businesses in the years to come.

Gene Marks owns the Marks Group PC (www.marksgroup.net), a Bala Cynwyd, PA consulting firm that helps clients with customer relationship management. You can follow him on Twitter (<http://twitter.com/genemarks>).

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Norman's Book Review

"Contrary To Popular Belief"

by Joey Green

This book review is dedicated to those of you who never believe things until you check them out yourselves, or are involved in auditing or any type of work where you have to verify facts and figures and not assume what you are told are true. This book contains over 250 "facts" which upon further research are not actually true! The following are the ones from the book I thought you would find most interesting.

Camels Don't Carry Water In Their Humps

Camels store food primarily made of fat in their humps, not water. Camels can go a long time without water because unlike other animals, it retains urea and doesn't start sweating until its body temperature reaches 115 degrees F.

The Most Abused Drug Is Not Alcohol

The most abused drug in the world is caffeine—found in sodas, coffee, tea, cocoa, chocolate candies, and many over-the-counter medicines. According to the National Institute on Drug Abuse, caffeine is an addictive drug that creates physical dependence and causes an increase in heart rate, body temperature, urine production, and gastric juice secretion. Caffeine can also raise blood sugar levels and cause tremors, loss of coordination, decreased appetite, and postponement of fatigue, and it can interfere with the depth of sleep and the amount of dream sleep.

Ferdinand Magellan Was Not The First Explorer To Sail Around The World

Magellan was the first person to sail to the Pacific and discovered Guam and the Philippines, where he was killed on the island of Mactan in 1521.

One of Magellan's officers led one ship back to Spain in 1522, completing the first circumnavigation of the world. The first explorer to sail around the world was Sir Francis Drake.

Houseflies Don't Have Suction Cups On Their Feet

Houseflies cling to walls and ceilings because they have claws on the ends of their feet to cling to flat surfaces. Their feet also have hairy pads coated with a sticky substance that enables them to walk on slick surfaces such as windows and mirrors. YUK!!!

Taxation Without Representation Exists In The United States!

Residents of Washington, D.C. pay the same federal taxes as other U.S. citizens, but since the District of Columbia isn't a state, they don't elect any voting representatives to Congress. In fact, they were only granted the right to vote in presidential elections in 1961 by the 23rd Amendment.

Frankenstein Was Not A Monster

In both the 1818 novel (Frankenstein,

or the Modern Prometheus, written by Mary Shelley at age eighteen) and the 1931 movie (Frankenstein starring Boris Karloff), Frankenstein is the name of Victor Frankenstein, a student of natural psychology, who creates the monster.

In the novel, Frankenstein names his monster Adam. In the movie, the monster goes unnamed.

Leap Year Doesn't Occur Every Four Years

February 29 is added to the calendar year only when the number of the year is divisible by 4, except in century

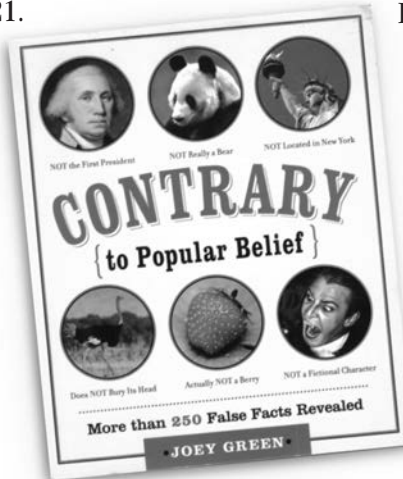
years not divisible by 400. For example, the year 2000 was a leap year, but the year 2100, while divisible by 4, will not be a leap year because it isn't divisible by 400.

Heinz Makes More Than 57 Varieties

In 1896, company founder H.J. Heinz liked the concept of advertising the number of product varieties it sold. Although at that time Heinz had more than 60 different products, he chose the slogan "57 Varieties" because he liked the way it looked in print. Today Heinz makes more than 3,000 products, but still uses the "57 Varieties" slogan.

Napalm Wasn't Used For The First Time In The Vietnam War

In 1942, during WW II, Harvard University chemist Louis Fieser created napalm.



In 1945, the U.S. dropped nearly 2,000 tons of napalm bombs on Tokyo, killing at least 83,000 people, injuring more than 40,000, leaving up to one million homeless, and burning down as much as one-fourth of the city. The U.S. also used napalm in the Korean War.

S.O.S. Doesn't Stand For "Save Our Ship"

S.O.S., the international Morse code signal for distress, doesn't stand for anything. It was adopted by international agreement in 1908 because the letters are easy to transmit. The international signal word for a distress call by radio or telephone is "Mayday," derived from the French word *m'aider* ("help me").

Cleopatra Wasn't Egyptian

Cleopatra was part Macedonian, part Greek, and part Iranian. The eldest daughter of Egyptian king Ptolemy XIII, she ruled Egypt during the time of Julius Caesar and Mark Anthony.

The 1969 Woodstock Concert Didn't Take Place In Woodstock, New York

The three day concert was originally planned for Woodstock, New York, but actually took place more than 45 miles southwest of Woodstock on Max Yasgur's farm in the town of Bethel, New York.

No Ocean Water Flows Into The Panama Canals

The Panama Canal sits about 85 feet above sea level. The water in the canal is fresh water flowing from streams and lakes. It flows out of the canal into the Atlantic and Pacific oceans.

The Chinese Didn't Invent The Rickshaw

Around 1870, a western missionary living in Japan devised the rickshaw. It is based on the 18th century French *brouette*, a sedan chair with wheels.

The Brothers Grimm Didn't Write Grimm's Fairy Tales

Jacob and Wilhelm Grimm compiled traditional fairy tales from previously published collections and by recording folklore told by peasant storytellers. They didn't create any of the stories themselves.

Chop Suey Wasn't Invented In China

Chop suey originated in the U.S.! It is not clear who exactly started the term, but it is as American as apple pie.

Diamonds Are Not Forever

The diamond, made from pure carbon and one of the hardest substances known, sublimates at an extremely high temperature, turning from a solid directly into a gas at 3,500 degrees Celsius.

Dorothy Doesn't Wear Ruby Slippers In The Wizard Of Oz

In L. Frank Baum's classic children's book, Dorothy wears silver shoes. Hollywood screenwriter Noel Langley changed them to ruby slippers in the script for MGM's classic 1939 movie.

Florida Oranges Aren't Naturally Orange

Ripe Florida oranges naturally range in color from slightly green to the yellow of grapefruits. To make oranges more appealing to consumers, food processors spray the early green crop with ethylene gas to kill the chlorophyll, and dip the late yellow crop in red dye.

Niagara Falls Isn't The World's Highest Waterfall

The highest waterfall in the world is Angel Falls, which drops 2,648 feet off the edge of Auyan Tepuy, a huge tabletop mountain in Venezuela. It's twice the height of the Empire State Building, and 20 times as high as Niagara Falls.

The Caspian Sea Isn't A Sea

The Caspian Sea is the largest inland body of water in the world and is actually a salt lake. It is almost the size of California and is surrounded by land.

An Orange Isn't The Best Source Of Vitamin C

The camu camu, a reddish-purple cherrylike fruit that grows in Peru, has the highest Vitamin C content of any fruit in the world. It has 60 times the Vitamin C of an orange. In fact, guava, kiwi fruit, broccoli, brussels sprouts, papaya, and strawberries all have more Vitamin C than the same amount of orange.

Summary

The author Joey Green did a great job of setting the record straight on many so-called "truths." The book was easy to read and was very entertaining and enlightening. I had a good laugh when he started his book with this Richard Nixon quote from his nomination acceptance speech at the 1968 Republican Convention, which I decided to end my book review with!

"Let us begin by committing ourselves to the truth; to see it like it is and tell it like it is; to find the truth, to speak the truth, and to live the truth."

- Richard M. Nixon at the Republican Convention on August 8, 1968

Talent Trends To Act On

By Sandra Wiley, Boomer Consulting, Inc.



The 2013 tax season is behind us, but that certainly does not mean that we can take a break. It is time to refocus on other

important things in our firm, and one of those is talent. Specifically, the human resources trends that every business should be spending time on. The trends below represent the HR issues that should be on your radar as you move forward in 2013.

Health Care Costs:

It comes as no surprise that health care costs are not going down in the years ahead. If you are choosing the passive road and simply waiting and seeing what your health care vendor tells you the new rates will be, don't be surprised when you have a panic attack after seeing your new premiums. Start now and proactively talk to your health care provider about the steps your firm can take to hold costs down or change your plan to reduce prices. Some firms are finding that developing "health programs" in their firm and then turning in the ongoing results to their health care providers is a positive step. The results of their proactive program being tied to lower usage is equating to lower increases in overall premiums.

Shortage of Skilled Professionals:

This challenge does not come as a huge shock to anyone in our profession. We have amazing talent in our firms, but we just want more of them. At the core of the problem is that there are simply less people in the current Gen X and Y age groups than there are in the retiring baby boomer generation. Pair that fact with the lower number of individuals that are choosing to stay in the public accounting

arena and we just have less people to work with today. This challenge must be met with a stronger emphasis on moving top talent into higher level work faster and more time spent mentoring, teaching and motivating the best of the best.

Retiring Baby Boomers:

Given the fact that we know we will have less people to replace those that are leaving, retiring Partners might be a bit discouraged about their ability to leave the firm when they had planned to. We simply must start thinking in a new way about mandatory retirement ages, ways to attract younger team members to buy into the ownership track, the amount of time we spend in knowledge transfer and the expectations we have of our new leadership team. All of these old rules and mindsets must change as we move to the next generation of leadership and management in our firms.

Decline in Employees' Retirement Savings:

The recession hurt our country and our profession and one area that is not recovering as fast as we had hoped it would is employee retirement savings contributions. While some firm leaders would say "that is their problem, we give them the opportunity and it is up to them to take advantage of it", I contend that as leaders we need to insure that we are educating and encouraging our team in the management and necessity of their future retirement planning. This is a great area to collaborate with an outside vendor to work with your firm. Asking an outside financial planning professional to meet with team members can be extremely valuable to the firm and the individual.

Threat of Another Recession:

When you are clobbered once it is hard to

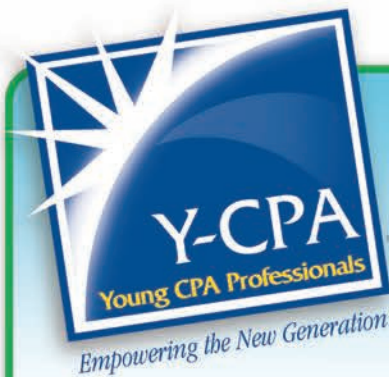
trust that everything will be ok in the future. The experts agree that we are recovering slowly. The experts do not agree as to the likelihood of another recession. The challenge is to not let your firm leaders get into a position of being scared. Scared says that you are in the position of retreat or standing still. You must continue to push forward, improve and strengthen your firm. Be courageous!

Greater Demand for Life and Work Balance:

The conversation around life and work balance was once thought to be a passing fad. Today we know that this is not just a "next gen" issue. This is an "about everyone" issue. Everyone is searching for more balance including a career that they are passionate about as well as a personal life that is fulfilling. Firms have to continue their quest to develop accountability at work which includes setting professional goals that will help each individual accomplish the life they want, but will almost never look the same as the next person that walks through the door. That is where the challenge comes. We must have a system in place that allows for flexibility that will connect the needs of the firm with the goals of the individual.

As I stated earlier, now is the time to act as leaders and be courageous. Use the trends above to develop strategies that will enable your firm to navigate the talent trends of 2013 and end the year in a positive way.

Sandra Wiley, COO and Shareholder, is ranked by Accounting Today as one of the 100 Most Influential People in Accounting as a result of her prominent role as an industry expert on HR and training as well as influence as a management and planning consultant. She is also a founding member of The CPA Consultant's Alliance. Sandra is a certified Kolbe™ trainer who advises firms on building balanced teams, managing employee conflict and hiring staff.



Y-CPa BUZZ!



By Gordon Tom



At our networking event last November, the Y-CPA Squad featured Michelle Nouchi-Ogata of Prudential Ad-

vantage Realty and Manny August of Wells Fargo Home Mortgage. Michelle and Manny started their careers in public accounting before transitioning to the real estate industry. They presented useful information and advice to first-time home buyers, including information on the many federal and state benefit programs available. Some of you may be exploring or considering buying your first home soon and since summer is the "home buying season", we hope you find the following recap of our November event and advice useful for Y-CPAs considering buying your first home:

Tip #1: Visit www.360financialliteracy.org/Topics/Home-Ownership

The 360 Degrees initiative was created in 2004 by the AICPA together with state CPA societies as a way to address the growing issue of financial illiteracy in the general public. It features "360 degrees" of information and advice during the various phases of your life, including home ownership. Although designed for the general public, there are a lot of

useful articles, tools and calculators on the site that will save you time and effort as you start planning to be a homeowner.



Tip #2: Get pre-qualified and understand your budget

Our average home prices here in Hawaii are among the highest in the nation, so understanding what you can reasonably afford to buy is the first step. A mortgage broker or residential loan officer at your bank or credit union can help you determine how much of a mortgage you can qualify for. As a general rule, the mortgage principal, interest, real property tax and insurance should not be more than 28 percent of your gross monthly income. However each bank or loan underwriter will have different requirements based on your credit, so make an appointment and bring a summary of your income and debts with you to the meeting.

Tip #3: Set your goals

Before you start searching through property listings, think about and

make decisions on what exactly you are looking for in a home. Do you want a house or condo? How about the location and your commute to work? Are you looking for something new or an older property that may need renovation? How many bedrooms do you need now and in the future? A realtor can help you answer these questions and explain what is available in the market. It will be easier for you and your realtor to identify potential areas and properties once you understand your goals and your budget. Keep in mind you may not be able to get everything on your wish list and be willing to work with your realtor on the properties they show you.

Tip #4: Be patient

It's easy to get frustrated during your home buying adventure, especially in the current sellers' market. Be patient and talk about your concerns and questions with your realtor, family or significant other during the process. The end result will be worth it!

Our next networking and social event is coming soon, so be sure to like us on Facebook at facebook.com/ycpa-hawaii and stay tuned for more information through the "NEW" HSCPA website launching very soon.

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