



ON THE FINANCIAL HORIZON

THE VAUGHN MCLAUGHLIN TEAM

Quarterly Newsletter for Friends & Clients

FIRST QUARTER 2016

Our mission...

To build a partnership that will help our clients meet their financial goals and enjoy a more secure future. Our goal is your 100% satisfaction with the advice and service you receive.

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FROM JIM'S DESK: February 2, 2016

Let me get this on the table right off. In the shorter term, there are so many moving issues both positive and negative about things going on between countries, commodities, economics, currencies, stocks, bonds, interest rates and prognostications of gurus and pundits that I find myself being buffeted around much more than usual. Remember, I said the shorter term! About the best I can say is that for the next 3-6 months at least, I expect volatility. Now that's not exactly profound as many others have already said the same thing and I don't really know if it helps much.

On the other hand, as I've mentioned before, forewarned is forearmed. If you expect volatility, then when we get it, we shouldn't be surprised, right? Still, we don't have to like it.

I was recently asked by one of my most sophisticated investors to just put my longer term outlook on a flash drive he could just plug into his computer and listen to whenever we get these gyrations (especially the downward moves). I believe the inference here is that I do have the same view in the longer term and it doesn't change through thick and thin. So far in the history of this country, betting the market would go down more than it would go up has been wrong 100% of the time. Of course, we have to define long term, which is different for everybody. The statement that for the entire history of the market, stocks have gone up more than they have gone down is not debatable. Clearly, when we have less time we have to be more conservative. However, if we are too conservative, we run the high risk of not keeping up with the cost of living and taxes.

So, sounds like nothing new to me even as I write this. I write these newsletter notes knowing that I can add very little in the short term and have long since

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FROM TRACY'S DESK: Improve Your Quality of Life

In recent newsletters we have focused on planning for later stages of retirement and how we can make the inevitable aging process easier if we think ahead. This quarter I would like to talk about a way to improve quality of life right now.

We often make those New Year's resolutions to start exercising and eating better, but how long do they last? Unfortunately, sometimes it takes a serious health scare for us to make the changes necessary for better health, but there is an exciting new development in Citrus County that can help us in our path to wellness.

In this newsletter, we interviewed Joanna Castle, Executive Director of the Citrus County YMCA. I hope you find the interview informative as well as inspirational. Over the years, many clients have expressed disappointment over the lack of a YMCA in our community. The "Y" is a cherished memory for a large part of our population who grew up in other regions, and the stories are wonderful. The YMCA is a unique place where young and old can join under the same roof to enrich lives, and in some cases even save lives, through swim programs for young children. Because the Y believes in enriching the whole community, and not turning anyone away, there is a robust financial aid system to make sure everyone can benefit from Y programs. This is a major reason that I decided to personally become involved, and joined the YMCA

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COMMUNITY SPOTLIGHT: *Q&A with Joanna Castle, Executive Director, Citrus County YMCA*



Years in Position: 4 years. **Family:** Dennis Castle, Spouse; Regan and Riley, twin daughters. **What do you like most about Citrus County?** I was raised in Citrus County and went to Crystal River Primary, Middle and High schools. My husband and I lived outside of the county for 12 years following high school, but moved back to be close to our parents as we began raising our own family. We live in a beautiful, giving community with great schools. It is a great place to raise our family. **Hobbies / Interests?** Spending time with my kids, exercising, boating, learning how to play the piano. **Causes You Are Passionate About?** I am passionate about the work I do at the YMCA and helping to bring this amazing cause and healthy programs to Citrus County. I also enjoy opportunities to work with our volunteers at the Y and serving to support other local groups efforts to make our community a great place to live. I am a member of the Inverness Rotary Club, the Citrus County Education Foundation, the Nature Coast Volunteer Center, and the SAEC for Rock Crusher Elementary School. **Favorite place you've travelled to?** Visiting Gatlingburg, Tennessee over the holiday season with my family are some of my favorite memories while traveling. **Place you'd still like to visit?** I would love to spend time traveling to visit my sister who lives in San Francisco, CA and my brother in Denver, CO. I could not think of a better destination to visit and having the opportunity to experience these new destinations and spending time with my family. **Career that interests you besides your own?** I have held other careers prior to my experience with the Y. I truly enjoy non-profit work because it is so rewarding to have the opportunity to help others. I can honestly say that I am most interested in continuing my work with the Y and look forward to the opportunities that arise in the future for growth. **Career accomplishment most proud of?** Working with volunteers, donors and Y professionals to help bring the cause of the Y to our community. I am so fortunate to have the opportunity to do this in the community that I was raised in. Knowing that this footprint will help to improve lives for years to come and build memories for so many people is something that I will always be proud that I was involved with. **Biggest challenge in your profession?** Really there are no challenges, rather just new opportunities. We gain assistance from our volunteers, partners and resources to help accomplish our goals. In a growing organization there are always unknowns. However, with a great team of people and community support, these are just new ways that we can continue to make our community stronger together. **What do you want to learn more about?** I learn new things every day and will continue to as we open the doors to the Y and begin operation of our new facility in May. I am excited for this opportunity for personal and professional growth and look forward to becoming a stronger leader by learning from this experience. **If you had complete financial security, how would you spend your time?** I would be a volunteer and a donor! I would definitely be involved in non-profit work, helping others. **What do you strive for most in life?** Raising children that are respectful, faithful and appreciative of what they have been given in life. We have truly been blessed as a family and teaching them values, morals and how to give back- are commitments that we hold as parents. **What do you try to avoid?** I like to keep active and try to avoid unhealthy activities that could slow me down. **How would you like to be remembered?** A good, loving mother. Raising capable children who lead successful, happy lives would be the best legacy that I could leave. **What values or philosophies would you like to pass on?** Social Responsibility. Everyone should take part in making a positive difference in some way. Nothing is more rewarding than the feeling that you have when you give back. **Information about your organization that community members may not be aware?** The new YMCA facility is a community-built facility made possible by volunteers and donors that have supported bringing this cause to our community. Also that the YMCA is a 501(c)(3) charitable non-profit and provides scholarships to help others, so no one is turned away from the opportunity to be involved at their Y. **What are you excited about?** The opening of our new Y and all who will live a better life because of it.

FROM JIM'S DESK: *Continued*

abandoned any attempt to do so. The message does stay the same. Diversification, patience and a flexible planning platform give us the best chance to succeed, taking the least amount of risk possible, but still meet our goals. It's really hard at times but all the major errors are made in periods of volatility when emotion runs the show.

I'll end my short missive with this— though not foolproof, when many really smart people are strongly disagreeing with each other, more often than not, it tends to be a hallmark of a bottoming process, not the other way around!

FROM TRACY'S DESK: *Continued*

Board of Directors last year.

Research shows that many seniors begin to withdraw from social networks which can be detrimental to cognition. In fact, men, in particular have a tendency to do this at a far higher rate than women when a spouse passes away. The social aspects of these activities can provide a great boost to those at risk and what we do know is that the active people tend to be happier and healthier.

As we travel down the road of Financial Planning with you, it's important to address your physical health and quality of life, as well as your financial health. If you're not currently engaged in some sort of activity, I hope you will consider looking into the Y if you are in Citrus County. For those who live away from us, I hope you have a similar resource in your area, and you are taking full advantage of it. It is a terrific way to stay connected to our communities. Best wishes for the new year.

AMY'S COMMUNITY CORNER: *See you at the Y*

Much of this newsletter has been dedicated to the new YMCA campus, and for good reason. Several years ago, I was fortunate to hear the Y's vision for a new wellness center while involved with the Citrus Memorial Health Foundation. To date, the Y has raised over \$8 million to build Phase I of the center and broke ground last summer. Now, only a few months from the May opening, I'm excited to see the even greater impact this organization will have on our community. The Y has provided programs and services to Citrus County families since 2007, mine included. Our children have participated in the Y's before and after-school programs, enrichment classes, basketball league, swim lessons and summer camps. We, through the Citrus County Education Foundation, have also partnered with the Y for *Youth Leadership Citrus* and the *Schoolhouse Hustle* event. The new center (located at 4127 W. Norvell Bryant Hwy. in Lecanto) will be a full-service Y with over 56,000 square feet of indoor/outdoor space, including: an eight-lane indoor pool; an outdoor pool with water slide; a wellness center with the latest in cardio and strength training equipment; a healthy education living center; three meeting rooms for programs such as LIVESTRONG and diabetes prevention; a kids zone; outdoor basketball courts; nature trail; a teen center supporting *Youth In Government* and other programs for teens; cycling room; group exercise room featuring Les Mills classes, yoga, SilverSneakers, Zumba, Boot Camp, and Pilates. Class offerings will expand after the initial opening, based on member demand. Typical offerings at other Y facilities include line and ballroom dancing, Tai Chi, cooking classes, gardening and much more. Member rates range from \$25-69 per month depending on the number in your family, with no long-term contracts. The Y will be open from 5:30am to 10pm on weekdays, 7am-6pm on Saturdays and 12-6pm on Sundays. We encourage you to become a member and consider the Y in your charitable giving. They will continue capital campaign fundraising for Phase II of the center to add a gymnasium and additional multi-purpose studios. Learn more at WheresMyY.org or by calling 352.637.0132.



FROM NANCI & KRIS: *Double-Check Before Filing Your IRS Return*

It may seem like common sense, but going back over the information you enter may be the most important part of your tax filing duties. As



you know, it's very easy to put a figure on the wrong line – in fact, one of the most common errors is not putting in the right SSNs for you, your spouse and your dependents. An error like that can cause a significant delay in the processing of your return or, even worse, could trigger an audit. So do make an effort to recheck what you've entered before moving to the next line or screen. While you're going back over your return for wrong entries and typos, take the time to look up numbers such as cost basis for investments sold and real estate tax paid, rather than estimating. And double-check your math, too, because according to the IRS the most common math error in tax year 2012 was a

simple tax miscalculation. Here are a few other tax filing tips for you that may help you do better with Uncle Sam this year:

- ◆ If you looked for a new job last year, add up the cost of creating resumes, employment agency fees and travel expenses for interviews for jobs in your current or line of work as these expenses may be tax deductible if you itemize.
- ◆ Reduce your taxable income by making contributions (right up until the April 15 filing deadline) to tax advantaged accounts like a health savings account, traditional IRA or SEP IRA if you have self-employment income.
- ◆ While you're at it, review the income limitations for breaks such as deductible IRA contributions, which rise annually. Depending on how your tax situation has changed, you might be eligible now even if you weren't before.
- ◆ If you work out of your home, rather than laboriously itemizing for your home office deduction, use the simplified option of calculating five dollars for every square foot of your home you use as your office, up to 300 square feet for a maximum deduction of \$1,500.
- ◆ File taxes electronically. It's the safest, easiest and fastest way to file, and you will get your refund quicker if you request direct deposit.
- ◆ Be aware that the IRS never contacts taxpayers by email. If you receive an email appearing to come from the IRS about your returns, it could be a phishing attempt to get you to share sensitive information about yourself. Forward such emails to phishing@irs.gov.

If you expect to receive a delayed 1099, you may consider talking to your tax advisor about whether it makes sense to file an extension with the IRS to give you additional time to file your tax return. The Raymond James 2015 Form 1099 mailing schedule is as follows: **January 31** – Mailing of Retirement Tax Packages, **February 15** – Mailing of original Form 1099s, **February 28** – Begin mailing delayed and amended Form 1099s, **March 15** – Final mailing of any remaining delayed original Form 1099s. If you receive an amended Form 1099 after you have already filed your tax return, you should consult with your tax advisor about the requirements to re-file based on your individual tax circumstances.

Why your 1099 may be delayed or amended: In an effort to capture delayed data on original Form 1099s, the IRS allows an extension to the mailing date until March 15, 2016 for clients who hold particular investments or who have had specific taxable events occur.

Even after delayed 1099s, please be aware that adjustments are still possible. Raymond James is required by the IRS to produce an amended Form 1099 if notice of such an adjustment is received after the original Form 1099 has been produced. There is no cutoff or deadline for amended Form 1099 statements. The following are some examples of reasons for amended Form 1099s: income reallocation; adjustments to cost basis (due to the Economic Stabilization Act of 2008); changes made by mutual fund companies related to foreign withholding; tax-exempt payments subject to alternative minimum tax; any portion of distributions derived from U.S. Treasury obligations.

Learn more at raymondjames.com/taxreporting.htm, and upon request, we can send you a copy of *Key Numbers* (a document with important tax planning numbers for years 2014, 2015 and 2016). And, as always, please call us with any questions or concerns.



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SAVE the DATE

- February 27:** *Can Classic 5K, 10K & 1 Mile Walk* to benefit Citrus County Blessings. Races begin at 8:00am, Citrus Hills, Hernando. Learn more at www.citruscountyblessings.com.
- February 28:** *9th Annual African American Read-In* community event to promote history, literacy and African American contributions to literature, 2:30-4:30pm, College of CF conference center, Lecanto.
- March 3:** *Wall Street Coffee Club*, 10:15am, College of CF, Room 103, Lecanto.
- March 5-6:** *Floral City Strawberry Festival*, 9:00am-5:00pm on Saturday and 9:00am-4:00pm on Sunday, Floral Park, Floral City.
- March 6:** *5th Annual Cooking for a Cause* to benefit Jessie's Place - Citrus County Children's Advocacy Center, 6:00-9:00pm, College of CF, Lecanto.
- March 12:** *Central Ridge / Crystal River Kiwanis Car & Truck Show* to benefit Citrus County children, 10:00am, Nick Nicholas Ford, Inverness.
- March 15:** *Wall Street Coffee Club*, 9:30am, Juliette Falls country club, Dunnellon.
- March 25:** The office and markets will be closed in observance of Good Friday.
- March 31:** *A Night in Tuscany* fundraising event hosted by the Rotary Club of Central Citrus County to benefit local charities, 6:00-10:00pm, featuring silent and live auctions, drinks, dinner & live music, at Tuscany on the Meadows, Hernando.
- April 2:** *1st Annual Adoption 2 Action's "Forever Ours" Fishing Tournament* to benefit Florida families & children, 6am-4pm, Twin Rivers Marina, Crystal River.
- April 2:** *Central Citrus Rotary's "Let's Ride for the Y"*, 7:30am, YMCA office, Beverly Hills. Learn more at www.rotarybikerideforthey.com.
- April 7:** *Wall Street Coffee Club*, 10:15am, College of CF, Room 103, Lecanto.
- April 8-9:** *Relay for Life* to benefit the American Cancer Society, opening ceremony beginning at 6:00pm, Citrus High School, Inverness.
- April 9:** *3rd Annual Schoolhouse Hustle* to benefit the Citrus County Education Foundation, 7:00-11:00am, featuring 5K & 10K races, 1 Mile Walk with Superintendent Himmel, free family health expo and YMCA Kids Zone, CREST School / Lecanto Complex. Learn more at www.schoolhousehustle.com.
- April 16:** *18th Annual Superintendent's Golf Classic* to benefit the Citrus County Education Foundation, 8:30am, Sugarmill Woods Golf & Country Club, Homosassa. Learn more at www.citruseducation.org.
- April 19:** *Wall Street Coffee Club*, 9:30am, Juliette Falls country club, Dunnellon.
- May 5:** *Wall Street Coffee Club*, 10:15am, College of CF, Room 103, Lecanto.
- May 17:** *Wall Street Coffee Club*, 9:30am, Juliette Falls country club, Dunnellon.
- May 30:** The office and markets will be closed in observance of Memorial Day.

Call us with questions on any of the above events or if you would like to feature your organization's upcoming events in our next newsletter.

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