



CLIENTTELL

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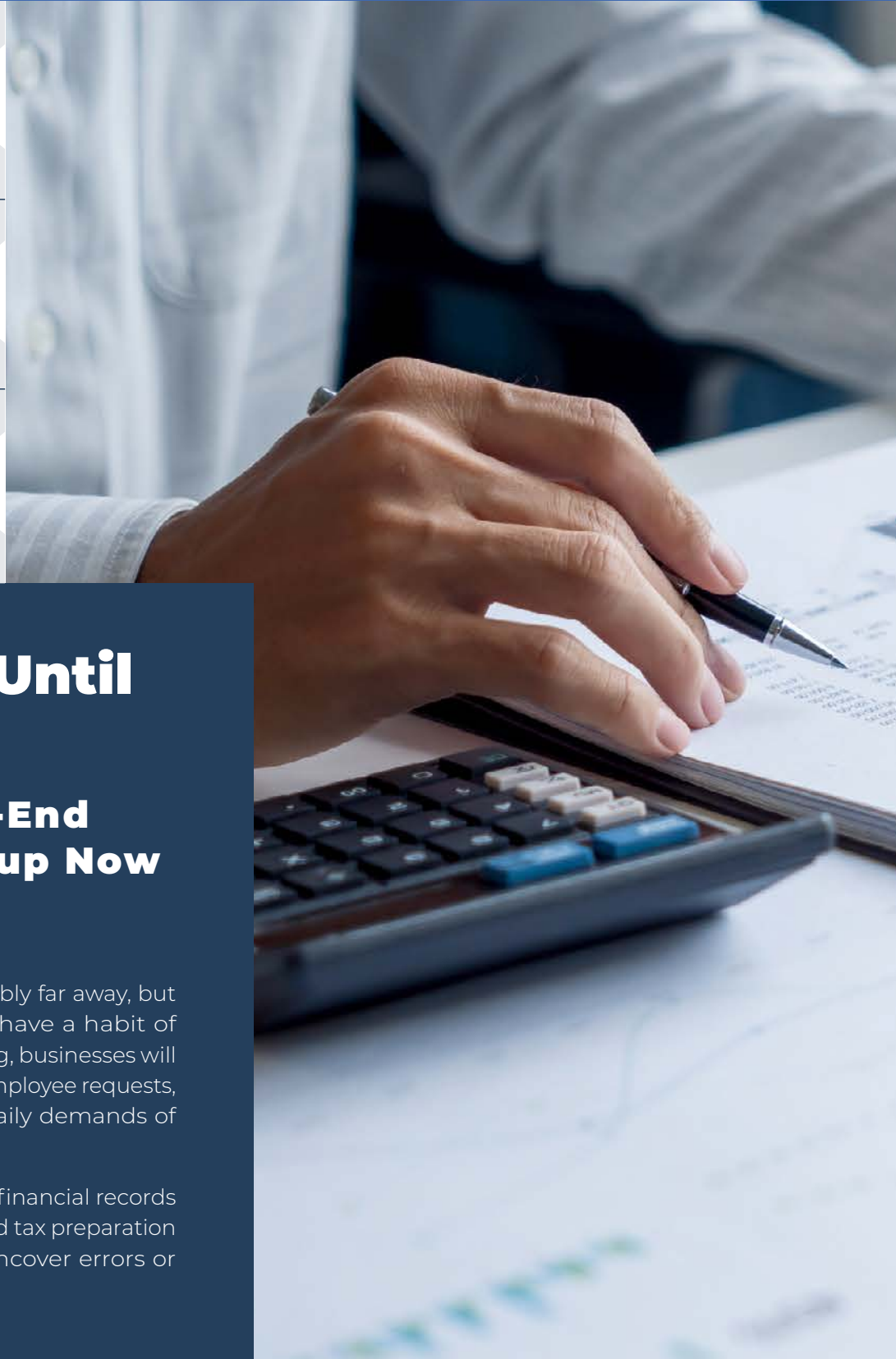
Don't Wait Until December:

Start Your Year-End Financial Cleanup Now

BY TERESA ADAMS

Year-end may still feel comfortably far away, but the final months of the year have a habit of disappearing quickly. Before long, businesses will be juggling holiday schedules, employee requests, tax deadlines, and the usual daily demands of running a company.

Taking time now to review your financial records can make year-end reporting and tax preparation much smoother. It can also uncover errors or



overlooked issues while there is still time to address them.

Here are several areas business owners should review before the year-end rush begins.

Reconcile Bank and Credit Card Accounts

All bank and credit card accounts should be reconciled regularly. If an account has fallen behind, now is the time to bring it current.

Review outstanding checks and deposits that have remained on the reconciliation for an unusually long time. Old transactions may need to be investigated, corrected, or removed. Also verify that every active business account, including savings accounts, credit cards, and lines of credit, is included in the accounting records.

Review Accounts Receivable

Run an accounts receivable aging report and look closely at customers with overdue balances. The longer an invoice remains unpaid, the less likely the business may be to collect it.

Contact customers about outstanding invoices and investigate balances that may be incorrect or disputed. If an amount is no longer collectible, discuss with your accountant whether it should be written off.

This review can improve cash flow while also producing more accurate year-end financial statements.

Examine Accounts Payable and Outstanding Checks

Review unpaid vendor bills to confirm they are valid and recorded in the correct period. Look for duplicate bills, credits that have not been applied, and balances that have remained unpaid for an unusual length of time.

Outstanding checks should also be examined. A check that has not cleared after several months may have been lost, duplicated, or issued incorrectly.

Prepare for 1099 Reporting

Do not wait until January to discover that vendor

information is missing. Review the year's payments to independent contractors and other vendors who may require a Form 1099.

Make sure a completed Form W-9 is on file for each applicable vendor and verify the vendor's legal name, address, tax classification, and taxpayer identification number. It is much easier to obtain this information while the business relationship is active than during the January filing rush.

Businesses should also establish a process for collecting a Form W-9 before paying a new vendor.

Keep in mind that, beginning with payments made in 2026, the federal reporting threshold for many payments reported on Forms 1099-NEC and 1099-MISC increased from \$600 to \$2,000.

Verify Payroll Information

Review employee names, addresses, Social Security numbers, and withholding information before Forms W-2 are prepared. Employees should report any address or name changes as soon as possible.

Confirm that all taxable benefits, bonuses, personal use of company vehicles, 2% shareholder insurance amounts and other compensation have been recorded or reported to the payroll provider. Waiting until after the final payroll of the year may require corrections or amended filings.

Record Major Purchases and Loans Properly

Review equipment, vehicles, furniture, computers, and other major items purchased during the year. These transactions may have been recorded as ordinary expenses when they should have been classified as assets.

The general rule is that businesses can expense the full cost of equipment or other business property costing \$2,500 or less per item or invoice instead of recording it as an asset and depreciating it over several years.

Gather invoices, purchase agreements, loan documents, and information about any assets that were sold,

traded, damaged, or taken out of service.

Loan balances should also be compared with lender statements. Payments often include both principal and interest, and recording the entire payment as an expense can distort the company's financial results.

Review Owner Transactions

Personal and business activity should be kept separate, but occasionally personal expenses are paid from a business account or business expenses are placed on a personal credit card.

Identify these transactions and provide the details to your accountant so they can be classified correctly. Owners should also review distributions, contributions, shareholder loans, and other equity transactions for accuracy.

Look Closely at the Balance Sheet

Business owners often focus on the income statement, but the balance sheet can reveal problems that may otherwise go unnoticed.

Review bank accounts, receivables, inventory, fixed assets, loans, payroll liabilities, sales tax balances, and owner equity. Unusual negative balances, old amounts that never change, or accounts that do not match

supporting records may indicate an error that needs attention.

Meet With Your Accountant Before Year-End

Tax planning is most useful when there is still time to act. Once December 31 has passed, many planning opportunities disappear with it.

Current and accurate financial records allow your accountant to estimate taxable income, identify potential issues, and discuss available strategies. Depending on the business, this may include the timing of purchases, retirement-plan contributions, estimated tax payments, or other year-end decisions.

A little cleanup now can prevent a much larger headache later. Starting early gives business owners time to correct errors, collect missing information, improve cash flow, and make informed decisions before the year officially closes.

We're Here to Help

If you need assistance reviewing your financial records or preparing your business for year-end, contact your accountant or other trusted advisor here at BCS. We are happy to answer your questions and ensure you are ready for a smoother year-end and upcoming tax season. ♦

The Purpose Behind the Profession

BY NICK HILL



If television has taught us anything about accountants, it's that we're supposed to look a lot like Oscar from *The Office*: sitting behind a desk, working through spreadsheets, and making sure everything balances. Other traditional stereotypes include never-ending

deadlines, tax forms, and quiet office work. While there is some truth to those stereotypes, they overlook

the part of the accounting profession that means the most to me.

The reason I do what I do is people.

I've always enjoyed being part of a team. Whether through athletics, group projects, or collaborating with coworkers to serve clients, I have always been drawn to environments where people combine their efforts to reach a shared goal. There is something meaningful about bringing different strengths, perspectives, and experiences together to accomplish what would be difficult to achieve alone.

That collaborative spirit is one of the reasons I chose public accounting and continue to enjoy it today.

Every day presents opportunities to solve problems with colleagues, exchange ideas, and help clients navigate important decisions. While technical knowledge is essential, the best outcomes often result from drawing on the collective knowledge of the team.

That is what makes BCS special to me. The people I work with genuinely want one another to succeed. There is always someone willing to answer a question, share knowledge, offer a different perspective, or help address a challenge. Whether I am assisting a colleague or receiving that same encouragement from someone else, I appreciate being part of an environment where people are invested in one another and committed to the success of the firm as a whole.

That commitment ultimately shapes the service we provide. Our collaborative approach better equips us to help clients navigate significant decisions, gain

clarity, and move toward their goals. Serving clients is a fulfilling part of the profession, and I value being surrounded by people who care about one another, our clients, and the quality of what we deliver.

Of course, I enjoy the technical side of accounting. I enjoy solving problems, finding answers, and helping clients through complex situations. But the numbers are not what get me out of bed in the morning.

What motivates me is the opportunity to work alongside people who encourage and challenge one another in service of others. I am fortunate to be part of a team that recognizes the value of everyone's contributions. At the end of the day, that is why I choose to be an accountant. It is not simply about the numbers. It is about supporting the people beside me, helping those who depend on us, and contributing to our shared success. ♦

Are These Financial Statements Reliable?

BY SARAH BLACK



Stakeholders of companies (owners, investors, banks, etc.) rely on financial information to make important decisions. Financial statements are only useful if users can trust the information they contain—and assurance services help build that trust.

Banks use financial information when evaluating loan requests, boards use it to fulfill governance responsibilities, and owners use it to assess performance and plan for the future. Credible financial statements give readers confidence that the information presented is reliable, understandable, and prepared using an appropriate financial reporting framework.

Assurance services increase confidence in financial information by involving an independent Certified Public Accountant (CPA) who applies professional

standards and expertise to the financial reporting process. Depending on the needs of the organization and its stakeholders, assurance can take several forms—from audits to reviews to compilations—each providing a different level of confidence.

Understanding the Levels of Assurance

One common misconception is that all CPA-issued financial statements provide the same level of assurance. In reality, the degree of assurance varies significantly depending on the type of engagement performed.

Audit: The Highest Level of Assurance

An audit provides reasonable assurance that the financial statements are free of material misstatement, whether caused by error or fraud. While reasonable assurance is not a guarantee, it represents the highest level of assurance a CPA can provide.

To reach this conclusion, auditors perform procedures such as evaluating internal controls, testing transactions and account balances, confirming information with third parties, conducting analytical procedures, and

assessing estimates and judgments made by management.

At the conclusion of the audit, the CPA issues an opinion stating whether the financial statements are presented fairly, in all material respects, in accordance with the applicable accounting framework. Because of the extensive work involved, audited financial statements are often required by lenders, investors, governmental agencies, and other stakeholders who need the greatest level of confidence in an organization's financial reporting.

Review: Limited Assurance

A review engagement provides limited assurance, which is substantially less than the assurance obtained in an audit.

Rather than performing detailed testing, the CPA primarily conducts analytical procedures, inquiries of management, and discussions about financial performance and unusual fluctuations.

Based on these procedures, the CPA expresses a conclusion that they are not aware of any material modifications that should be made to the financial statements for them to conform with the applicable accounting framework. Reviews are often a cost-effective option for organizations that need some level of independent assurance but do not require a full audit.

Compilation: No Assurance

A compilation differs significantly from both an audit and a review. In a compilation engagement, the CPA

assists management in presenting financial information in the form of financial statements. However, the accountant does not verify the accuracy or completeness of the information provided and does not perform procedures to obtain assurance.

As a result, the CPA issues a report stating that no assurance is provided on the financial statements. Compilations can still be valuable for organizations that need professionally prepared financial statements for internal use or to satisfy certain reporting requirements, but users should understand that the CPA has not performed procedures to validate the underlying information.

Why Assurance Matters

The appropriate level of assurance depends on an organization's circumstances, stakeholder expectations, and financial reporting objectives. Regardless of the engagement type, involving an independent CPA can enhance the quality and credibility of financial information.

When lenders, investors, board members, donors, and other stakeholders see financial statements accompanied by a CPA's report, they gain a clearer understanding of the level of confidence they can place in the information presented.

In an increasingly complex business environment, credibility is one of an organization's most valuable assets. Whether through an audit, review, or compilation engagement, professional assurance services help organizations build trust, support informed decision-making, and demonstrate a commitment to financial transparency. ♦

Engagement Type	Level of Assurance	Primary Procedures	Report Result
Audit	Reasonable Assurance (highest level)	Risk assessment, testing of accounts, external confirmations, internal controls evaluation	Opinion on whether the financial statements as a whole are presented fairly in all material respects.
Review	Limited Assurance	Inquiries and analytical procedures	Conclusion on whether the financial statements as a whole are in need of material modifications.
Compilation	No Assurance	Present information supplied by management in financial statement form	Report states that no opinion, conclusion, or assurance is provided.



COX UNIVERSAL
GROUP



CLIENT FEATURE

Cox Universal Group



Q+A with

TRACY FLEENOR

CHIEF FINANCIAL OFFICER + CO-FOUNDER

Q. WHAT IS THE COX UNIVERSAL GROUP STORY?

A. The Cox Universal Group story really began more than four decades ago. Mitch Cox started his real estate development business in Johnson City in 1979 with a relatively small development and a willingness to take calculated risks, work hard and learn as he went. Over the years, Mitch Cox Companies grew from a local development company into a fully integrated real estate organization with capabilities in development, construction, architecture, brokerage, property management and hospitality.

Along the way, the company was fortunate to attract talented people who grew with the organization. I joined Mitch more than 35 years ago, and it has been incredibly rewarding to have a front-row seat to that growth and to help build the financial infrastructure needed to support it. One of the most important relationships in our history was with Shane Abraham and Universal Development & Construction. Mitch and Shane began working together many years ago, particularly in multifamily development. The partnership worked because each organization brought complementary strengths to the table and, just as importantly, shared similar values and a long-term approach to business.

In 2023, we took the natural next step and formally brought the organizations together to create Cox Universal Group. Today, Mitch serves as Chairman, Shane Abraham and Mitch's son, Philip Cox, serve as Co-CEOs, and I serve as CFO. Together, our team develops, constructs and manages multifamily, hospitality and commercial real estate throughout the Southeast.

While the scale of the organization has changed tremendously, the principles behind it really haven't. Our mission has long been to "Create Opportunities for Others to Succeed." That applies to our employees, investors, residents, tenants, business partners and the communities where we invest.

Q. WHAT ARE YOUR GOALS FOR THE FUTURE?

A. Our goal isn't simply to become bigger. We want to continue building a strong, sustainable organization that can thrive for generations. We see tremendous opportunity to continue growing throughout the Southeast, particularly in multifamily, hospitality and select commercial developments. Our vertically integrated platform is an important part of that strategy. Having development, design, construction, property management, brokerage and other disciplines working together allows us to control more of the development process and make better long-term decisions.

At the same time, we are very focused on disciplined growth. Real estate is cyclical, and after more than four decades in this business, we understand the importance of maintaining strong banking and investor relationships, being thoughtful about leverage, understanding our markets and surrounding ourselves with great people.

Another important goal is developing the next generation of leadership. Mitch and I have both spent much of our careers helping build these companies, and we want Cox Universal Group to be an organization that is not dependent upon any one individual. Shane, Philip and the rest of our leadership team are building on that foundation and positioning the company for its next chapter. Ultimately, success for us means creating long-term value while remaining true to the principles that got us here—integrity, hard work, stewardship, relationships and creating opportunities for other people to succeed.

Q. HOW HAS BCS HELPED YOU?

A. BCS has been part of our story for more than 35 years, and I don't use the word "partner" lightly when describing that relationship. As our organization has grown, the complexity of our financial and tax matters has grown with it. BCS has been alongside us through virtually every stage of that evolution—providing tax planning and tax return preparation, estate planning, audit and internal control assistance, IRS representation and guidance on complex transactions and tax issues.

What I have appreciated most is that the relationship has never felt transactional. When we have a difficult issue, we can pick up the phone and talk to people who understand our companies, our history and how we operate. They have taken the time to understand not only the technical tax or accounting question in front of them, but also the larger business objective behind it.

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In real estate, transactions can become complicated very quickly. Having advisors who understand partnerships, real estate taxation, construction, estate planning and closely held businesses—and who already understand our organization—is extremely valuable.

Over 35 years, you inevitably go through good markets, difficult markets, acquisitions, sales, audits, tax law changes, ownership transitions and plenty of situations you never anticipated. BCS has been there through all of it. There is also a strong cultural fit between our organizations. Relationships, integrity, stewardship and serving others are values that matter to us, and they are values we see reflected in BCS as well.

Q. ANYTHING ELSE YOU WOULD LIKE TO SHARE?

A. When I look back over more than 35 years, I don't think our story is really about buildings or the number of projects we have completed. It is about people and relationships. Real estate may be what we do, but relationships are what allowed us to build the organization

we have today—relationships with employees who have devoted significant portions of their careers to our companies, investors who have trusted us with their capital, bankers who have supported our projects, residents and tenants who choose our properties, and professional partners like BCS who have advised us for decades.

We are proud that a company that started in Johnson City more than 40 years ago has grown into an organization developing and managing significant real estate investments throughout the Southeast. But we are equally proud that our roots remain here and that many of the relationships that helped us get started are still part of our business today.

BCS is one of those relationships.

There aren't many professional relationships that last more than 35 years. For one to last that long, there has to be trust, mutual respect and a willingness to be there when things get complicated. BCS has earned that trust many times over, and we are grateful for the role they have played in our story. ♦