

# April 2022 INSIDE THIS ISSUE

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## 🌸 A SPRING QUOTES TO ENJOY 🌸

*"When spring came, even the false spring, there were no problems except where to be happiest. The only thing that could spoil a day was people and if you could keep from making engagements, each day had no limits. People were always the limiters of happiness except for the very few that were as good as spring itself."*

**Ernest Hemingway**

*"The promise of spring's arrival is enough to get anyone through the bitter winter!"*

**Jen Selinsky**

*"Spring is nature's way of saying, 'Let's Party!'"*

**Robin Williams**

*"Spring work is going on with joyful enthusiasm."*

**John Muir**

*"It is spring again. The earth is like a child that knows poems by heart."*

**Rainer Maria Rilkes**

*"Blossom by blossom the spring begins."*

**Algernon Charles Swinburne**

*"The first blooms of spring always make my heart sing."*

**S. Brown**

*"The flowers of late winter and early spring occupy places in our hearts well out of proportion to their size."*

**Gertrude S. Wister**

*"I glanced out the window at the signs of spring. The sky was almost blue, the trees were almost budding, the sun was almost bright."*

**Millard Kaufman**

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# THE FINANCIAL EDGE

April 2022



## TAKE TIME TO BE KIND

*Personal comments by Mary*

**“Constant kindness can accomplish much. As the sun makes ice melt, kindness causes misunderstanding, mistrust, and hostility to evaporate.”**

**Albert Schweitzer**

It's Friday night. My heart is racing. I am working on slowing down and getting recharged for next week's race. Today I felt like I was caught in a pinball machine. Constantly being bouncing from one issue to another. On April 18th the bell will ring and I can step out of the chaos. I always get done want needs to be done.

As my mind is settling down, I remember why I am here. I had a dream to create a business to use my knowledge and skills to help others. It is hard for me to believe there are now 5 of us here at Focus CPA. When I started, I strived to find small businesses to help. Now we strive to keep up with the work.

My biggest challenge is keeping my heart engaged and to be kind. Kind to

me and kind to those I serve. I strive to slow down enough to be polite, to take time to acknowledge others frustrations and confusion, to allow myself to feel disappointment and my own frustration. To be patient with me and with those I serve.

Taxes and money can be very stressful. Deadlines put even more pressure on those who need to deal with them. I tried. Sometimes I accomplished and sometimes I lost it.

Thank you for being patient with us this tax season.

*Mary Guldán-Lindström*



“I enjoy working with Mary because she at least has you prepared for tax day. Even though you may not enjoy sending checks into Washington DC, you at least know what to expect. There aren't any surprises on the last day. You can formulate a plan to make sure you have enough cash available to send in without losing sleep over the pending tax bill.”

Darin Spindler,  
*Serial Entrepreneur, Kids Bowl Free*

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## THE BOOK REVIEW

**TITLE:** Converted  
**AUTHOR:** Neil Hoyne  
**TOPIC:** Marketing  
**EASY TO READ:** \$\$\$\$ (4 out of 5 dollars)  
**APPLICABLE TO SMALL BUSINESS:** \$\$\$\$ (4 out of 5 dollars)

**Summary:** The author focuses on the human questions and behavior to monitor using technology to test marketing messages to reach and inspire the ideal customer to buy. He focused on customer lifetime value not just the next sale.

**My recommendation:** I was curious about winning the “Customer hearts with data. He encouraged curiosity, using front line data by just asking current customers and not waiting for an elaborate data project.

Pages: 204 | Published: 2022



## LLC: WHY ARE THEY STILL SO CONFUSING?

By Mary Guldan-Lindstrom CPA

Limited Liability Companies (LLCs) have been around since 1977. It is a legal entity regulated by the state, that offers liability protection benefits to the owners. However, the LLC is not a tax entity that is recognized by the IRS. That’s where the confusion starts.

### HERE ARE SOME FACTS

- Owners are called members and they own units instead of stock.
- In WI they have an Operating agreement on how they will manage the entity
- To start the number of members will determine how the entity will be taxed.
- By default
  - One member is treated as a sole proprietor. The LLC is considered a disregarded entity. It reports under the owner’s social security number.
  - Two or more members is considered a partnership and files a partnership return. The earnings and losses pass through to the owners and are included on their personal tax returns.
  - However, an LLC can also opt to be taxed as an S Corporation
- The members can be personally protected from any liability of the LLC. Note that if they are the only member that makes all the decision, they can be implicated as an individual.
- An LLC has no limitation on the number of shareholders an LLC can have, unlike an S corporation, which has a limit of 75.
- Any member or owner of the LLC is allowed a full participatory role in the business’s operation; in a limited partnership, on the other hand, partners are not permitted any say in the operation.
- An LLC dissolves when a member dies, quits or retires.
- An LLC provides flexibility from a tax standpoint. It can accept the default tax status or opt to be corporation or S corporation. It can take the tax attributes of a partnership and can split the earnings as they choose or it can take the tax attributes of an S corporation.

**BOTTOM LINE...** the LLC provides flexibility as the business grows.



# WHAT IS FINANCIAL SUCCESS TO YOU? FOUR STEPS TO ACHIEVE IT WITH A BUSINESS

By Mary Guldan-Lindstrom CPA

Financial success can be found in a variety of ways. The best way to achieve it depends on your current situation. Success can be found through a rewarding job, building a business, making an investment, funding a retirement account or a combination. Unless you are specific, how do you know when you will achieve financial success? The clearer you are on what you desire the better the chance that you will succeed. Creating a vision and setting expectations requires education, planning and preparation.

Many years ago I knew of a doctor who set the goal of saving \$1 million. He worked as much as he could to save. He gave up his time with family to earn it. He reached the million but didn't stop. He was afraid the \$1 million wouldn't be enough. He even continued to work while recovering from a brain tumor. He put the financial goal before his health and his family. Is this financial success while sacrificing other key elements of life? Define what you are willing to give up to achieve this goal.

Success in a business is complicated. First why would someone take the risk to start or purchase a business? It could be a desire to have flexibility with their own time, to work hard for their own benefit rather than for others, may just want a job, have a need to follow their heart or looking for an investment. Again many times it is a combination.

## NOW LET'S GO DEEPER...

- What does it mean to have a flexible time schedule? Is it to attend your children's school activities, pick kids up from school or take care of parents? For me I started my business to

not work 65 hours or more a week during tax season.

- If you feel that having your business will allow you to work hard and feel rewarded, make sure that your skill set is marketable. I wanted to avoid office politics and focus on working with customers.
- If you can't find your ideal job you create one. Be clear on your ideal job. Match abilities to potential income.
- Do you feel you are compromising your values or that there is a better way to do the job? Define the values desired in your work environment. I value competency and strong focus on customer.

## NOW LET'S FOCUS ON THE FINANCIAL SUCCESS SIDE...

When starting a business to replace your job the primary focus is to pay the owner an above average compensation package. If the business is intended to be an investment the definition of financial success changes. I pulled criteria from Warren Buffet's philosophies. His list focuses on a sound financial long term investment and includes the following characteristics:

- Generating an above average net income for that industry
- Maintaining a strong track record of earnings for years
- Producing a healthy return of 25% or more on your investment
- Reducing the financial risk with little to no debt
- Ability to reinvest the income to increase Business value.

## EVERY BUSINESS CAN MEET THESE NEEDS IF YOU FOLLOW THESE FOUR STEPS:

- |  |  |
|--|--|
| <p><b>1</b> Know what you want</p> <p><b>2</b> Determine options that are available to achieve what you desire</p> | <p><b>3</b> Find a plan that might work for you</p> <p><b>4</b> Then do it, refine it and keep doing it.</p> |
|--|--|

Starting or purchasing a business is a journey, some are more enjoyable than others. No matter what it is –it is always a learning experience.

**We are here to help you thru the process - whether it is planning, finding options, creating a plan or getting it done.**

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## SPECIAL OFFER

**WOULD YOU LIKE A FREE KRINGLE FROM UNCLE MIKE'S BAKERY SHOPPE?**

Just encourage a small business owner to set up a free discovery meeting with Mary at Focus CPA Inc. and we will send you a gift card for a free award winning and mouthwatering Kringle of your choice.

**A referral is the best compliment that we can receive.**

