

THE FINANCIAL EDGE

November 2022



MANY THINGS I TAKE FOR GRANTED

Personal comments by Mary

Every morning I write down 3 things I am grateful for. I recently noticed that what I take for granted does not hit that list. Once I thought about it, I was surprised by how many things I take for granted. I compared what I have, to what I saw when I was in Kenya last year. Here's just the start of my day.

- Most mornings I wake up after a good 8 hours of sleep. I sleep in a warm house, in a safe neighborhood, in a comfortable bed, protected from the weather. In Kenya many slept in shanties on dirt.
- I brush my teeth with plenty of clean water. The shower is nice and hot. In Kenya many were walking miles to collect water to drink, cook and bath.
- I open my closet and choose my clothes for that day. I have plenty of choices. I am not sure what Kenyan's do, however I did not see a closet or even a place to have a closet.
- For breakfast I open the refrigerator and choose what I want. There is plenty

of food. If we run out, we just go to the grocery store. I didn't see a refrigerator or grocery store.

- To get to work I hop into my car, that is reliable and full of gas and go to work. In Kenya walking was most common type of transportation. Next motor bikes, tuk-tuk (3 wheeled motorcycle) and matatus (privately owned minibuses used as shared taxis).
- It takes me 10 minutes to get to work and traffic is fairly light. The traffic lights work and the roads are paved. In Kenya the traffic was hectic at the best. 5 lanes of traffic in 3 marked lanes. No construction detours. Nairobi has 42 stoplights and not all the roads are paved.

That's just the start of my day. I have so much to be thankful for!

Mary Guldán-Lindström



☞ What intrigued me to first work with Focus CPA is they strive to help small businesses. After sitting down with Mary for my discovery meeting, I knew it was an instant fit! She was extremely helpful in structuring an outline of where I was, where I needed to be, and how we can get there, together. After just several months of meetings and cleaning up all my records with Mary, I am now confident in getting a loan for my business expansion. I will have accurate financial results, showing the evident growth my business is experiencing. This was all from the help of Focus CPA. I am excited about what my future may bring, and I owe much of it to the people at Focus CPA for helping me get there! ⁹⁹

Toni Maretti, Owner
Momentum Carnivore Nutrition

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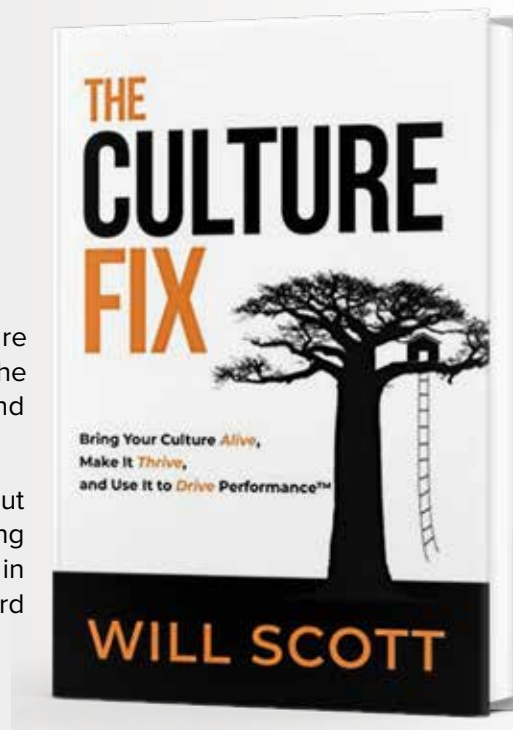
THE BOOK REVIEW

TITLE: The Culture Fix
AUTHOR: Will Scott
TOPIC: Culture, Business
EASY TO READ: \$\$\$\$\$ (5 out of 5 dollars)
APPLICABLE TO SMALL BUSINESS: \$\$\$\$ (4 out of 5 dollars)

Summary: Will Scott, the author, shows how culture can bring life to your business and maximize the results. He provides actionable steps to define and enhance the power of your culture.

My recommendation: Will is very passionate about business and culture. He shows how culture can bring focus, fun and power to changing the world we live in and delivering results. I wish corporate world heard about the fun part of this 40 years ago.

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NEW RULES FOR WISCONSIN LLC'S

BY MARY GULDAN-LINDSTROM CPA

Effective January 1, 2023 the rules change for Limited Liability Companies and Limited Partnerships. Here's a list of the changes that may impact an LLC;

- A Limited Liability Company (LLC) can now be formed for non-profit purposes.
- Articles of organization can allow optional provisions. A new LLC is no longer required to choose between managed by members or managed by managers.
- Operating agreements can be oral, written or implied. However certain items must be written to be effective, including items such as managed by manager and anything that changes fiduciary duties owed by the members.
- New members are now allowed to be admitted as a member without making a contribution.

- A member of a member managed LLC is not an agent solely by being a member. The LLC can file a statement with WI Department of Financial Institutions (WDFI) to identify who is an agent.
- Allows mergers, conversions and exchanges.

If you prefer the old rules, an existing organization can file a statement on non-applicability with WDFI before January 1, 2023.

As far as I can tell, these changes have little impact on taxes. In some cases, it appears they are changing the law to agree with what is currently being done.

If you have any concerns or questions, please contact an attorney.



2022 TAX PLANNING IDEAS TO REDUCE YOUR TAX BILL

BY MARY GULDAN-LINDSTROM CPA

Tax time is just around the corner. Here are some steps you can take to minimize your personal income tax bill.

MAXIMIZE RETIREMENT CONTRIBUTIONS.

- 401(k) contributions limit is \$20,500 (\$22,500 in 2023) with a catch-up contribution of \$6500 (\$7,500 in 2023) for those 50 or over – max of \$27,000 (\$30,000 in 2023).
- Traditional IRA plans of \$6,000 (\$6,500 in 2023), with a catch-up contribution of \$1,000 for those 50 and over – max \$7000. For those covered by a workplace retirement plan such as a 401(k), there are phase outs in which you can deduct it. Please check with your advisor to determine the maximum amount in your situation. Contributions are due by April 15, 2023.
- Simple IRA contribution limits are \$14,000 (\$15,500 in 2023) with a catch-up contribution of \$3000 (\$3,500 in 2023)
- If you are self-employed, you may be able to contribution up to 25% of your net income to a SEP IRA or Keogh plan, maximum of \$61,000 (\$66,000 in 2023). Contribution has to be made prior to filing your return or due date.

FUND A HEALTH SAVINGS ACCOUNT. If you have a high deductible insurance policy that qualifies, a business owner can fund an HSA account for \$3650 (\$3,800 in 2023) single or \$7300 (\$7,750 in 2023) for a family policy. There is also a \$1000 catch up for those over 55. Contributions for 2022, are due by April 15, 2023.

MAXIMIZE YOUR HEALTH INSURANCE TAX CREDITS. If you receive tax credits to reduce your health care insurance premiums watch

your income. If it exceeds \$68,960 for married folks you will be denied the tax credit and get charged the full premium, which could be close to \$25,000.

CAPITAL GAINS. Review your capital gains and capital losses to minimize your overall taxes.

- If you have capital losses over \$3000, consider generating capital gains to utilize the loss. You can only take a \$3000 loss; the rest will be carried forward.
- Donate appreciated stock. You can avoid the capital gain income on appreciated stock if you donate the stock directly to the nonprofit (501c3). You receive the fair market value for the donation and avoid the capital gain income.
- Consider directly donating a part of your retirement account directly to a nonprofit. This can reduce your taxable income if you are over 70 1/2, up to \$100,000.

LIKE-KIND EXCHANGES. If you plan to sell investment real estate, consider doing a like kind exchange. By purchasing a higher cost property, you can roll the gain into the new property and defer the gain until you sell the new property. **Know the rules before you do this.**

ITEMIZED DEDUCTIONS in most situations will not provide a tax benefit since the standard deduction increased to \$12,950 and \$25,900.

These suggestions are for discussion purposes. Majority of the items mentioned have very specific requirements. The requirements can be complicated and may yield different results based on your unique situation.

To learn more about your options - please CONTACT us for a "Tax Planning" meeting to understand the full implication of the items mentioned above.

"Improving the lives of small business owners" **FOCUS** CPA Inc

TAX PLANNING

The year is almost done! There is less than 2 months or 45 days to take action.

We will review your tax situation, estimate your tax liability, provide options to reduce your overall taxes and determine your cash needs. Tax time is right around the corner.

Contact our office to schedule a time.

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- OR -

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DID YOU KNOW: ODD FACTS ABOUT THANKSGIVING

The first Thanksgiving was celebrated in 1621 in Plymouth, Ma. It wasn't observed as a national holiday until 1863, 240 years later.

Pumpkin pie wasn't served at the first thanksgiving. The Pilgrims didn't have ovens for baking. They lacked the butter and flour necessary for pie crust. Culinary historians believe the first Thanksgiving meal consisted largely of seafood, like mussels, lobster, and clams. Diners almost certainly ate venison and likely some assortment of wild fowl—turkey, duck, goose and swan.

Only male turkeys gobble.

The largest pumpkin pie ever baked weighed 3,699 pounds and measured 20 feet in diameter

There are four places in the US with turkey in their name! While these are all super small towns, they do include 'turkey' in their names! Turkey, Texas (pop. 389), Turkey Creek, Louisiana (pop. 459), Turkey, North Carolina (pop. 295), and Turkey Creek, Arizona (pop. 294).

Big Bird's costume on Sesame Street is made of turkey feathers that have been dyed yellow.

From www.babyquip.com/blog/thanksgiving-facts