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FOTO Op

Reaching for the Stars



You've seen the ads, the billboards, you've heard the commercials. The Griffith Observatory has reopened and has the attention of the entire universe. But did you know that SPS contributed to the galactic effort?

Griffith Observatory is "Inspiring the future one imagination at a time" and SPS is there to help. David Primes is Treasurer of Friends of the Observatory (FOTO), which is a private organization that has raised funds as well as managed the development and construction of the renovation and programs. David and his wife Joyce are also private donors...you can see their names on a plaque at the FOTO Office at Griffith Observatory. SPS, as a firm, also offers pro bono accounting to FOTO. Specifically, we essentially function as the organization's financial arm. SPS also contributed to the gala opening and is a Meteor Sponsor.

All of the firm's partners were there at the opening gala to celebrate what we believe to be an important chapter in the evolution of our city. It was the hottest ticket in town, and we were among the first to experience the new "Centered in the Universe" show, so it was definitely a night to remember.

Everyone associated with SPS can feel they have had at least a little part in contributing to this important moment in the history of our city.

Celebrating our Silver Anniversary

Yet Still Looking Pretty Good

As some of you might know, we just completed our twenty fifth year and are poised for big things ahead.

We started strong with a bold move by Steve Sobul to form a new firm, and have spent the last quarter century building a team with the experience, knowledge and enthusiasm needed to help our clients thrive. Because, in the end, our clients are the only reason we're still here. We've known this from the very start, and also know that the greatest value we can offer is to adopt a clients' problem and solve it as if it's our own.

We still maintain some of our earliest clients and take great pride in having worked with more than one generation as leadership of businesses has been handed down. We also look around the office and see familiar faces. Steve Sobul still graces our halls. Rick Schenkel, David Primes, Chris Morris and Samir Rimawi have been here since the first day of the firm. Jeff Cameron and Carol Fima weren't far behind, joining us over 20 years ago. Steve Levitt has been with the firm for more than a decade, as have Valerie Chamberlain, Bonnie Ross and Cathy Tiffany. So you can understand why we think of this place as home and our people as family. After all, what other firms do you know that have had the same leadership, the same address and the same phone number for more than two decades?

The World Meets at Bellagio

The 49th Annual Meeting of CPA Associates International



They came from Sydney, Tokyo, London, Milan, Toronto, Mexico City and just about every corner of the United States. The one thing that everyone had in common was membership in CPA Associates International, the organization that gives SPS clients global representation.

Most of the SPS partners and their wives were there, building relationships and exploring all of the possibilities that come with a global network of accounting experts. Members of CPA Associates International share SPS's commitment to helping clients thrive and offer expertise in a vast array of business services, virtually every type of industry and in over 230 offices just about anywhere on Earth. Seminars explored aspects of accounting, assurance, practice management and taxation.

In the end, CPA Associates International essentially means that your beloved SPS operates on your behalf beyond borders and without limitation.

Spotlight on Retirement Plans

What you need to know about recent law changes and creative retirement plan strategies

By Dick Kaplan, Benefit Planning, Inc.

When businesses are highly profitable, retirement plans should be considered because these plans can have a dramatic impact on your tax bill. I know from working with SPS over the years that many of their clients have very successful businesses and like most business owners are looking to keep the tax bill down. Since there have been some major new law changes in the retirement plan area it's probably a good time to review your retirement plan strategy.

The first thing to note is that Defined Benefit plans and Cash Balance plans are becoming more popular than ever as vehicles to create big tax deferrals for company principals. Also, reporting and tracking is now much easier on Cash Balance plans and some of the uncertainty that existed on these plans has gone away with the recent law changes.

Every business has its own unique situation, but here are two examples of the kind of impact that a creative retirement plan strategy can have for business owners. The objective in these examples is to maximize retirement plan contributions for the owners while keeping the cost for the non-owner employees to a minimum.

Scenario One: Five owners over age 50, each with compensation in excess of \$225,000 and 20 employees with an average age of 35 and average income of \$40,000.

Recommendation: A combination of a Cash Balance pension plan and a Profit Sharing plan.

Results: A total annual contribution to the plans for each owner of up to \$150,000 (\$750,000 total for the owner group), with a total annual contribution of \$64,000 for all of the non-owner employees combined.

Scenario Two: A service company owned and operated by a married couple. Both spouses are over 50; one earning in excess of \$225,000 and the other earning \$50,000. There are five younger employees earning an average of \$30,000 each.

Recommendation: A Defined Benefit pension plan with an add-on 401(k)/Profit Sharing plan.

Results: A total annual contribution of \$240,000 for the owners at an annual cost of just \$34,500 for the employees.

SPS clients who are interested in learning about similar opportunities for their own businesses should contact SPS. Benefit Planning will be ready to come in as part of their team to solve any specific issues you may have.

