

Client Tell

Blackburn, Childers, and Steagall, PLC
Certified Public Accountants and Consultants

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Blackburn, Childers & Steagall, PLC Quarterly Newsletter



LONG-TERM CARE BY BRANDY BRADLEY AND PAUL HOILMAN

Have you made plans for your long-term care (LTC)? The US Department of Health and Human Services reports that 70% of people turning 65 will need some form of LTC. Most of us tend to think first of nursing home care, but this could also include home modifications as a result of illness, in-home medical care, adult day care, senior communities, and continuing-care retirement communities. Please consider these questions.

- Do you plan to rely on Medicare for LTC and medical expenses? Although Medicare will cover specific costs of care, you must first meet a list of requirements. A three-day hospital day, “skilled” care prescribed by a physician, and a direct link to the condition that required hospitalization are a few of the conditions that must be met before you will qualify for Medicare coverage. Please keep in mind that Medicare is also limited to 100 days of skilled care.
- Do you plan to rely on your family? Many individuals

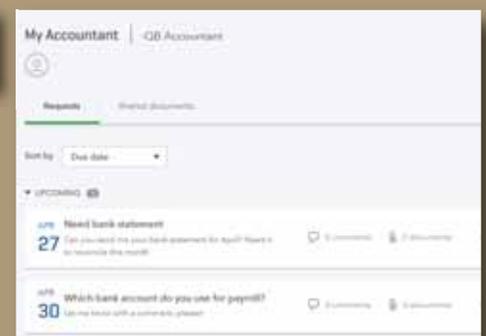
assume that family members or friends will volunteer their time to take care of them as they age. Today’s families are more mobile and more spread out than the families of the past. Even if family members do live nearby, they are likely to have jobs themselves. According to the *AICPA Journal of Accountancy*, 33% of family caregivers spend more than 30 hours a week giving care, and 60% of family caregivers say that providing this care has negatively affected their own work. Caregiving requires considerable commitment, so you should discuss your plans with family and friends.

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QUICKBOOKS ONLINE UPDATES

QBO has released a new feature called the “My Accountant” tab. In this area, you can view requests from your accountant and send documents securely through QBO (see screenshot of a sample company). Other updates recently rolled out or coming soon include: 1) The “Home” menu item changing to “Dashboard.” 2) Significant changes and enhancements to navigation, requiring fewer clicks to access key activities and personalization options.





THE DISCIPLINE OF GRATITUDE

SPECIAL VIEWPOINT GUEST WRITER: DAVE MCAULEY

Gratitude is a life changer. “Gratitude can transform common days into thanksgivings, turn routine jobs into joy, and change ordinary opportunities into blessings.” -William Arthur Ward

Recent scientific studies have discovered that simple thoughts of gratitude change the chemistry in our brains. Feelings of happiness and well-being flow out of focusing our thoughts on those things for which we are thankful. Even in the midst of the most difficult circumstances, discovering thoughts of gratitude will bring comfort. Researchers have also discovered that personal satisfaction and fulfillment flow out of feeling grateful.

The greatest detractor of gratitude is busyness. The very pace of life with pressing deadlines, long “To Do” lists, conflict and the demands of others, will push thoughts of gratitude to the backs of our minds. That’s why I believe we need to develop a “Discipline of Gratitude.” We need to take intentional pauses during our day to identify those people, things, and circumstances for which we are truly thankful.

Let’s take the challenge to plan several gratitude time outs throughout our busy day. I personally like to take a few minutes before a meal to bow my head and thank God, not only for the food, but also for the blessings in my life. Time in the car is another great time to reflect on thoughts of thanksgiving on our way to work, between appointments and on the way home. Gratitude changes our perspective and connects us to hope.

There are five dimensions to gratitude:

1. Personal – has a “me” benefit
2. Others – has a “they” benefit

3. Relational – has a “we” benefit
4. Conditional – has an “it” benefit
5. Actions – has a “forward” benefit

Personal gratitude is expressed by being thankful for anything that blesses “me.” Gratitude for the blessings in someone else’s life will also produce positive feelings in us as we celebrate how “they” benefited. One of the richest forms of gratitude is the thanksgiving we express with family and friends. Relational gratitude is powerful as we appreciate the blessings “we” share. The most challenging form of gratitude is conditional gratitude: finding something positive, the “it” that we are thankful for in the midst of difficult circumstances. Many people who have gone through a hard time will testify that even though they wouldn’t have chosen that path, good things came out of it. They can relate to how Charles Dickens opened his novel, *A Tale of Two Cities*: “It was the best of times, it was the worst of times...” Finally, gratitude has an action dimension. People who are grateful are also generous people. Grateful people like to give others a reason to be thankful as well. Grateful people “pay it forward” through acts of kindness, serving and being generous with their time and resources. Gratitude is contagious.

“Gratitude unlocks the fullness of life. It turns what we have into enough, and more. It turns denial into acceptance, chaos into order, confusion into clarity. It can turn a meal into a feast, a house into a home, a stranger into a friend.” -Melody Beattie

Be intentional about being thankful; practice the discipline of gratitude today.

Continued from front page

- What is the best fit for your financial situation? LTC insurance premiums can be significant. If you are unable to make the premium payments and drop your LTC coverage, that money will be lost. New hybrid products, which have been recently introduced, are another option to consider. Unlike the traditional LTC insurance products of years past, the hybrid LTC products now offered by insurance companies provide for guaranteed premiums that will not increase. Some offer a single-pay or 10-pay premium option with guaranteed LTC benefits, indexed for inflation, a death benefit, and a substantial cash surrender value. We recommend planning for LTC in your 50s, but planning could occur between your late 40s and late 60s.

- What are the tax benefits of LTC insurance? You can deduct these premiums as medical expenses on your tax return if you itemize. And if you are self-employed, the premiums can generate an above-the line deduction. Do keep in mind that premiums paid for hybrid LTC policies will not be deductible to the same extent that premiums paid for traditional LTC policies would be.

When LTC is needed, a properly designed insurance policy can protect the assets you have accumulated over a lifetime and can keep family relations from unnecessary strain. If your health allows you to qualify, now may be a good time to investigate your LTC coverage needs. LTC costs are on the rise; since 2011, costs have increased between 11-19%. Please take the first step by talking to your family or by calling us today.

WELCOME NEW AUDIT DEPARTMENT INTERNS



Sydney Dennis is a senior at the University of Tennessee and plans to graduate in May 2018 with a degree in Accounting and Finance. She attends First Christian Church.



Kim Robinson is a 2017 graduate of Milligan College with triple degrees in Accounting, Business Administration and Computer Information Systems. She attends First Christian Church.

FOOD TRUCK FRIDAY

Special thanks to Me & K's Food Truck for coming to our office to cater a meal for us during tax season. Me & K's is one of our tax clients and they serve delicious tacos made with fresh ingredients. Visit their Facebook page to locate them!



JENNY'S FAVORITE THINGS SALE

ESTHER & ELLA Esther and Ella Boutique
April 19, 18

Jenny's Favorite things sale!!!
SIC BOGO 50% Tees BOGO 50%

Celebrating the end of another tax season... we are honoring the amazing Jenny Bowman. This lady is our rock and we couldn't be Esther and Ella without her. Added bonus she keeps us out of jail. If you have a second take a minute and tell her thanks, because I promise Esther&Ella wouldn't exist without her.

Who needs Oprah when you have Jenny...
Bc she loves her coffee and she wants if not she has to have her SIC CUP so BOGO 50% off all SIC.

And we see some restful days now that tax season is finally over so all tees BOGO 50% off



How many people can say they've had a retail sale named after them? Esther & Ella Boutique named a special after tax season sale for their favorite accountant, Jenny Bowman, manager in our Greeneville office.

CLIENT FEATURE



“We started out in 2004, renting a storage unit and using Randy’s dad’s garage,” said Jarrod Reed, who is one of the owners of Premier Landscapes, along with Randy Price. Now, Premier is outgrowing their building and land on Shipp Street in Kingsport and currently employs 45 people.



Randy and Jarrod met at the University of Tennessee, where they both earned degrees in horticulture. Both of them started out by mowing lawns in high school. Finding labor, according to Jarrod, is the biggest challenge their business faces.

Premier (previously known as Premier) is a state-licensed, full-service landscape, hardscape, and tree company. They design, build, and maintain landscaping and hardscapes (patios, fireplaces, retaining walls) for any size job, from residential to large commercial and governmental clients. Not just a seasonal company, Premier also does snow removal and related work in the



PROMIER LANDSCAPES

winter. Promier is a Tennessee Drug Free Workplace.

Since 2014, Promier has been a BCS client. “We needed help from someone who would call us back and respond to us. Amanda Bowlin is always available, and she’s patient, and she’s good at explaining things!” said Jarrod.

“We plan projects using 3-D design, and that way the client really sees how everything will come together,” said Jarrod.

“One of the pool and patio areas we designed and built was on the cover of the Belgard paver catalog a couple of years ago,” said Jarrod. A poster-sized cover of that catalog hangs in their front office.

Promier excels at turning a vision into reality; the pictures speak for themselves!

Photography by Peter Nelson Photography and Promier





BY NICK CLAY

SOCIAL SECURITY

The mention of Social Security usually brings up feelings of various sorts. Some feel confidence in the 82 year-old program. Others, especially those far from retirement, feel apprehension of ever seeing any benefits.

A lot has been postulated in recent years about Social Security's challenges. The strain comes from changing demographics and the wholesale retirement of Baby Boomers. One poll suggests 68% of future retirees worry about Social Security running out of money. Another poll finds most millennials believe they are more likely to see a UFO than to receive Social Security one day.

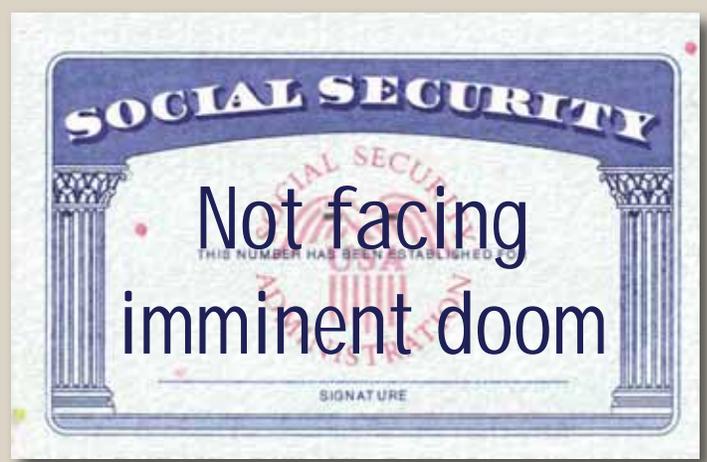
So how secure is Social Security?

Fortunately, its future may not be as bleak as many believe. The 2016 Annual Report of the Board of Trustees, a behemoth 272 page report about the financial condition of the system, gives an update. The system is probably in better shape than many know, and it is not going bankrupt the way many fear.

Social Security has run at a surplus every year since 1984, which is expected to continue until 2020. That will be the first year the system will be paying out more than it is taking in (reflecting the Baby Boomers being mostly retired.). From 2020, the Trustees project the system can operate as presently established until 2034, at which time the trust

fund would be depleted.

In a worst case scenario, if nothing is done about Social Security's 2034 shortfall, projected revenues from payroll tax and tax on actual Social Security benefits will be enough to fund 74% of scheduled benefits through 2090. The imbalance of the rest of the 26% from 2034-2090 is only a small piece of GDP and, for illustration, a smaller economic burden than the cost of war in Iraq or Afghanistan.



The Trustees make three sets of projections using different productivity and unemployment averages. The projections discussed in this article are the intermediate set. There is never a shortfall under their optimistic projections. Nevertheless, it is prudent to assume a 2034 or earlier shortfall. What are some ways lawmakers could address it?



- Raise the cap on earnings subject to Social Security (In 2017, the cap is \$127,000.)
- Raise the payroll tax
- Raise the eligibility age or stiffen eligibility requirements
- Change the percentage increase each year someone waits to take Social Security
- Invest differently

President Trump has stated he has no intentions of privatizing the system or raising the age levels. He stated last year, "I will do everything within my power not to touch Social Security... not increase the age and to leave it as it is."

It is difficult to guess how and when lawmakers might approach Social Security. Headlines in 1982 warned Social Security would go broke in 1983. At the last minute, as often happens in Congress, the Amendments to the Social Security Act were signed into law, preventing a collapse.

Those of us not retired yet can find personalized estimates of our future benefits at ssa.gov/myaccount. Please feel free to reach out if you would like to discuss your Social Security benefits within the context of your overall retirement planning. Social Security is an important topic to all of us, and it is good to learn it is not facing imminent doom.

BCS IT DEPT. SENDS LAPTOPS TO KENYA

Due to the efforts of the BCS IT Department (Don, David, Jon, and Ryan), nine laptop computers are headed to Kenya. Once there, Kenya Kids Can will equip these computers for primary school children in remote areas. The schools in these areas have no electricity and limited teaching resources. Each computer center is constructed from a 20 foot shipping container with solar panels. Kenya Kids Can is a part of African Inland Missions and more information about them can be found at their website (kenyakidscan.org).



UPCOMING SEMINARS

NONPROFIT LUNCH & LEARN

Tuesday, August 15, 11:00-1:30 at Summit Leadership in Johnson City. Who should attend: executive or accounting positions in nonprofits and board members. Cost is \$20.

CHURCH FINANCE WORKSHOP

Thursday, October 12, choice of 11-1 or 6-8 at Bank of TN in Johnson City. Who should attend: anyone involved in church finance. Cost is \$20.

TO REGISTER, VISIT BCSCPA.COM OR CONTACT KENDRA HOPSON AT 423.282.4511 OR KHOPSON@BCSCPA.COM.

BCS Blackburn, Childers & Steagall, PLC

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CHANGE SERVICE REQUESTED

NEW PARTNER AT BCS WEALTH: MYRA O'DELL

Congratulations to Myra O'Dell, the newest partner at BCS Wealth Management. Myra is a CERTIFIED FINANCIAL PLANNER™ practitioner and has been with the firm for over 13 years. She specializes in working with individuals to provide retirement planning, wealth preservation and investment advice. She also has a focus on estate planning and working with trustees, executors and beneficiaries by helping them to navigate through procedures and responsibilities. Myra is available for complimentary consultations, and you can reach her at 423.283.9821 or myra@bcswwealth.com.



BCS RANKED AS 16TH LARGEST CPA FIRM IN SOUTHEAST REGION BY *ACCOUNTING TODAY*

Top Firms: Southeast

Arkansas, Georgia, Kentucky, North Carolina, South Carolina and Tennessee
Total revenue: \$1,229.29 million. Average firm growth: 9.47%

Firm	Headquarters	Rev. \$ mn.	% chg.	Offices	Partners
Dixon Hughes Goodman	Charlotte, N.C.	394.00	12.25	28	155
Cherry Bekaert	Richmond, Va.	164.20	14.19	12	55
Elliott Davis Decosimo	Greenville, S.C.	125.00	6.84	9	93
LBMC	Brentwood, Tenn.	86.59	5.19	3	45
Aprio	Atlanta	76.32	3.79	2	25
Frazier & Deeter	Atlanta	74.01	10.56	5	16
Mountjoy Chilton Medley	Louisville, Ky.	48.70	12.50	5	43
Mauldin & Jenkins	Atlanta	44.80	-0.33	6	37
PYA	Knoxville, Tenn.	41.62	5.34	5	16
Bennett Thrasher	Atlanta	41.35	14.13	1	34
Smith & Howard	Atlanta	26.05	4.62	1	10
Dean Dorton Allen Ford	Lexington, Ky.	25.61	19.62	2	24
Windham Brannon	Atlanta	25.38	11.95	1	13
VonLehman & Co.	Ft. Wright, Ky.	18.85	6.32	3	18
Porter Keadle Moore	Atlanta	13.31	18.84	1	13
Blackburn, Childers & Steagall	Johnson City, Tenn.	11.80	10.49	3	11
Hancock Askew	Savannah, Ga.	11.70	4.65	3	10