

The ALLIED PERSPECTIVE

WINTER 2025

JOYFUL TIDINGS

As we welcome 2025, we want to thank you for trusting Allied with your financial needs. It's been our privilege to support you, and we look forward to continuing that partnership throughout this new year – our 15th Anniversary! May this season of old and new bring you and your loved ones peace, joy, and prosperity. Here's to a bright new year ahead and another 15 years of trusted partnership.

Important Announcements

1 As we evolve, we want our branding to accurately reflect who we are and where we're headed. Check out our new look and websites! Please note, with our new branding, all email addresses for our employees will change to reflect the entity that they work for following the first of the new year. Thus, accountant emails extensions will be "@alliedcpa.com" and financial services will be "@alliedfinancialservices.com." Old email extensions will be rerouted to our new emails.



alliedcpa.com



alliedfinancialservices.com

2 Rochester and Victor office locations have consolidated at 90 Linden Oaks, Suite 100, Rochester, NY 14625. **REMINDER:** If you are mailing documents to our office, please check the address before you send. Uploading documents through our secure CCH Access tax portal is always an option.

Toys for Tots

This year, as in years past, we have made a donation to **Toys for Tots** on behalf of our clients, in lieu of a holiday card! Through this gift, clients like you can help to make the season a bit brighter for kids across Upstate New York. **Thank you for your support in all that we do for the communities we serve.**



Aimee Berkemeier, CPA
Partner

Charles R. Chapin, CPA
Partner

Heath Hendrickson, CPA
Partner

Jason Mayausky, CPA
Partner

Justin Bentley, CPA
Partner

Kenneth E. Ingersoll, CPA
Partner

Thomas M. Tette, CPA
Partner

David A. Younis, CFP®
Partner/Director of Financial Services

If you are not currently subscribed to our e-newsletter and you'd like to receive timely and valuable information and notices from us, please contact our Director of Communications with your current email address: **Andrea True** at atru@alliedfp.com.

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Reflect, Review, and Plan: Starting 2025 Right

By Aimee Berkemeier, CPA | Partner

Here at Allied, we are neck-deep into planning season – it’s an annual opportunity to have conversations with clients about everything from new babies to winding down businesses. And, while you may not need tax projections or planning done, we’ve found the questions below to be helpful conversation starters for everyone as you look back at the past year and make plans for the new one.

If you’re a business owner:

- Have you reviewed your 2024 expenses for 1099 reporting requirements? If there are new vendors that will require a 1099, do you have a W-9 on file for them?
- How did you do with tracking mileage during 2024? Should you consider using a different tracking method to make it easier for yourself in 2025?
- If you’re operating as an S-Corporation, have you reviewed your own compensation recently to check for reasonableness?
- Do you know what your net profit for the year is? Is there anything you can do differently in 2025 to make it easier to track? Are there income or expense categories that present an opportunity for new revenue streams or cost cutting?
- Are you looking at a sale or gift of your business in the next few years? Are there steps you can be taking now to make that transition smoother?
- How is your work/life balance? If it’s lacking balance, are there responsibilities that can be outsourced or streamlined to “gain time back”?

If you file an individual tax return:

- If you have one, have you met with or spoken with your financial advisor in the past year to review your accounts and to make sure you are still on track to meet your financial goals?

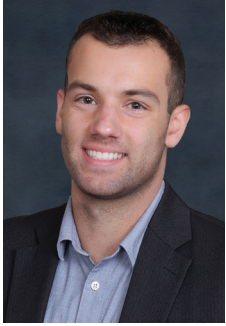
- If you’re in a high tax bracket and are charitably minded, have you considered contributing to a Donor Advised Fund or utilizing a “bunching” strategy?
- Did you make any home improvements during 2024 that are eligible for tax credits? Collect those invoices now to save time later (common eligible improvements are windows, insulation, exterior doors, boilers, furnaces, etc.)!
- Did you receive income from a new source during 2024 that could result in extra taxes due in the spring? You may want to consider discussing this with your accountant ahead of time so that you’re prepared for the potential tax liability and possibly consider making a payment before January 15 to avoid penalties and interest.
- Have you reviewed your employee benefits recently to make sure you’re maximizing their retirement matches, health insurance benefits, and opportunities to purchase supplemental disability or life insurance policies?
- How does your emergency fund look? If it’s a little bit light, are there things you can do to shore it up in 2025?

Were you able to answer those questions positively? Are there some you think might need a little more thought or effort? Don’t fall into the comparison trap and assume everyone else has “got it all together” while you’re a hot mess! The truth is that everyone has something to work on. There are many resources available to address each of these items, and, as always, we are an email or phone call away to assist in any way we can! As you take time to work through these questions, please take time to also reflect on the non-financial aspects of 2024 – time with family, new friends made, the many beautiful days we’ve had, Northern Lights seen (or the hope to see them next time in my case), etc. – and don’t lose sight of these things!

Calendar of Events

We offer a variety of educational seminars throughout the year, so be sure to check our monthly eBlasts and website for details about upcoming events!

If you have a suggestion for a seminar topic that would be of interest to you, please email your suggestion(s) to our Director of Communications, Andrea True at atru@alliedfp.com.



Introducing Allied's Newest Partner, Jake Sadwick, CFP®

Jake Sadwick was raised in Hilton, NY, and graduated from the University of Rochester in 2018 with a bachelor's degree in Financial Economics. Jake has a long held passion for providing

both financial analysis and advice. After graduating from college, Jake began his career at Morgan Stanley where he worked with a team of Financial Advisors focusing primarily on investment management. Jake completed his study as a Certified Financial Planner™ Practitioner in 2022, allowing him to offer a higher level of fiduciary service. In 2019, Jake joined Allied Financial Partners as a Financial Advisor, looking to bring additional value to his clients who were frequently seeking a comprehensive suite of services in addition to asset management. Jake believes that, in order to help clients achieve their financial goals, he must first understand each part of their financial life. This, in turn, allows him to provide the financial education needed for clients to understand their own financial lives more deeply and, thus, be better equipped to make sound financial decisions. Jake is looking forward to developing more client relationships and continuing to help his clients define and achieve successful outcomes.

Welcome to the Team!

Divya Raji Attili
Staff Accountant, Rochester Office

Kiana Diaz
Staff Accountant, Rochester Office

Julie Fisher
Staff Accountant, Perry Office

Laura Garcia
Bookkeeper, Rochester Office

Indu Gundaboina
Staff Accountant, Rochester Office

Sara Menth
Audit Manager, Buffalo Office

Larissa Ropitzky
Senior Accountant, Rochester Office

Kelsey Stosser
Administrative Assistant, Perry Office

Thiri Thaw
Senior Accountant, Perry Office

Gina Whitney, EA
Tax Manager, Rochester Office

Keep Up the Great Work!

Linda Hafner
Promoted to Senior Accountant

Alicia Miller, CPA
Received CPA Certification

Congratulations on Retirement! Thank You for Everything!



Julie Gilbert



Donna Hall



Dick Romer, CPA



Jim Weibel



Jodi York



From Anxiety to Innovation: Reflections on 2024

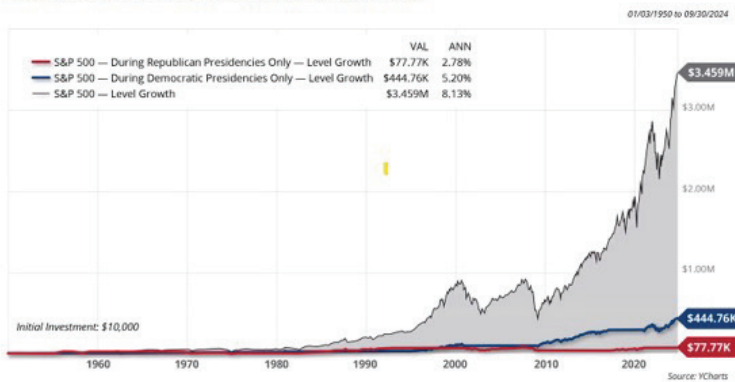
By David A. Younis, CFP® | Partner

As we gear up for 2025, we look back at a year that began with election anxiety, questions about “soft landings,” rising geo-political tensions, inflation’s impact and uncertainty over the direction of interest rates, and a new global

awareness of the AI revolution. Reflecting on where we started and where we find ourselves now, we cannot help but feel the pull between fear and relief; we find ourselves moved by forces that feel bigger than we are, as well as innovations that move faster and faster every year.

Whenever I write after an election, I cannot help but acknowledge that our country’s reaction to the result is very divided; in almost equal parts, people are finding that the next four years come as either sweet relief or a source of disappointment and anxiety. There are many reasons to feel strongly that have nothing to do with financial concerns, but with that being understood – investing through a political lens can leave you with lackluster returns over time; take a look at this chart:

Investing Based on Preferred Political Party vs. Staying Invested



The takeaway from this chart is that staying invested, regardless of which party is in office, has the greatest potential impact on your returns.

At this time, it is difficult to weigh the impact of potential forthcoming policy, whether related to taxes, immigration, tariffs, etc., under a new administration. For this reason, we would be on guard for a market that experiences more volatility than we enjoyed last year. If this volatility worries you, please don’t hesitate to call so that we can either make adjustments or bolster your resolve to stay the course.

Global markets fared well in 2024; a 60/40 portfolio returned around 9-14% depending on the type of stocks owned. However, markets care most about corporate earnings, so the question becomes: Will corporations continue to be profitable in the near term? For the moment, the expectation is to see earnings growth over the next two years that

would exceed 10% annually. With growing profits, you should expect to see prices for stocks broadly rise alongside those earnings.

But also remember, the market is an emotional beast that devours the news moment to moment. Headlines and short-term thinking drive markets on a daily basis. Over time, the push and pull of short-term thinking yields longer-term wealth creation if companies can innovate while adapting to both consumers’ changing preferences as well as changing legislation. While we’ll need to remain nimble, we still want to think like investors and find opportunities for wealth creation over the long-term.

The last few years have seen our economy move from a high-growth/ high-inflation environment to what is likely to be a lower-growth/ lower-inflation world. Historically, even lower-growth environments that also coincide with lower-inflationary pressures tend to create positive conditions for corporate earnings and markets have tended to respond favorably. We prefer a world with less disruption moving forward as we know markets crave certainty above all else. And, while stocks seem to be getting a bit expensive (some more than others), markets can rally for prolonged periods when the overall conditions remain favorable.

One theme that deserves attention: for the moment, it would seem that there is little with greater potential to alter corporate profitability than the adoption of well-crafted Artificial Intelligence (AI) solutions. This technology quite simply has the potential to accelerate innovation in significant ways that we are only just coming to understand. This speaks nothing of the simple efficiencies that can be created by relying on AI to handle mundane tasks at the office or home. We are likely to look back in a decade and realize that the companies who found ways of incorporating AI into their operations are thriving while those that didn’t may indeed be struggling. We believe companies will become more profitable through the adoption of AI solutions – which would further support broad market growth over time. For this reason, we remain intrigued and optimistic for market returns as profit growth can be seen more widely across a swath of companies, not just the top 10 corporations in the S&P 500 Index.

With that in mind, we are excited to introduce our clients to one of the innovations we are incorporating into our own practice this year. We will be introducing a new suite of services through GReminders that should improve the communication and coordination of our scheduling process within the financial services department. We believe that effective and consistent communication is the best way to avoid surprises while improving preparedness for the future. We feel it is important to emphasize that AI communications will not replace our human touch; rather, automated scheduling and reminders will give us back time to focus on the more meaningful aspects of our relationship with you.

We thank you for your continued confidence and allowing us to be a part of your team! We are always seeking to improve our ability to serve your needs, and we look forward to seeing you in the new year! If you need anything along the way, please let us know how we can be of service to you and your loved ones.