



Happy New Year

from the Partners at
Allied Financial Partners

THANK YOU!

Valued members of the Allied Financial Partners family, we would like to take a moment and thank you for your continued loyalty and support of our organization throughout the year. We are truly thankful for your unwavering faith in us as we continue to navigate this ever-changing world. While this year, like many before, has brought upon unexpected ebbs and flows, we as an organization have continued to grow and improve for the better. We are confident that 2023 will be even better than the previous. Therefore, we would like to wish you all a happy holidays and new year. We look forward to serving you and your families in the best way we can.

Introducing AFP's Newest Partner, Justin Bentley, CPA



Justin has been a valued member of Allied Financial Partners, working mainly in the audit and accounting services group, for over nine years. He has served clients in many different industries, including government, not-for-profit, construction, healthcare, and several other small businesses. Justin is also a member of the American Institute of Certified Public Accountants. He received his B.S. in Accounting from SUNY Fredonia and his MBA with a focus in Public Accounting from SUNY Oswego. Justin will be a Partner effective January 1, 2023, and we could not be more excited for him to continue to be a part of the AFP Family. Congratulations, Justin!



In the spirit of giving back, we at Allied Financial Partners made a donation to Toys for Tots on behalf of you, our clients, to the various branches that serve the areas in which your offices are located. Please accept these donations in lieu of a holiday card.

Want to be More Energy Efficient in the New Year ?



2023 will see a number of changes to home energy efficiency and electric vehicle tax credits. Touch base with your accountant before you make any big purchases to review tax credit eligibility and restrictions!

Aimee Berkemeier
Aimee Berkemeier, CPA
Partner

Heath Hendrickson
Heath Hendrickson, CPA
Partner

Jason Mayausky
Jason Mayausky, CPA
Partner

Justin Bentley
Justin Bentley, CPA
Partner

Kenneth E. Ingersoll
Kenneth E. Ingersoll, CPA
Partner

Thomas Tette
Thomas Tette, CPA
Partner

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

Victor 6536 Anthony Drive, Suite B, East Victor Place, Victor, NY 14564
Rochester 150 State Street, Rochester, NY 14614
Oneonta 189 Main Street, Suite 302, Oneonta, NY 13820

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WELCOME BACK TO THE SHOW!

By David Younis, CFP®

By the time you read this you'll have seen the ball drop whilst wistfully recalling what fun we've had in 2022, which was the third installment in the continuing series of, "Come on, you've got to be kidding!" So, as we shut the door on 2022, let's take a brief moment to recap where we've been this year.

The market started 2022 at all-time highs which quickly retracted in the face of a Russian invasion of Ukraine, alongside a rapid change in Fed policy which upended bond and stock markets alike. The high-flying tech sectors that once dominated indexes and propelled strong returns throughout the pandemic were facing a reckoning due to expected higher borrowing costs. Rising rates equate to shrinking bottom lines, so stocks started to adjust to the reality of an environment with steeper costs of capital after several years of their operations being supported by what was essentially free capital. Rising rates also ushered in the worst bond market returns since...the Great Depression. At one point last year, Barclay's Aggregate Bond Index declined as much as 17% and, as a result, balanced portfolios were experiencing blended losses in the area of 20% as the stock market ultimately reached a low of around 26%.

Through the last quarter of 2022, intermediate term bond rates did fall a bit bringing back some of the more traditional benefits of diversification as the value of bonds improved marginally. Regardless, most diversified 60/40 portfolios closed out the year with declines in the area of 17%. It's one of the worst years for this investment allocation in a long time.

In other news, the "Are we in a recession?" debate is still ongoing. We're obviously experiencing slowing growth in some areas, but profits are holding up quite nicely or even rising in others. Current Wall Street analysts expect a return to profitability for corporate America next year, which seems like a reasonable assumption if inflation continues to tame. JP Morgan is at least suggesting that a balanced portfolio could return upwards of 7% next year. Obviously, that wouldn't be strong enough to overcome this year's losses, but it also means that the worst may very well be behind us. Rational optimism seems a reasonable sentiment for our moment. Interestingly, markets tend to start their most meaningful recovery during a recession – not before, not after.

The Fed will likely raise rates one or two more times depending on the size of the hike – they seem to want to get to a Fed Funds rate of 5%. What should we expect from that? More stock volatility, more bond volatility. While we wouldn't be surprised to see another minor leg down in the market, the increase in interest rates has started to have some positive impact on savers with banks paying more interest, particularly online savings accounts – which tend to respond to rate changes more quickly than brick and mortar banks. Other fixed interest rate instruments are also having a moment, like individual bonds, fixed annuities, and CDs.

The question on everyone's mind continues to be, "What of the stock market next year?" It continues to hinge upon where we see inflation (go lower), corporate profits (go higher), the Fed action (successfully taming inflation without spurring a massive cascade of layoffs), and the geopolitical reality in Ukraine and elsewhere globally (cooling of tensions). I'm hoping for positive outcomes respectively which would likely translate into stabilization and a potential inflection point for the market.

We continue to emphasize the importance of planning through environments like this. To that end, in addition to offering a brief synopsis of where we've been these last 6 months, we also wanted to provide a little department update to keep you informed of new internal initiatives:

Starting in 2023, we will be introducing monthly "office hours" focusing on retirement income distribution planning. Throughout 2022, one question that popped up very frequently was, "How should we create retirement income in an uncertain environment?" We will be providing a monthly opportunity to drop into a virtual discussion on this topic so everyone can begin to learn about ways of approaching this essential element of retirement planning. Stay tuned for forthcoming invitations so you can sign up.

Speaking of staying tuned, these last few years have shown just how important it is to maintain contact and communication when things are evolving quickly. One of the most critical communication efforts we utilize are our e-blasts. We send e-blasts on a monthly schedule at the firm level, but our department will also issue important updates when certain events are having a particularly acute impact on markets. We want to ensure that you're aware of these. If you're not receiving them, you may be missing out on actionable advice. If you have unsubscribed to our e-blasts, let us know and we can help you get signed up again so you don't miss timely discussions.

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Keep an eye out on our website and in our email signatures as we move into 2023 – you'll have the ability to access our scheduling links directly so you have improved access should you need to talk.

We are continuing to refine our financial planning offerings and we are developing a lower cost, goals-based approach to financial planning to complement our more comprehensive existing solutions. We believe in the power of financial planning and are seeking to make it more affordable, accessible, and geared toward a simplified, yet personalized, experience.

We've also improved our website resources for Financial Services clients. Check out our Resources page to find links to your financial planning and aggregation portal – Emoney, along with past articles and other helpful insights.

While the markets haven't been rewarding lately, we're very excited to continue supporting all of you, our valued clients. We have sought to be available and communicative throughout these challenging times. If you need to talk, please know we are here to listen. While we can't control the markets, we can be prepared for the uncertainty they create at times. If you'd like assistance in developing a plan for your financial resilience, we look forward to talking in 2023!

Foreign Disclosure of Tax Return Information at AFP



As we are sure you are all aware of, industries across the board have been experiencing unparalleled shortages in regard to staffing. Unfortunately, the accounting industry is of

no exception to this. However, we at Allied Financial Partners have found a safe and trusted solution to these staffing challenges. In 2020, Allied CPAs, PC transitioned our tax software program to CCH – the premier tax software for security and efficiency. There are many services offered by CCH, including Xpitax® Tax Outsourcing. What is so unique, and significant in this setting, about Xpitax® is that it allows for remote employees to work as an extension of our locally-based team and will be responsible for preparatory steps of the process. Through this system, information is housed on a secure server located in Illinois in which only a specific select of client data is provided. While the preparatory steps of the process will be handled by remote

employees, your return will still be completed and signed by your accountant. This, of course, may not sound like the right thing for you, and that's okay. We at AFP are not requiring our clients to sign the Consent to Foreign Disclosure of Tax Return Information form we recently sent out to all of our individual tax clients. If you do not sign it, your return will be processed at our offices as it has been in the past. Please note, however, that we are enlisting this help due to the staffing crisis. Through Xpitax® Tax Outsourcing, your return will be able to be processed sooner in comparison to everyone's returns solely being processed at our offices. Furthermore, foreign consent is not for additional profit or monetary gain of Allied Financial Partners. The cost of your return will remain the same as if it were processed fully in our offices. This is purely so that your return can be prepared in the most efficient manner during the current labor market we are experiencing. If you have any questions or concerns, we urge you to contact your accountant directly. Once again, if you feel at all uncomfortable with this, then that is totally fine. This service is not a requirement and you will not face any consequences or penalties if you do not consent.



CALENDAR OF EVENTS:

Allied Financial Partners is committed to offering educational and informational events on topics that impact our individual and business clients—tax, financial, business, insurance, and payroll. We are working on our 2021 webinar schedule. Stay tuned to our monthly eblasts for details and announcements. To sign up for our monthly e-blasts, email atrue@alliedfp.com.



WINTER 2023

WELCOME TO THE TEAM!



Jon Beiter, CPA
Tax Manager
Victor Office



William Brewer
Staff Accountant
Rochester Office



Dilip Mongar
Staff Accountant
Victor Office



Jonathan Bradshaw, CPA
Tax Manager
Victor & Rochester Offices



April Otucan
Audit Team Sr. Accountant
Rochester Office



Stacy Lowden
Bookkeeper
Perry Office



Michael Love
Audit Team Staff Accountant
Rochester Office

MOVING ON UP!

Jessica Drachler, CPA - Manager

Matt Linsner, CPA - Manager

NEWLY CERTIFIED!

Matt Linser: Certified Public Accountant, CPA

Zachary Legters: Certified Public Accountant, CPA

Jake Sadwick: Certified Professional Planner, CFP®

CONGRATULATIONS ON YOUR RETIREMENT!

Mary Jo Streck: Buffalo Office



Congratulations to Our Clients Way To Go!

Brandon Williams was Elected as Central NY's Representative in the U.S. House.

Dave & Rita's Farm Market and Bakery was named the FLX Finest 2022 Winner.

Gay Mills, Genesee Land Trust, Inc. was awarded the 2022 Community Design Center of Rochester Award for Activism.

King Brothers Dairy, LLC won gold in the fluid milk for small processors category and gold for the chocolate milk for all dairy processors across New York State in the 2022 Dairy Products Competition.

The Chlus Family completed the beautiful restoration of Stone Barn at Beardslee Farm.

Tracey Dello Stritto, Executive Director for the The Partnership for Ontario County, Inc. was nominated for the 2022 Ontario County Chamber of Commerce Athena Awards.

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

If you would like to discuss your portfolio, savings efforts, or broader financial planning needs, please know we are here to help. Communication is paramount during these challenging days; we are effective when gathering for virtual or in-person meetings depending on your preference.

The information in these articles is not intended as tax or legal advice, and it may not be relied on for the purpose of avoiding any federal tax penalties. You are encouraged to seek tax or legal advice from an independent professional advisor. The content is derived from sources believed to be accurate. Neither the information presented nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Diversification and asset allocation strategies do not assure profit or protect against loss. Past performance is no guarantee of future results. Investing involves risk. Depending on the types of investments, there may be varying degrees of risk. Investors should be prepared to bear loss, including total loss of principal.