

Kruger & Clary

CERTIFIED PUBLIC ACCOUNTANTS, P. C.

THE ADVISOR

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Highlights of American Recovery and Reinvestment Act of 2009

- This act brings back the tax credit for homeowners who make energy efficient improvements to existing personal residential homes. The credit is equal to 30 percent of the cost of all qualifying improvements in 2009 or 2010 up to a maximum credit of \$1,500. The credit is for improvements such as insulation, energy efficient exterior windows and energy-efficient heating and air condition systems.
- This act includes an expansion of the child tax credit. The \$1,000 credit goes farther for families who don't make enough money to owe income taxes.
- Tax Credit for college tuition and related expenses for 2009 and 2010 has been expanded to \$2,500. The credit is phased out for married filing joint filers making more than \$160,000.
- The **Homebuyer credit** increased to an \$8,000 refundable credit for homes bought between 1/1/2009 and 12/1/2009. This credit differs in that it does not have to be paid back and is for homes purchased in 2009. This is only for first-time homebuyers. (Anyone not owning a home in the last two years qualifies as a first-time homebuyer). We are able to amend 2008 returns so that you receive the refundable tax credit immediately.
- Another highlight is **unemployment compensation benefits** received in 2009. The first \$2,400 is excluded from taxable income.
- There is also a **deduction of sales tax** from car purchases. The phase out is for incomes above \$250,000.

THANK YOU for your business and your referrals. We are always accepting new clients, and appreciate you telling friends, colleagues and family about our firm. When you refer someone specifically to our business, they will be interviewed to determine their specific needs, and meet with one of our professional staff members that specializes in that specific area.

All information in this newsletter is for illustration purposes only and tax situations vary. Before acting please talk with your tax professional.

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EMPLOYEE SPOTLIGHT: Meet Cindy Boehmer

What kind of work do you do at Kruger & Clary?

I'm generally the first person you see when you walk into the office, so my job is to greet and assist you in any way that I can, and to get to know you on a first name basis. I also answer the phones and run the everyday business operations for Kruger & Clary.



Where did you work before Kruger & Clary?

My husband and I own a business, Rocks & Pines Forest Products, and have served the needs of the community for over 40 years. When I'm not at Kruger & Clary, I'm taking care of the accounting operations for our business.

What do you enjoy about your job?

I enjoy people, so getting to know the clients has been nice. Having been a client long before I became an

employee makes working with the Kruger & Clary staff enjoyable. And the variety of responsibilities I have in the office makes it a great place to work.

Where are you from?

I'm originally from California, but having lived in Colorado for over 35 years, I call it home.

Do you have children ... grandchildren?

Yes, I have one daughter and a brand new granddaughter. I spend as much of my free time as I can with them.

Do you like to travel? If so, where do you like to go?

I love to travel. However, it's hard to pick only one place, I guess I would say San Francisco or maybe Seattle. I would love to see Italy one day.

What are some of your favorite movies?

I like any movie with Barbra Streisand and I love Phantom of the Opera, the movie or play.

Associates in Family Medicine P.C. and affiliated real estate partnerships have used the expert CPA services of Kruger & Clary since 1991 for our complex business and tax accounting needs. Office staff and accountants are always responsive to our needs on a timely basis. Many of our employees also use Kruger & Clary for personal income tax preparation and advice. I personally recommend their services for business or personal accounting services.

James A. Sprowell, MD
Executive Director

Top 10 Thriving Tips for Business Owners

1. **Join your local Chamber of Commerce** (and attend social networking events on a regular basis). You can ask for a non-member guest pass to an event.
2. **Be a part of the legislative process** (be informed of decisions that are made which will affect your business).
3. **ID 10 influential members of your community** (meet with them and learn of their guiding principles).
4. **Collaborate with other industry leaders.**
5. **Ask for advice and support from a team of professionals, like Kruger and Clary, CPA's!**
6. **Provide opportunities for your employees to gain professional skills.**
7. **Shake hands with your customers again, get to know them on an individual level.**
8. **Start systematizing your business functions in order to improve your processes and procedures.**
9. **Volunteer on committees that get you involved in the community.**
10. **Join a group of other business owners for roundtable discussions to encourage brainstorming activities and problem solving related to your business.**

Business Advisory Service Packages

In an ongoing effort to provide greater value to our business owners, our firm is offering Service Packages to assist business clients. You may currently only use us once a year for your tax preparation, however, we want you to know that we offer more services for business clients and are available on a regular year-round schedule for the following items:

1.) **Accounting Oversight:** If your business handles the accounting in-house, then your business will benefit by having our firm oversee your books.

- Kruger & Clary can enter and/or review all transactions associated with your business operations to ensure entries are correct, and make adjustments when needed. There will be year-round consulting with the business owner/bookkeeper on improving in-house practices for general ledger entry. Also, we will look for large discrepancies in the numbers, and alert owners to any potential problems.
- Reconciliation of all bank and credit card accounts, entry of payroll correctly, adjustments to inventory, accounts payable/receivable, preparation of sales tax reports, entry of asset depreciation, and recommendations on officer's compensation.

2.) **Financial Statements:** Financial statements are critical tools in understanding your business performance – but they're only as useful as they are accurate. Our firm will provide you with accurate, up-to-



date financial statements at the time intervals that are right for your business.

- Accurate financial statements and custom reports presented to satisfy owner's needs, simplifying the presentation of essential financial information and better positioning your business to obtain business loans.
- Ongoing review and guidance in interpreting your financial reports, on a schedule that works for you.

3.) **Ongoing Business Consulting/ Tax Planning:** By working with you continually throughout the year, our firm can provide you with the insight to make wise, proactive financial and tax-related decisions. Kruger & Clary CPA's will support you by being as involved as you want us to be, help you successfully build your business and grow your confidence as a business owner.

- We are able to assist you in the development, tracking and analyzing of a business budget.
- Periodic meetings to discuss important information and possible audit red flags. Individualized suggestions on business operations and potential tax deductions to maximize profitability, decrease audit risk, and minimize tax liability.
- Signing up for a business package would help your business cash flow. Our packages will include annual tax preparation and the packages will be billed bi-monthly.

Call Melissa at (970) 482-6947 if you would like to sit down and discuss how our firm can implement a package for your business.

MAKING WORK PAY

The *Making Work Pay Provision* of the American Recovery and Reinvestment Act is part of the tax relief targeted to help most low and middle income workers. Some of you might have noticed a slight increase in your take home pay. It is the equivalent of about \$10-\$15 per paycheck for singles and about \$15-\$20 for married couples. The amount depends on your marital status, your earned income and the number of exemptions you are claiming.

Generally, it is a **refundable tax credit** of up to \$400 for working individuals and up to \$800 for married taxpayers filing joint returns. For workers that receive a paycheck, the credit should be handled by the payroll processing departments with the updated withholding tables. Federal withholding has gone down which means you will receive a slightly bigger paycheck! If you receive less than the full credit throughout the year, the remaining credit can be claimed on your 2009 tax return. Self-employed taxpayers who currently don't run payroll for themselves can claim the credit on their 2009 tax return.



There is a catch, not all people qualify for the credit. These are higher wage earners (singles who make more than \$75,000, married people making more than \$150,000), social security recipients, taxpayers receiving pension or

investment income, and dependents.

It is pretty straightforward for most, but the following taxpayers should pay close attention to their federal tax withholding and check with us to ensure that the reduced withholding will not result in having too little income tax withheld:

- Retirees- Non-government pension income is not eligible for the provision. The credit is only for earned income. If you expect to receive a significant amount of pension

income in 2009, check your withholding amounts or contact your pension plan administrator to determine if your federal withholding was reduced.

- Married couples with two incomes or individuals with multiple jobs. Both of these scenarios could result in having too little in federal taxes withheld.
- Social Security Recipients who work – The credit will be reduced by the one-time \$250 Economic Recovery Payment (that was sent out early June).

Don't be surprised at tax time. Let us know if we can help you with tax planning. We want to help you avoid shocks of smaller refund or even owing unexpectedly. You can also check to see if your withholdings are appropriate by logging on to our website, www.krugercpas.com and go to "Links & Downloads". In the Tax Related Links, click on the IRS withholding calculator.

Detecting Scams

Be on the alert for e-mails and phone calls which claim to be the IRS or other federal agencies mentioning your tax refund or 2008 economic stimulus payment. Their intent is to obtain personal and financial information, such as your name, social security number, bank account and credit card numbers. The caller will state the IRS needs this information to process your refund or stimulus payment so you can receive this money via direct deposit into your bank account. The e-mails may contain links or attachments that look like IRS Web sites or IRS "refund application forms." This is a scam!



The IRS will not send taxpayers e-mails about their tax accounts. Filing a tax return is the only way to receive a tax refund or stimulus payment directly deposited into your bank account.

Important Information About Social Security

Social Security is a system put in place to provide benefits to Americans of all ages. It provides more than a retirement program. For example, if you become disabled or someone in your family dies you may be eligible for Social Security benefits. If you currently don't have disability insurance, this is an important reason to pay into the Social Security system. It's important to check the Social Security statement that is mailed to you every year to make sure the correct amount of earnings appear on that statement.

However, Social Security is facing severe funding problems. In the year 2017 more money will be paid out in benefits than is being paid into the system. People are collecting more Security than in the past because retirees are living longer. Lower birth rates in the United States means there are not enough workers entering the workforce to support the growing number of retirees. Prediction is that by the year 2041 the Social Security Trust fund will be depleted. This doesn't mean that the program will cease to exist by that year, but it is predicted that people will receive



about 75 cents of benefits for every dollar paid into the system.

For the average worker who retires, Social Security will only replace about 40 percent of your annual pre-retirement earnings. People will require about 75 percent of their pre-retirement earnings to enjoy a

comfortable retirement. Therefore, it is particularly important to participate in outside retirement savings plans. If your employer has a plan it's best to contribute to that plan. Often, employer's will match contributions made on your behalf if you participate in the plan. If your employer doesn't offer a plan, inquire if they can set one up. There are also alternative options such as setting up your own retirement plan like a Roth or Traditional IRA. If you're a business owner, there are

tax benefits to setting up a plan for your company. Businesses have several inexpensive options for retirement plans.

The sooner you start saving, the more time you will have to save for retirement. By saving \$25 a week, earning about 5 percent interest for 40 years, your retirement fund will amount to \$165,000!

Thanks to our clients, Kruger & Clary ranked 14th on the Mercury 100 fastest growing businesses with revenue under 2 million. This list is distributed by NCBR. Businesses qualify by experiencing fast growth over a three year period.

"Kruger and Clary, CPA's, have done an outstanding job with all their services for my businesses. They have made my life less stressful. I highly recommend them!"

Jon E. Swanbom, D.D.S., L.L.C.

Howes Street Two Way Conversion:
As part of the Mason Corridor MAX BRT project, Mason and Howes Street will be converted back to two-way operation downtown from Laurel to Cherry Streets. Howes Street will begin this June and the conversion should take a month. Both streets should be done by the end of the summer.

WHAT TO DO: SUMMER EVENTS IN FORT COLLINS

This summer, get out and enjoy all that Fort Collins has to offer. Here are a just a few upcoming events:

Sunday Concerts in the Square

Head to Old Town Square for free live music every Sunday June through September from 3:00 to 7:00 p.m.

First Friday Gallery Walk

On the first Friday of every month from 6:00 to 9:00 p.m., Old Town Fort Collins art galleries stay open into the evening, offering refreshments. Visit www.fortcollinsarts.org for more information.

Ben & Jerry's FAC Concert Series

Enjoy live music from local musicians every Friday through August. 7:00 p.m. in Old Town Square.

Bike Week—Save on gas during Fort Collins Bike Week, June 23-29.

Visit www.fcgov.com/bicycling for more information.

An All-American Picnic & Apple Pie Contest

An authentic pig roast with side dishes, beverages and apple pie will be served, and an apple pie contest will be held, with the first place winner receiving \$100. This event takes place at the Fort Collins Senior Center on July 3rd from 6:00 to 9:00 p.m. Contact Jill Walusis at 970-221-6358 for ticket information.



New Belgium Brewery Bike-In Film Series

Hop on that bike and ride to New Belgium Brewery for an outdoor film showing Thursdays at dusk (around 8:30 p.m.) from August 14 to September 18. The brewery is at 500 Linden Street.

New West Fest—August 14th-16th—Fort Collins Largest Community Festival located in historic old town Fort Collins.

Summer Fest

Stroll through City Park, play bingo for prizes, and enjoy great picnic food. Train rides and musical entertainment included. \$3 Fee payable at the event. Event takes place on August 19th from 11:00 a.m. to 1:00 p.m.

Tour De Fat—September 5th ride through the streets of Fort Collins in costumes hosted by New Belgium Brewery.

Melissa who serves on the board for the Canyon Concert Ballet, is currently looking for anyone interested in donating auction items or sponsoring the 4th annual **Black Tie Bowling** collaborative fundraiser, between CASA of Larimer County and Canyon Concert Ballet, on September 26th, 2009 (www.blacktiebowling.com). The funds raised during the evening will be used to provide support to children and families in Northern Colorado.

Thursday, July 16 at 6 p.m., there is a wine tasting to benefit the Canyon Concert Ballet Foundation at the home of Gwenn and Charlie Hatchette (700 East Elizabeth Street, Fort Collins). Reservations can be made in advance by contacting Jane Sullivan at 498-9491 or careerd@frii.com, or you are welcome to show up the night of the event. The cost is \$45 per person, and includes heavy hors d'oeuvres, silent auction and 4 wines will be tasted!

You are a Valued Client



We Are Thanking You With One Free Year of E-Newsletter Marketing

Most of you receive the monthly e-mail newsletter sent out by Melissa Clary. We've found this is a great way to communicate with customers about changing information in your industry, new offers or discounts your business is providing, or to keep in touch with customers or contacts.

To show our appreciation we

have arranged for you to receive a year of FREE marketing through GrowthPOD, the company we are currently utilizing to provide this service.

In order to take advantage of this offer, visit www.growthpod.com and enter: 16CO1MC on the pricing page. If you have any questions please contact

GrowthPOD's Customer Support at 866-217-8425 and give them the above code.

If you want to specifically talk to Melissa about how we've utilized the program contact her at 970.482.6947 or melissa@krugercpas.com.

If you aren't receiving this e-mail, let us know and we will add you to the list.