

June 2022 - NEWSLETTER

“C’est la vie” That’s Life

By Bill Cummings, PFS/CPA

Father’s Day is recognized in the month of June. I always get nostalgic as my Dad passed away almost eight years. It’s hard to believe it’s been that long but his impact on me and my family is never forgotten. I thought I would write a little bit about my dad and some of the things he taught me.

My Grandfather immigrated from Waterford, Ireland for a better life in America. He and my great Uncles moved to Kansas to become farmers. Dad was born on a farm in Kansas, on November 21, 1936. He was the third of twelve children. His family was very poor, and he grew up during the Great Depression and World War II. Things were tough, and they all worked the farm from the minute they could walk. He lettered in Football and Track. At the age of 20, he decided to join the Air Force in an attempt to improve his financial situation. Dad did multiple tours of duty in Korea and Vietnam. After twenty-four years in the Air Force, moving 11 times, and receiving the Expert Rifle Marksman Medal, my Dad retired. . He went on to work for the Siemens Company for 20 years as a machinist before permanently retiring.

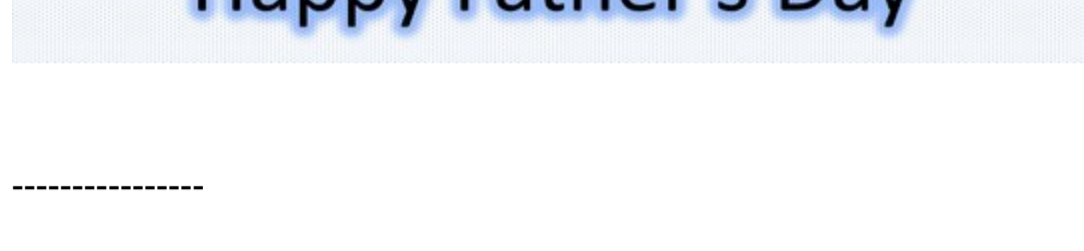
My dad was good with his hands and used to handcraft custom made furniture and Gibson Banjos. He played mainly Blue Grass and it’s where I started my love for guitar playing. We used to play the Song Dueling Banjos as it was very fast and difficult. When we did get it right, we would bust out laughing. During retirement, he loved being with his grandkids. He went to every sporting event, recital, dance class, graduation, and birthday party. He titled his new job, “grandpaing”, which meant he was going to have fun with the grandkids. Whenever he got a new grandchild, he would boast and tell everyone that he got another promotion that day.

What I remember most about Dad was he was the rock of our family. He was always steady, and he never got angry unless me and my brother made my mom angry. He never took life too seriously, and when faced with a problem, he would often say, “C’est la vie” or That’s life. It was his way of saying move on. As far as I can remember, he never missed a day’s work, and he was always there for us, whether it was at football games, baseball games, or weddings, recitals or needing something fixed in the house. He was the voice of reason, and you could always count on him. As many of you know my dad had Alzheimer’s toward the end of his life. He had a mild to medium case and still knew who we all were, he just couldn’t take care of himself. One time we were watching TV and they were doing a story about our Military Troops in Afghanistan. He told me he wanted to re-enlist and I asked him why; he said, “because our boys need help, son”.

At the age of 17, when I was going to live on my own, he said “son, if you want to start being a man, then you need to act like one”, which meant lead by example and be a caretaker. He had many beliefs and a way with words so I thought I would list a few:

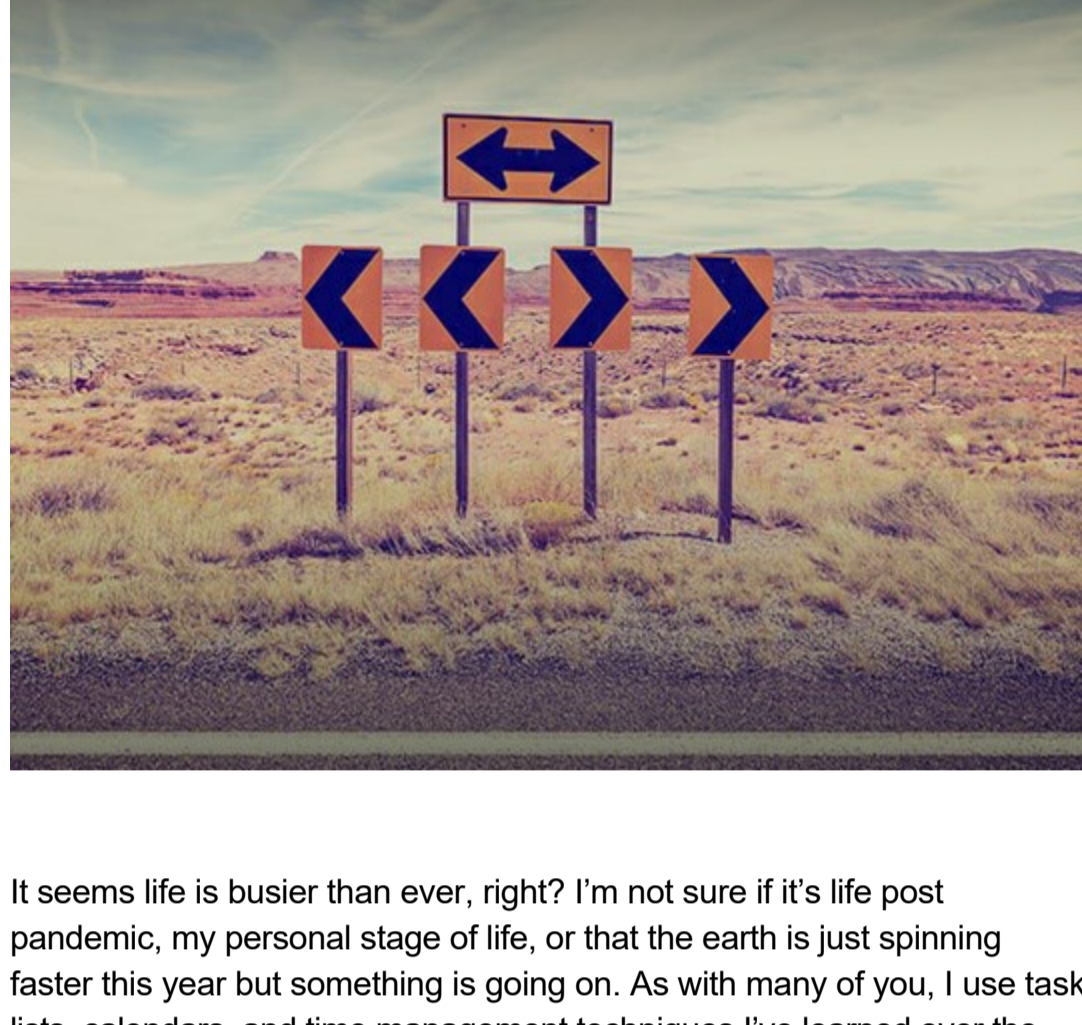
- “Respect your mother and never talk back to her, because then he would get pressured”
- “Respect women and treat them like queens, it makes your life easier”
- “Respect your elders”
- “Work hard and don’t be lazy”
- “Just love your kids and be there for them”
- “Family comes first, and infighting is not tolerated”
- “It is easiest to just do the right thing”
- “Son, take your time, but hurry up” or in another words...get moving
- “Be as good as me”
- “I’m getting better and better every day”
- And his favorite joke, “Did you know bears are the only animals...that have bear (bare) asses”

So here is to you pops, and I want you to know I am getting better and better every day.



The Most Important Thing

By Scott Russell, CFP®



It seems life is busier than ever, right? I’m not sure if it’s life post pandemic, my personal stage of life, or that the earth is just spinning faster this year but something is going on. As with many of you, I use task lists, calendars, and time management techniques I’ve learned over the years to help prioritize everything. Although those tools help administer prioritization, they don’t necessarily help in every circumstance. Sometimes, priorities get ‘blurry’.

I had a recent instance of a ‘blurry’ prioritization dilemma. Either attend an important event for a young adult that I’ve been working with since he was a youth or attend for a very important meeting for a non-profit that pertained to a project that will impact the organization for years to come. Both would seem valid priorities, yet a conflict nonetheless.

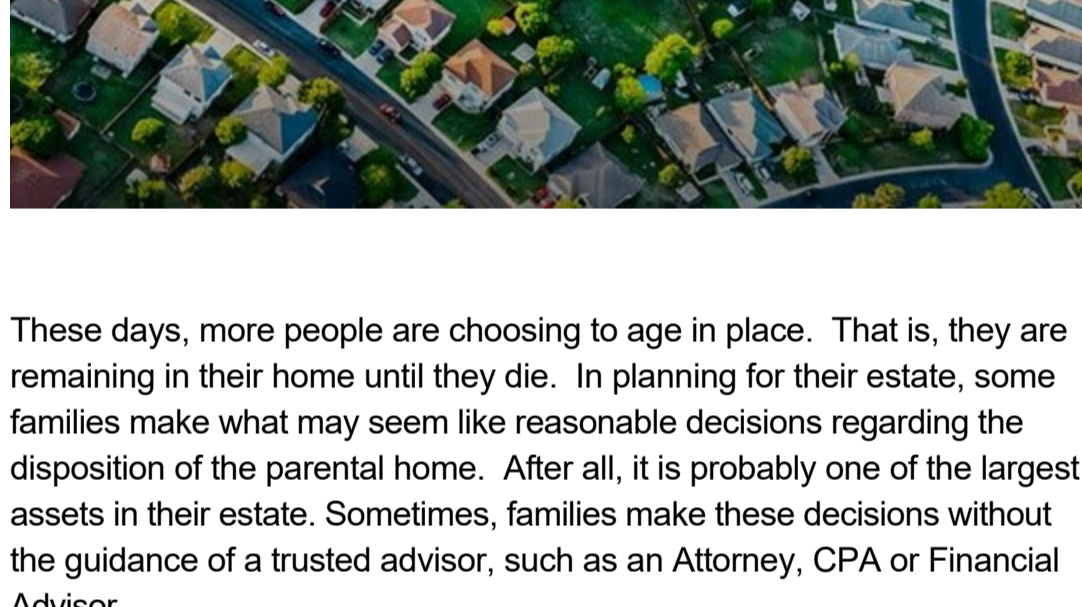
Recently, I’ve been using a super simplistic quote to help me make the right prioritization decisions in my life. Based on some Google searches, I THINK the quote can be attributed to Jim Kwik, a memory and brain coach. That said, I’m sure some form of the quote was originated many years ago. The quote is “The most important thing is to keep the most important thing the most important thing”. I can’t explain why saying this very basic phrase to myself helps me, but it does. I think it cuts through everything and points to your core values.

I’m not proud to say that in my previous ‘blurry’ prioritization example, I chose the meeting. By choosing the meeting, I demonstrated I didn’t think the right decisions would be made without me; a false assumption. I also demonstrated I didn’t think missing the event would even be noticed; another false assumption. Only afterwards did I realize I didn’t keep the most important thing the most important thing. I hope to learn from it, know not to repeat it, and do what I can to invest in not only this young person’s life, but others as well.

I hope you have, or find, your own way of prioritizing life. Some good news is, pertaining to your financial life, we have tools to help. Not only do we have a discovery process to help you build your financial goals, but we help you document your values as they pertain to finances. Ultimately, we show you the financial impact of making various decisions. As your life evolves, we’ll help you reshape your goals to help you succeed at whatever you hope to achieve in life.

The Consequences of Owning Your Aging Parents’ Home

By: Ruth E. “Robin” Delaney, CFP®, CLU, ChFC, ADPA



These days, more people are choosing to age in place. That is, they are remaining in their home until they die. In planning for their estate, some families make what may seem like reasonable decisions regarding the disposition of the parental home. After all, it is probably one of the largest assets in their estate. Sometimes, families make these decisions without the guidance of a trusted advisor, such as an Attorney, CPA or Financial Advisor.

Are you on the title of your mother or father’s home? If your parents purchased their home 20 or 30 years ago, and you sell that home when that last parent dies, you may be in for a tax shock.

When you sell a house that is not your primary residence, you are taxed on the gain in value of the property. There is a tax term, called basis, that is considered by the Internal Revenue Service. Basis is the purchase price paid for the home plus the cost of any improvements made. Regular maintenance does not count, such as replacing an air conditioner, a roof, or repair to the original structure. You’ll then take the proceeds from the sale of the house and subtract the basis (original purchase price plus the cost of improvements), to arrive at the taxable gain. When you change the ownership (i.e., titling) on a home without an actual sale, you assume your parents’ basis. If the home remains in the parents’ names only, and you sell the home after the death of the last parent, the basis in the home jumps up (steps up) to the value of the property on the date of death.

Several years ago, a client thought it would be a good idea to put her son on the title of her home. The son lived nearby, and he took care of minor repairs to the house. She thought it would be easier for him to handle things when she no longer could. I advised her and her son against this course of action, as she also had two other children, who she clearly wanted to share in the home.

She had purchased the home for the regal sum of \$56,000 in 1967. Over the years, she and her husband made about \$350,000 in improvements. When she passed away in 2020, the house was worth around \$1,500,000. When she died, the son was still on the title. When he sold the home after his mother’s passing, he experienced huge capital gains of \$1,094,000 (\$1,500,000 – [\$56,000 + \$350,000]). And a bitter battle ensued between the brother and his siblings.

Had he followed my advice, when the family sold the home, they would have received the proceeds tax-free because there was a step up in basis at the mother’s death to \$1,500,000. And an acrimonious battle would have been avoided. In addition, had the brother been involved in any kind of incident where he was being sued and third parties were looking for assets, the mother’s house would have been at risk, because the law would have regarded the house as an asset of the brother. The mother could have lost her home.

The better course of action is to obtain a Power of Attorney to handle your parents’ financial affairs when they can no longer manage them. Additionally, make sure your parents’ Will and/or Trust is updated to handle the proper disposition of the home when the last parent dies. Seeking the advice of the family Attorney, CPA or Financial Advisor before making changes to a parent’s assets is well worth the cost of that advice.

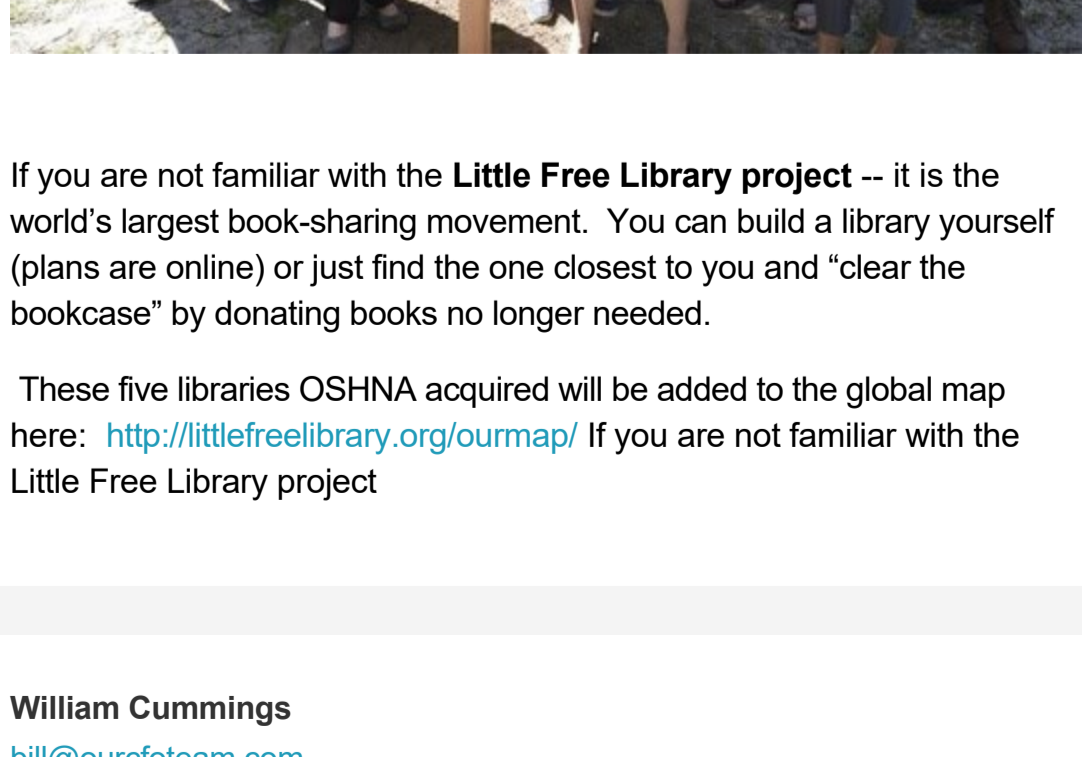
“Little Free Libraries” -- Installed in Tampa Parks!

By: Tim Keeports, MBA

The Old Seminole Heights Neighborhood Association (OSHNA) coordinated with Hillsborough County on a grant to acquire five (5) Little Free Libraries to be placed in parks throughout the Old Seminole Heights area. On the day of the installation, May 18th, Councilman Guido Maniscalco dedicated one library at the Wayne C. Pappy Center at the American Legion Park while Councilwoman Lynn Hurtak assisted later in the day with during the installation at Alan Wright Park.

These libraries are a composite and two-levels and placed using an exterior-grade wood post with topper. The five libraries were installed at the Angus R. Goss Memorial Park, Riverview Terrace Park, McDugald Park, Wayne C. Pappy Center at American Legion Park, and at Alan Wright Memorial Park.

OSHNA helps to promote and encourage the preservation and restoration of the area known as Seminole Heights while revitalizing a sense of community in a safe and healthy residential neighborhood. The group partnered with another civic group, Friends of the Seminole Heights Library, for donation of 10 “starter books” for each library. These libraries are intended to encourage reading and ease of access to books for a larger portion of city residents.



If you are not familiar with the **Little Free Library project** -- it is the world’s largest book-sharing movement. You can build a library yourself (plans are online) or just find the one closest to you and “clear the bookcase” by donating books no longer needed.

These five libraries OSHNA acquired will be added to the global map here: <http://littlefreelibrary.org/ourmap/> If you are not familiar with the Little Free Library project

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