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The CFO Advisor

Guidance for Small Business Success™



Welcome to a new year 2022! It is time to start fresh. Look at everything as new. Hopefully, this is the year we can get rid of our nemesis COVID-19.



We want to share with you some new things this year. How about Cryptocurrency and what it means to have a wallet of digital coins? Learn the information needed to take advantage of some COVID-19 related tax benefits. If you like to snow ski, we have some tips to avoid a trip to the doctor. Read on as there is much, much more.

We hope you start off the year right. Let us know how you are doing!

Until next month...

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What In The World Is A Crypto Wallet?

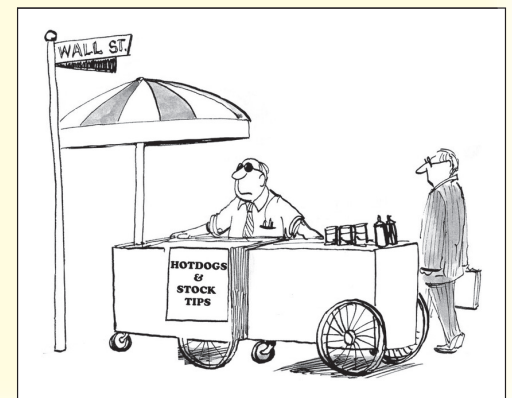
If you're into investing, there's a good chance you've heard of bitcoin and other so-called cryptocurrencies. Investing in and safely storing bitcoins and other crypto coins can be intimidating, especially if you're not tech-savvy. However, with the right crypto wallets, or bitcoin wallet as they are sometimes called, trading coins is easy and generally safe.

The total value of all cryptocurrencies has surged past \$2 trillion, up from \$200 billion in 2019. Bitcoin reailed for less than \$10,000 per coin through most of 2019, but has surged past \$50,000 in recent weeks, according to *statista.com*. Other coins, such as Ethereum and Binance

Coin are gaining market share and value as well.

Cryptocurrencies are typically encrypted and use a mix of public keys to record and track transactions, and private keys to restrict control and access. Keys are simply a long

string of letters, numbers, and symbols, sort of like a large, randomized password. Public keys allow users to create addresses where money can be sent to. Private keys essentially act as the lock and control mechanism for a specific coin. Someone who has the private key can take control of the coin. The private key is a piece of data that proves you own the right to a specific bitcoin or another crypto coin. A crypto wallet is typically a software solution that you can use to store both public and private keys. With the public key, people can send you cryptocurrencies, meaning they can pay you. And if you know someone else's public key, you can pay them. As for private keys, a wallet will help you keep private keys secure. You can set passwords and other authentication methods to restrict access to your wallet. So long as the private keys and your wallet's login information remain hidden, your cryptocurrencies are typically safe.



Covid-19 Relief May Leave Some With Tax Bills

Each year, millions of people receive unemployment benefits. And each month, billions are paid out in benefits. Yet many folks fail to realize that they're required to pay taxes on unemployment benefits, as the federal government and many states consider it taxable income.

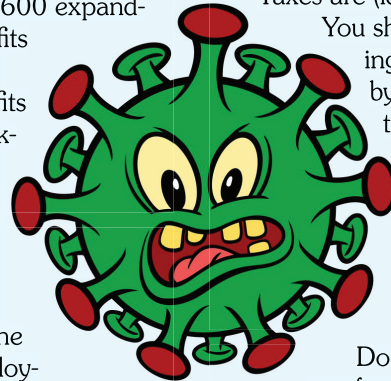
The tax bills, both from the individual and government's perspective, are no small matter. In September 2020 alone, the American government shelled out over \$13 billion as people lost their jobs amid the global COVID-19 pandemic. While the government paid out \$2.7 billion in September 2021, that's still a large chunk of cash and will generate considerable tax liabilities.

During the pandemic, the government provided expanded unemployment benefits. However, those, too, could in-

flate your tax bill. The \$600 expanded unemployment benefits provided by the CARES Act and the \$300 benefits from the later relief packages are considered taxable income.

There's an important caveat, however. The American Rescue Plan offered a tax break on the first \$10,200 of unemployment benefits so long as your (single or couple) adjusted gross income was less than \$150,000. Keep in mind that this is a federal tax break, and you may need to pay state taxes.

How about the stimulus checks offered through the CARES Act and the American Rescue Plan? Those are not taxable as they are actually tax credits.



Taxes (ideally) pay as you go.

You should have been paying taxes on your income by sending money to the IRS while receiving benefits. You can pay monthly or make estimated quarterly payments. Waiting until tax day to pay may result in penalties.

Don't have the cash to pay for your taxes? In some cases, the IRS offers taxpayers payment plans. However, you may be faced with penalties and fees.

Even if you can't pay your taxes, you must report the income and file a tax return. The federal government can charge you with crimes for failing to file taxes, and obviously, falsifying your tax returns can also result in charges.

Ski Fever: The Highest Slopes Can Cause Mountain Fever

For doctors and nurses at Colorado's highest elevations, ski season means a steady flow of casualties from a little-understood problem: acute mountain sickness.

Skiers are already at risk of broken bones and frostbite, but they often don't know how mountain sickness works, and resorts don't tell them.

The condition is caused by a decrease in oxygen in the blood at higher altitudes. It affects people who travel rapidly from sea level to elevations over 8,000 feet. A more serious condition, high-altitude pulmonary edema, is fatal in one percent of cases.

Thousands of skiers experience symptoms within a day of arriving: headaches, nausea, dizziness, fatigue, insomnia, loss of appetite, and vomiting. About 25 to 40 percent of visitors experience symptoms of altitude sickness. Copper



Mountain Ski Resort warns would-be visitors about it. Their flier says it creates a "hangover" feeling and pregnant women, people with anemia, or people with chronic heart and lung conditions should be cautious.

Aspen, Vail, and some other Colorado mountains have bases at or above 8,000 feet, but people at hotels experience less altitude sickness. The hotels lie at lower elevations, allowing visitors more time to adjust. The peak

at Aspen rises to 12,510 feet. At Telluride, the peak is 12,255 feet. Breckenridge peaks rise to 12,998 feet and Copper Mountain peaks top out at 12,313 feet.

Skiers coming from sea level locations such as Chicago (668 feet) or Michigan (839 feet) should allow time for their bodies to adjust before going to the higher peaks.

Are You In Need of a Trusted Business Advisor?

If you are not my client and would like to explore whether we might be a good fit, please contact me. As an experienced business advisor, I have worked not only in private and public industries but also across many functional areas and can help you implement best practice solutions to improve profits.



Do You Have A Tough Accounting / Finance Question You Want Answered?

I love hearing from my small business clients and friends who enjoy reading my monthly newsletter. I'm always looking to answer pressing questions you might have relating to small business.

If you have a question, tip or idea, please call me at 352-450-2880 or email me at dwright@dlhulseconsulting.com. Perhaps I'll feature you in a future issue!

MARKETING THROUGH LESSER KNOWN SOCIAL MEDIA NETWORKS

If you've even casually looked into marketing over the last few years, you've surely heard about Facebook. You've probably heard about YouTube and Instagram as well. But what about WhatsApp? How about TikTok? Snapchat? Reddit? Pinterest?



A lot of small business owners are familiar with the brands but fail to recognize that these social media networks may offer great marketing opportunities, according to *TheTab.com*.

Take WhatsApp, it has two billion active users. That doesn't match up with Facebook's 2.7 billion active users, which is almost double Instagram's 1.2 billion.

In case you're unfamiliar, WhatsApp is a popular messaging service, sort of like Skype and SMS combined. You can use WhatsApp to communicate with customers — answering inquiries, for example. You can also send messages, letting customers know about events, sales, or whatever else. If you use WhatsApp for Business, you can even set up a product catalog to create a mobile-friendly online storefront.

Reddit, meanwhile, is a massive online forum that draws in millions of page views. According to Alexa, Reddit is the seventh most visited site in the U.S. and 21st globally. You can pay for ads, or establish yourself as a community member, letting people know about your work. Be warned, however — Redditors frown upon spamming, or simply promoting your work without being an active community member.

When using social media platforms, ads aren't your only option. In the long run, ads are arguably not even the best option.

You can use social media to connect with audiences, providing useful information and tips. Foodie Eloise Head has built up Fit Waffle Kitchen on YouTube, TikTok, and other platforms. She's estimated to earn more than a half a million dollars a year sharing recipes and cooking tips.

If you're a chef, perhaps you have some recipes to share. Or if you run an HVAC business, offer some tips to homeowners.

Gaming: How Something Free Makes Money

Whether you enjoy playing games

on your smart-phone, computer, or console, you've got tons of options, including free-to-play games.

Some of the most popular games right now, including Genshin Impact, Forge of Empires, and Destiny 2, are free-to-play. So why would companies give away games? As is usually the case, there's a catch.



Video game developers have perhaps perfected the use of free products to draw customers in, then upselling to drum up revenues. Bungie, for example, gives away the base Destiny 2 game for free. As you get into the game, Bungie tempts you with expansion packs, such as Beyond Light, which adds new levels, worlds, and stories. The Beyond Light expansion typically retails for \$39.99 and has topped sales charts on Steam and other platforms, according to *pcgames.com*

Besides expansions and add-ons, many developers also encourage people to make in-app purchases. You might buy a distinctive outfit for your in-game character or a special weapon, for example.

Another popular way to get customers paying is to offer a 'loot box.' You pay for the box, then open it up and find out what you got. Often, you'll get costumes or weapons for your character. And in some cases, you'll receive rare items. Some critics liken loot boxes to gambling, however. While some get great items, a lot of folks receive items not worth much.

Genshin Impact uses loot boxes, among other tactics, to drive sales within the free-to-play game. The game has pulled in over \$2 billion in sales across PCs, consoles, and mobile platforms.

Free is free. Yet if you can upsell other products or services, you can pull in revenue.



Quotes:

"Teamwork is really a form of trust. It's what happens when you surrender the mistaken idea that you can go it alone and realize that you won't achieve your individual goals without the support of your colleagues." — **Pat Summitt**

"Failure is only an opportunity to begin again more intelligently." — **Henry Ford**

"It's OK to lose, to die, but don't die without trying, without giving it your best." — **Walter Payton**

"If you do what you've always done, you'll get what you've always gotten." — **Tony Robbins**





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Disclaimer: Any accounting, business, or tax advice contained in this communication, is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties.

New Year's resolutions you can really keep:

- Eat more pie.
- Don't waste time ... with exercising.
- Watch more TV.
- Put it off. Who needs it.
- Less laundry, more deodorant.
- Drink some more.
- Stop buying worthless junk. Go expensive.
- Start being superstitious. Spend more time at work.

Stop bringing lunch from home. *Eat out more.*

They say New York has the best New Year's Eve party ...

I'd say it's overrated — every year they drop the ball.

My New Year's resolution is to procrastinate. *But I will wait till tomorrow to start.*

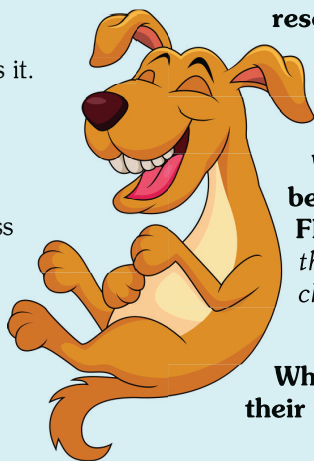
What is a New Year's resolution? *Something that goes in one year and out the other.*

Winter is the most beautiful time in Florida, really ... *all the license plates start changing colors.*

What do snowmen call their offspring? *Chill-dren.*

Why was the snowman sad? *'Cause he had a meltdown.*

What do you sing at a snowman's birthday party? *Freeze a jolly good fellow.*



IT'S A THING: LOOK UP YOUR NAME

The bucket test and the soap pods have faded into history, but a new craze is sweeping social media.

Everyone is looking up the definition of their name in Urban Dictionary.

Now, name meanings have been around for ages. But the thing with Urban Dictionary is that the definitions are not traditional. Users can also add their own definitions.

One woman on social media found a fairly personal definition: The most talented girl in the world. I think I'm in love with you.

Trisha: A tiny ball of cuteness.

Matthew: A sweet and caring guy ... who will only ever love one person.

