Statement of Income and Expense Changes

Cash Inflow section:

Both salaries were adjusted to reflect the anticipated raise of 5%.

The Interest on the savings account is at 4%

ML Brokerage account and the Investment portfolio numbers are based of the prior years earnings

Cash Outflows:

Savings contribution to the 401k plan remained at the same percentage of Ryan’s gross income.

Payroll and income taxes were adjusted based on the new salaries. Property tax remained constant.

Debt payments are after the refinance of credit cards, both auto loans and the mortgage.

Living expenses reflect an inflation increase of 2.5%. The entertainment spending has been cut back to $4,800 per year. Church donations will stay at $5,000.

All Insurance premiums have been adjusted by the expected rate of inflation, 2.5%.

The net discretionary cash flow has increased from ($288.00) to $14,430. This will allow them to reach their short term goal of an emergency fund within one year.

Financial Position Changes:

1. The boat has been sold for $10,000, this cash was put into the savings account
2. Ryan’s car payment has been reduced to $541.17 per month creating an additional $416.68 of monthly cash flow. This was accomplished by refinancing the current balance at a lower rate of 5% for a longer term.
3. Tiffany’s car payment has also been lowered. Her new payment is $499.79 saving an additional $110.53 per month. The rate was reduced to 5% and the term was only extended by four additional months.
4. The primary residence mortgage was refinanced to a lower rate of 3.5% for 15 years. The new payment will save them $14,711 over the course of the next 15 years while increasing the monthly cash flow by $247.19. The refinance included 3% fees in closing costs added to the principal loan balance. They will still have it paid for before age 65.
5. All Investment assets include the projected rate of return at 8%.
6. The total Net Worth increased by $45,660.