

**FINANCIAL PLANNING REPORT**  
**Jonathan and Sarah Edwards (~Sample)**

**Prepared by:**

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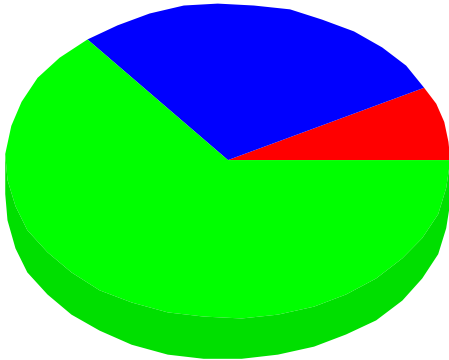
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**Net Worth Information**  
Jonathan and Sarah Edwards (~Sample)

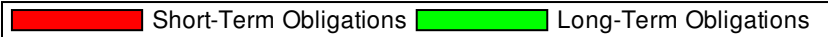
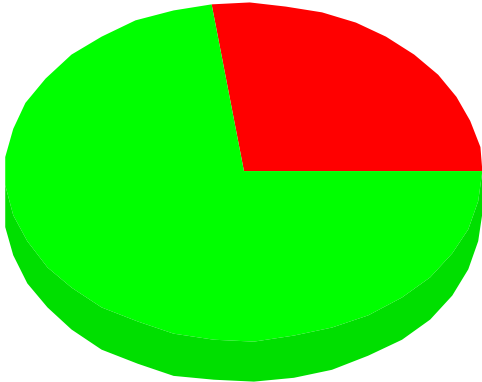
	<u>Jonathan</u>	<u>Sarah</u>	<u>Joint</u>	<u>Total</u>
<b>Liquid Assets</b>				
Cash (Checking, Savings Accts)	\$0	\$0	\$10,000	\$10,000
Cash Value of Life Insurance	\$22,600	\$0	\$0	\$22,600
Money Market Funds	\$0	\$0	\$10,000	\$10,000
Savings Certificates	\$1,200	\$600	\$0	\$1,800
Treasury Bills	\$2,000	\$0	\$0	\$2,000
Savings Bonds	\$10,100	\$5,836	\$116	\$16,052
<b>Total Liquid Assets</b>	<b>\$35,900</b>	<b>\$6,436</b>	<b>\$20,116</b>	<b>\$62,452</b>
<b>Investment Assets</b>				
Marketable Securities: Stocks	\$0	\$0	\$20,000	\$20,000
Mortgage Receivable	\$0	\$0	\$70,000	\$70,000
Other Investment Assets	\$1,200	\$0	\$0	\$1,200
Real Estate (Investment)	\$0	\$0	\$50,000	\$50,000
Retirement Funds	\$48,000	\$0	\$0	\$48,000
Star Manufacturing Co.	\$0	\$0	\$328,000	\$328,000
<b>Total Investment Assets</b>	<b>\$49,200</b>	<b>\$0</b>	<b>\$468,000</b>	<b>\$517,200</b>
<b>Personal Assets</b>				
Boats	\$0	\$0	\$12,000	\$12,000
Household Furnishings	\$0	\$0	\$30,000	\$30,000
Residence	\$0	\$30,000	\$100,000	\$130,000
Vacation Home-1/4 Int.	\$0	\$0	\$20,000	\$20,000
Vehicles-2	\$0	\$0	\$35,000	\$35,000
<b>Total Personal Assets</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$197,000</b>	<b>\$227,000</b>
<b>Total Assets</b>	<b>\$85,100</b>	<b>\$36,436</b>	<b>\$685,116</b>	<b>\$806,652</b>
<b>Short-Term Obligations</b>				
Consumer Credit Obligations	\$0	\$0	\$3,000	\$3,000
Installment Loans-Auto	\$0	\$0	\$10,000	\$10,000
<b>Total Short-Term Obligations</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,000</b>	<b>\$13,000</b>
<b>Long-Term Obligations</b>				
Mortgage on Personal Residence	\$0	\$0	\$30,000	\$30,000
Mortgage-Vacation Home	\$0	\$0	\$5,000	\$5,000
<b>Total Long-Term Obligations</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,000</b>	<b>\$35,000</b>
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$48,000</b>	<b>\$48,000</b>
<b>Net Worth</b>	<b>\$85,100</b>	<b>\$36,436</b>	<b>\$637,116</b>	<b>\$758,652</b>

This net worth statement, as of 2/20/2003, was prepared from information that you provided to assist you in developing your financial plan. Accordingly, it should not be used for any other purpose.

**Net Worth Information**  
Jonathan and Sarah Edwards (~Sample)



**Assets: \$806,652**



**Liabilities: \$48,000**

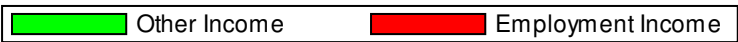
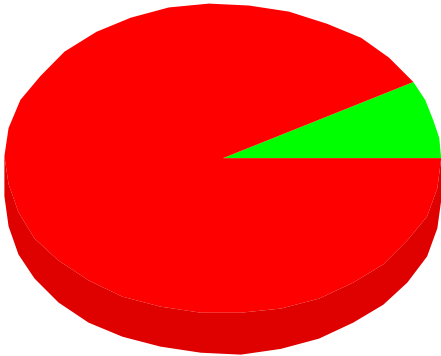
**Budget Information**  
Jonathan and Sarah Edwards (~Sample)

	<u>Monthly</u>	<u>Yearly</u>
<b>Employment Income</b>		
Salary	\$10,000	\$120,000
<b>Total Employment Income</b>	<b>\$10,000</b>	<b>\$120,000</b>
<b>Other Income</b>		
Dividends and Interest	\$500	\$6,000
Rent Income	\$400	\$4,800
<b>Total Other Income</b>	<b>\$900</b>	<b>\$10,800</b>
<b>Total Income</b>	<b>\$10,900</b>	<b>\$130,800</b>
<b>Income Taxes</b>		
Income Taxes	\$2,040	\$24,480
Social Security	\$467	\$5,600
<b>Total Income Taxes</b>	<b>\$2,507</b>	<b>\$30,080</b>
<b>Committed Expenditures</b>		
Debt Repayment	\$300	\$3,600
Housing (Mortgage/Rent)	\$500	\$6,000
Property & Liability Insurance	\$250	\$3,000
Real Estate Taxes	\$167	\$2,000
Utilities and Telephone	\$350	\$4,200
<b>Total Committed Expenditures</b>	<b>\$1,567</b>	<b>\$18,800</b>
<b>Somewhat Discretionary</b>		
Clothing and Cleaning	\$400	\$4,800
Current School Expense	\$1,333	\$16,000
Food, Groceries, etc.	\$600	\$7,200
Housing Supplies/Maintenance	\$200	\$2,400
Life Insurance	\$300	\$3,600
Medical/Dental Expenses	\$100	\$1,200
Transportation	\$208	\$2,500
<b>Total Somewhat Discretionary</b>	<b>\$3,141</b>	<b>\$37,700</b>
<b>Very Discretionary</b>		
Contributions, Gifts	\$1,250	\$15,000
Household Furnishings	\$100	\$1,200
Investments	\$200	\$2,400
Recreational/Entertainment	\$300	\$3,600
Savings	\$500	\$6,000
Vacations, Travel, etc.	\$333	\$4,000
<b>Total Very Discretionary</b>	<b>\$2,683</b>	<b>\$32,200</b>
<b>Total Expenses</b>	<b>\$9,898</b>	<b>\$118,780</b>
<b>Available for Savings/Investment</b>	<b>\$1,002</b>	<b>\$12,020</b>

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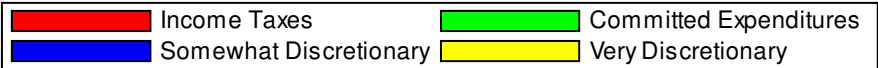
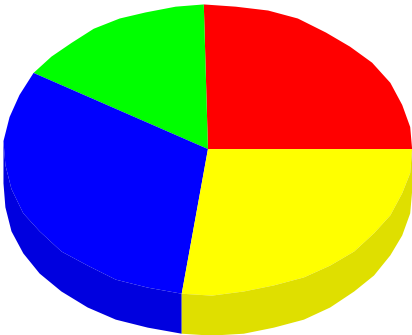
**Budget Information**  
Jonathan and Sarah Edwards (~Sample)

**Income**



Income: \$130,800

**Expenses**



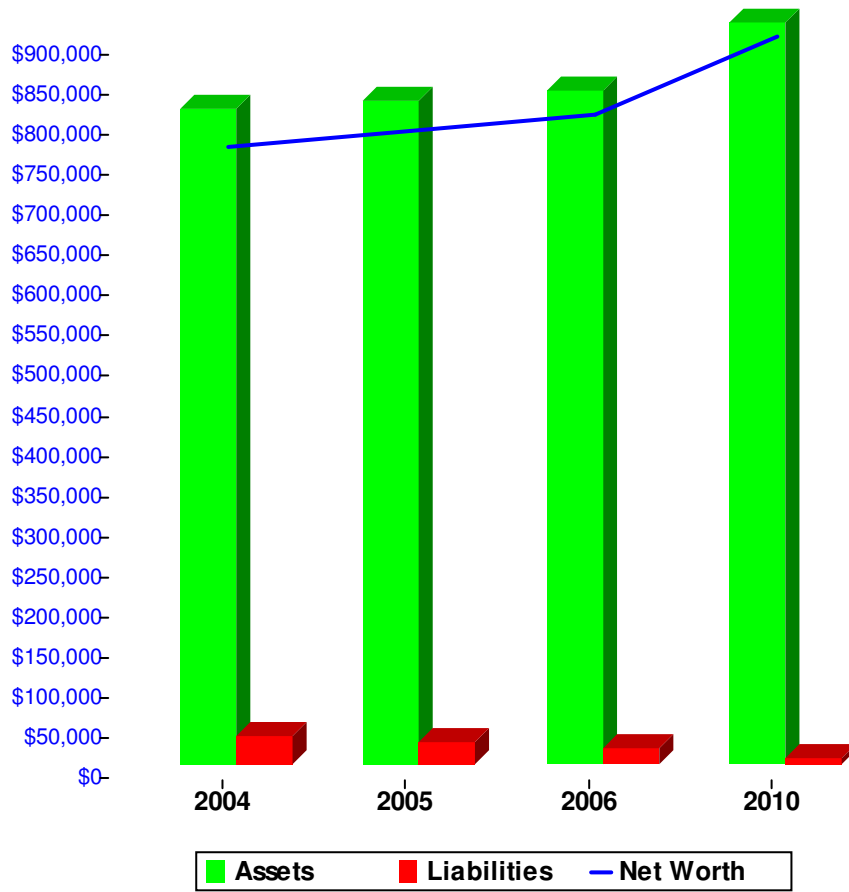
Expenses: \$118,780

**Net Worth Projections**  
Jonathan and Sarah Edwards (~Sample)

	<u>Growth Rate</u>	<u>Growth Amount</u>	<u>Current</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2010</u>
<b>Liquid Assets</b>							
Cash (Checking, Savings Accts)	3.00%	\$0	\$10,000	\$10,300	\$10,609	\$10,927	\$12,299
Cash Value of Life Insurance	5.00%	\$0	\$22,600	\$23,730	\$24,917	\$26,162	\$31,800
Money Market Funds	3.00%	\$0	\$10,000	\$10,300	\$10,609	\$10,927	\$12,299
Savings Certificates	0.00%	\$0	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Treasury Bills	0.00%	\$0	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Savings Bonds	0.00%	\$0	\$16,052	\$16,052	\$16,052	\$16,052	\$16,052
<b>Total Liquid Assets</b>			<b>\$62,452</b>	<b>\$64,182</b>	<b>\$65,986</b>	<b>\$67,868</b>	<b>\$76,250</b>
<b>Investment Assets</b>							
Marketable Securities: Stocks	4.00%	\$0	\$20,000	\$20,800	\$21,632	\$22,497	\$26,319
Mortgage Receivable	-8.00%	\$0	\$70,000	\$64,400	\$59,248	\$54,508	\$39,049
Other Investment Assets	4.00%	\$50	\$1,200	\$1,298	\$1,400	\$1,506	\$1,974
Real Estate (Investment)	2.00%	\$0	\$50,000	\$51,000	\$52,020	\$53,060	\$57,434
Retirement Funds	6.00%	\$0	\$48,000	\$50,880	\$53,933	\$57,169	\$72,174
Star Manufacturing Co.	4.00%	\$0	\$328,000	\$341,120	\$354,765	\$368,955	\$431,626
<b>Total Investment Assets</b>			<b>\$517,200</b>	<b>\$529,498</b>	<b>\$542,998</b>	<b>\$557,695</b>	<b>\$628,576</b>
<b>Personal Assets</b>							
Boats	-2.00%	\$-3,000	\$12,000	\$8,760	\$5,585	\$2,473	\$0
Household Furnishings	-3.00%	\$0	\$30,000	\$29,100	\$28,227	\$27,380	\$24,239
Residence	3.00%	\$0	\$130,000	\$133,900	\$137,917	\$142,055	\$159,884
Vacation Home-1/4 Int.	4.00%	\$0	\$20,000	\$20,800	\$21,632	\$22,497	\$26,319
Vehicles-2	-20.00%	\$0	\$35,000	\$28,000	\$22,400	\$17,920	\$7,340
<b>Total Personal Assets</b>			<b>\$227,000</b>	<b>\$220,560</b>	<b>\$215,761</b>	<b>\$212,325</b>	<b>\$217,782</b>
<b>Total Assets</b>			<b>\$806,652</b>	<b>\$814,240</b>	<b>\$824,745</b>	<b>\$837,888</b>	<b>\$922,608</b>
<b>Short-Term Obligations</b>							
Consumer Credit Obligations	0.00%	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Installment Loans-Auto	-25.00%	\$0	\$10,000	\$7,500	\$5,625	\$4,219	\$1,335
<b>Total Short-Term Obligations</b>			<b>\$13,000</b>	<b>\$10,500</b>	<b>\$8,625</b>	<b>\$7,219</b>	<b>\$4,335</b>
<b>Long-Term Obligations</b>							
Mortgage on Personal Residence	-30.00%	\$0	\$30,000	\$21,000	\$14,700	\$10,290	\$2,471
Mortgage-Vacation Home	-20.00%	\$0	\$5,000	\$4,000	\$3,200	\$2,560	\$1,049
<b>Total Long-Term Obligations</b>			<b>\$35,000</b>	<b>\$25,000</b>	<b>\$17,900</b>	<b>\$12,850</b>	<b>\$3,520</b>
<b>Total Liabilities</b>			<b>\$48,000</b>	<b>\$35,500</b>	<b>\$26,525</b>	<b>\$20,069</b>	<b>\$7,855</b>
<b>Net Worth Projections</b>			<b>\$758,652</b>	<b>\$778,740</b>	<b>\$798,220</b>	<b>\$817,819</b>	<b>\$914,753</b>

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### Net Worth Projections Jonathan and Sarah Edwards (~Sample)



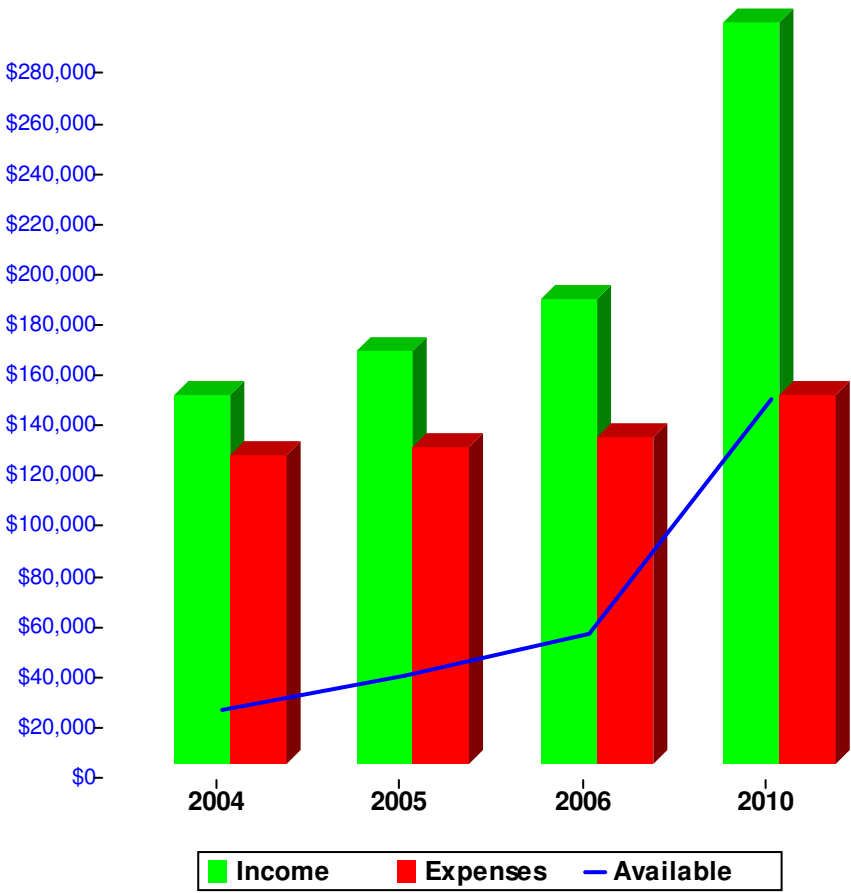
**Budget Projections**  
Jonathan and Sarah Edwards (~Sample)

	<u>Growth rate</u>	<u>Growth Amount</u>	<u>Current</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2010</u>
<b>Employment Income</b>							
Salary	13.00%	\$0	\$120,000	\$135,600	\$153,228	\$173,148	\$282,313
<b>Total Employment Income</b>			<b>\$120,000</b>	<b>\$135,600</b>	<b>\$153,228</b>	<b>\$173,148</b>	<b>\$282,313</b>
<b>Other Income</b>							
Dividends and Interest	2.00%	\$0	\$6,000	\$6,120	\$6,242	\$6,367	\$6,892
Rent Income	2.00%	\$0	\$4,800	\$4,896	\$4,994	\$5,094	\$5,514
<b>Total Other Income</b>			<b>\$10,800</b>	<b>\$11,016</b>	<b>\$11,236</b>	<b>\$11,461</b>	<b>\$12,406</b>
<b>Total Income</b>			<b>\$130,800</b>	<b>\$146,616</b>	<b>\$164,464</b>	<b>\$184,609</b>	<b>\$294,719</b>
<b>Income Taxes</b>							
Income Taxes	3.00%	\$0	\$24,480	\$25,214	\$25,971	\$26,750	\$30,107
Social Security	3.00%	\$0	\$5,600	\$5,768	\$5,941	\$6,119	\$6,887
<b>Total Income Taxes</b>			<b>\$30,080</b>	<b>\$30,982</b>	<b>\$31,912</b>	<b>\$32,869</b>	<b>\$36,994</b>
<b>Committed Expenditures</b>							
Debt Repayment	0.00%	\$0	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600
Housing (Mortgage/Rent)	0.00%	\$0	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Property & Liability Insurance	1.00%	\$0	\$3,000	\$3,030	\$3,060	\$3,091	\$3,216
Real Estate Taxes	2.00%	\$0	\$2,000	\$2,040	\$2,081	\$2,122	\$2,297
Utilities and Telephone	1.00%	\$0	\$4,200	\$4,242	\$4,284	\$4,327	\$4,503
<b>Total Committed Expenditures</b>			<b>\$18,800</b>	<b>\$18,912</b>	<b>\$19,025</b>	<b>\$19,140</b>	<b>\$19,616</b>
<b>Somewhat Discretionary</b>							
Clothing and Cleaning	3.00%	\$0	\$4,800	\$4,944	\$5,092	\$5,245	\$5,903
Current School Expense	6.00%	\$0	\$16,000	\$16,960	\$17,978	\$19,056	\$24,058
Food, Groceries, etc.	3.00%	\$0	\$7,200	\$7,416	\$7,638	\$7,868	\$8,855
Housing Supplies/Maintenance	2.00%	\$0	\$2,400	\$2,448	\$2,497	\$2,547	\$2,757
Life Insurance	0.00%	\$0	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600
Medical/Dental Expenses	4.00%	\$50	\$1,200	\$1,298	\$1,400	\$1,506	\$1,974
Transportation	3.00%	\$0	\$2,500	\$2,575	\$2,652	\$2,732	\$3,075
<b>Total Somewhat Discretionary</b>			<b>\$37,700</b>	<b>\$39,241</b>	<b>\$40,857</b>	<b>\$42,554</b>	<b>\$50,222</b>
<b>Very Discretionary</b>							
Contributions, Gifts	3.00%	\$0	\$15,000	\$15,450	\$15,914	\$16,391	\$18,448
Household Furnishings	3.00%	\$0	\$1,200	\$1,236	\$1,273	\$1,311	\$1,476
Investments	3.00%	\$0	\$2,400	\$2,472	\$2,546	\$2,623	\$2,952
Recreational/Entertainment	3.00%	\$0	\$3,600	\$3,708	\$3,819	\$3,934	\$4,428
Savings	3.00%	\$0	\$6,000	\$6,180	\$6,365	\$6,556	\$7,379
Vacations, Travel, etc.	3.00%	\$0	\$4,000	\$4,120	\$4,244	\$4,371	\$4,920
<b>Total Very Discretionary</b>			<b>\$32,200</b>	<b>\$33,166</b>	<b>\$34,161</b>	<b>\$35,186</b>	<b>\$39,603</b>
<b>Total Expenses</b>			<b>\$118,780</b>	<b>\$122,301</b>	<b>\$125,955</b>	<b>\$129,749</b>	<b>\$146,435</b>
<b>Available for Savings/Investment</b>			<b>\$12,020</b>	<b>\$24,315</b>	<b>\$38,509</b>	<b>\$54,860</b>	<b>\$148,284</b>

This budget projection, as of 2/21/2003, was prepared from information that you provided to assist you in developing your financial plan. Accordingly, it should not be used for any other purpose.

# Budget Projections

Jonathan and Sarah Edwards (~Sample)



## **Recommendations**

### **Jonathan and Sarah Edwards (~Sample)**

#### **Paying Attention to the Basics**

There are four basic ingredients of a personal financial plan. These four key items are as follows:

1. A source of income.
2. A family residence.
3. A rainy day fund.
4. A comprehensive insurance program.

At the present time, you have addressed the first item of income and the second item of a family residence. We need now to turn our attention to a rainy day fund and a comprehensive insurance program.

#### **Rainy Day Fund**

Because of (1) the high debt load with relatively high interest rates that you have to pay and (2) the very low interest rates that you earn on savings accounts, it is difficult to justify setting aside approximately three months salary in a savings account for a rainy day fund. We think a better approach for handling this contingency would be establishing a line of credit with one of the local banks. This would enable you to take all your excess cash and use it for debt reduction while at the same time having the opportunity to raise funds quickly if an emergency arises. The cost of establishing a line of credit should be minimal. The usage of the line of credit barring a catastrophe should also be minimal because (1) you cannot afford any additional debt and (2) any interest expense incurred on the account would be nondeductible. At such point in time when your debt reduction plans have been effective, this personal line of credit could hopefully be replaced with a home equity line of credit that would have tax deductible interest. If the personal line of credit is not available, you will have to make alternate plans to cover this very important rainy day fund.

#### **Cash Flow and Budget**

The most important part of a financial plan is the budget. Discipline and control over the money spent will do more to secure your financial future than any other aspect of your financial plan. Attached is a Cash Flow and Budget Statement. Please review the expense categories for reasonableness and determine if you feel that you can stay within the limits set in each category. Assuming the numbers are reasonable, the per month column indicates that an additional amount per month can be used for further debt reduction.

If you can stay on the above mentioned budget and allocate the dollars to debt reduction, significant progress can be made in a very short period of time.

#### **Statement of Net Worth Included**

Included in this report is a Statement of Net Worth showing your assets and liabilities assessed at fair market value. The estimates as to fair market value have been provided by you, and we presume that such estimates are reasonable considering the purposes for which they are being used. You have also provided us with information of how title in the various assets is arranged. We suggest that you scrutinize this statement carefully to ensure that the information has been recorded properly. The manner in which the title to the property is held is extremely important in developing your personal financial plan.

Analysis of the Statement of Net Worth indicates that you have a net worth of \$758,652.

As indicated, your net worth of \$758,652 places you in an excellent financial position to achieve your stated goals and objectives.

**Client Information**  
**Jonathan and Sarah Edwards (~Sample)**

<b>Client name (couple):</b>	Jonathan and Sarah Edwards (~Sample)		
<b>Address line 1:</b>	4601 Hillsboro Pike		
<b>Address line 2:</b>			
<b>City:</b>	Nashville	<b>State:</b>	TN <b>Zip:</b> 37219
<b>Country:</b>	USA		
<b>Home phone:</b>	(615) 242-1234	<b>Work phone:</b>	

**Client I name:** Jonathan Edwards  
**Place of birth:** Boston, MA      **Date of Birth:** 6/19/1948  
**Citizenship:** USA      **Social Security #:** 222-33-4444  
**Comments:**

**Client II name:** Sarah Edwards  
**Place of birth:** Jackson, TN      **Date of Birth:** 5/19/1950  
**Citizenship:** USA      **Social Security #:** 333-44-5555  
**Comments:**

**Place married:** Jackson, TN.  
**Year married:**1964  
**Either been previously married:**  
No

**Community property; States lived in; Dates and places:**  
None

**Children - names, addresses, birth dates, marital status, and grandchildren:**  
Sally 03-19-83 Single  
Sam 10-16-89 Single

**Other dependents and beneficiaries:**

## **Summary of Goals and Objectives**

### **Jonathan and Sarah Edwards (~Sample)**

#### **Summary of goals and objectives.**

1. Develop an investment strategy
2. Provide funds for your children's college education
3. Develop a plan for disposition of family business
4. Plan for financial independence in 10 years
5. Provide a trust fund to provide for care of elderly parents

**Key Factors**  
**Jonathan and Sarah Edwards (~Sample)**

**Financial Data Section: General**  
**Jonathan and Sarah Edwards (~Sample)**

**Financial Documents Provided:**

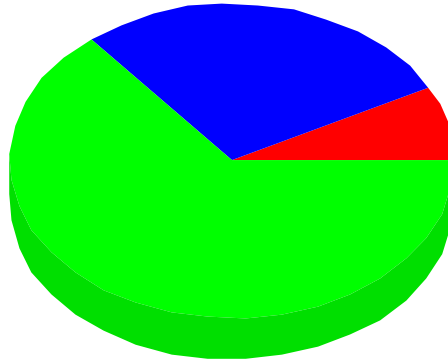
**General Comments - Financial Data:**

**Net Worth Information**  
Jonathan and Sarah Edwards (~Sample)

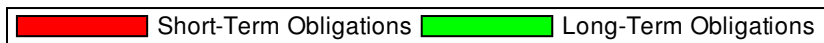
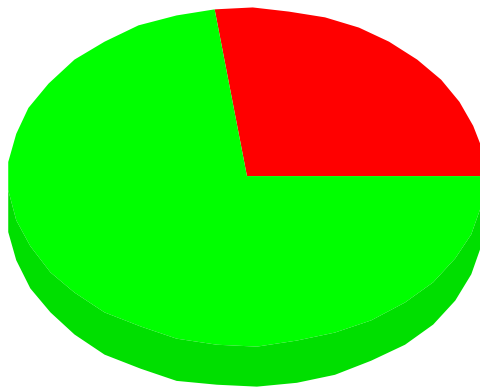
	<u>Jonathan</u>	<u>Sarah</u>	<u>Joint</u>	<u>Total</u>
<b>Liquid Assets</b>				
Cash (Checking, Savings Accts)	\$0	\$0	\$10,000	\$10,000
Cash Value of Life Insurance	\$22,600	\$0	\$0	\$22,600
Money Market Funds	\$0	\$0	\$10,000	\$10,000
Savings Certificates	\$1,200	\$600	\$0	\$1,800
Treasury Bills	\$2,000	\$0	\$0	\$2,000
Savings Bonds	\$10,100	\$5,836	\$116	\$16,052
<b>Total Liquid Assets</b>	<b>\$35,900</b>	<b>\$6,436</b>	<b>\$20,116</b>	<b>\$62,452</b>
<b>Investment Assets</b>				
Marketable Securities: Stocks	\$0	\$0	\$20,000	\$20,000
Mortgage Receivable	\$0	\$0	\$70,000	\$70,000
Other Investment Assets	\$1,200	\$0	\$0	\$1,200
Real Estate (Investment)	\$0	\$0	\$50,000	\$50,000
Retirement Funds	\$48,000	\$0	\$0	\$48,000
Star Manufacturing Co.	\$0	\$0	\$328,000	\$328,000
<b>Total Investment Assets</b>	<b>\$49,200</b>	<b>\$0</b>	<b>\$468,000</b>	<b>\$517,200</b>
<b>Personal Assets</b>				
Boats	\$0	\$0	\$12,000	\$12,000
Household Furnishings	\$0	\$0	\$30,000	\$30,000
Residence	\$0	\$30,000	\$100,000	\$130,000
Vacation Home-1/4 Int.	\$0	\$0	\$20,000	\$20,000
Vehicles-2	\$0	\$0	\$35,000	\$35,000
<b>Total Personal Assets</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$197,000</b>	<b>\$227,000</b>
<b>Total Assets</b>	<b>\$85,100</b>	<b>\$36,436</b>	<b>\$685,116</b>	<b>\$806,652</b>
<b>Short-Term Obligations</b>				
Consumer Credit Obligations	\$0	\$0	\$3,000	\$3,000
Installment Loans-Auto	\$0	\$0	\$10,000	\$10,000
<b>Total Short-Term Obligations</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,000</b>	<b>\$13,000</b>
<b>Long-Term Obligations</b>				
Mortgage on Personal Residence	\$0	\$0	\$30,000	\$30,000
Mortgage-Vacation Home	\$0	\$0	\$5,000	\$5,000
<b>Total Long-Term Obligations</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,000</b>	<b>\$35,000</b>
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$48,000</b>	<b>\$48,000</b>
<b>Net Worth</b>	<b>\$85,100</b>	<b>\$36,436</b>	<b>\$637,116</b>	<b>\$758,652</b>

This net worth statement, as of 2/20/2003, was prepared from information that you provided to assist you in developing your financial plan. Accordingly, it should not be used for any other purpose.

**Net Worth Information**  
Jonathan and Sarah Edwards (~Sample)



**Assets: \$806,652**



**Liabilities: \$48,000**

**Budget Information**  
Jonathan and Sarah Edwards (~Sample)

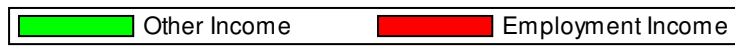
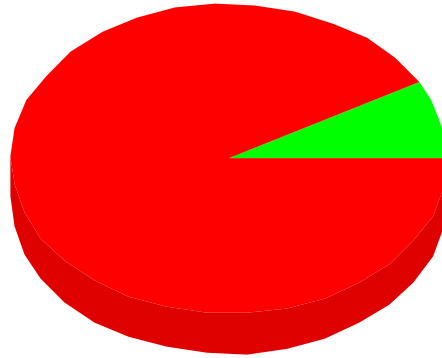
	<u>Monthly</u>	<u>Yearly</u>
<b>Employment Income</b>		
Salary	\$10,000	\$120,000
<b>Total Employment Income</b>	<b>\$10,000</b>	<b>\$120,000</b>
<b>Other Income</b>		
Dividends and Interest	\$500	\$6,000
Rent Income	\$400	\$4,800
<b>Total Other Income</b>	<b>\$900</b>	<b>\$10,800</b>
<b>Total Income</b>	<b>\$10,900</b>	<b>\$130,800</b>
<b>Income Taxes</b>		
Income Taxes	\$2,040	\$24,480
Social Security	\$467	\$5,600
<b>Total Income Taxes</b>	<b>\$2,507</b>	<b>\$30,080</b>
<b>Committed Expenditures</b>		
Debt Repayment	\$300	\$3,600
Housing (Mortgage/Rent)	\$500	\$6,000
Property & Liability Insurance	\$250	\$3,000
Real Estate Taxes	\$167	\$2,000
Utilities and Telephone	\$350	\$4,200
<b>Total Committed Expenditures</b>	<b>\$1,567</b>	<b>\$18,800</b>
<b>Somewhat Discretionary</b>		
Clothing and Cleaning	\$400	\$4,800
Current School Expense	\$1,333	\$16,000
Food, Groceries, etc.	\$600	\$7,200
Housing Supplies/Maintenance	\$200	\$2,400
Life Insurance	\$300	\$3,600
Medical/Dental Expenses	\$100	\$1,200
Transportation	\$208	\$2,500
<b>Total Somewhat Discretionary</b>	<b>\$3,141</b>	<b>\$37,700</b>
<b>Very Discretionary</b>		
Contributions, Gifts	\$1,250	\$15,000
Household Furnishings	\$100	\$1,200
Investments	\$200	\$2,400
Recreational/Entertainment	\$300	\$3,600
Savings	\$500	\$6,000
Vacations, Travel, etc.	\$333	\$4,000
<b>Total Very Discretionary</b>	<b>\$2,683</b>	<b>\$32,200</b>
<b>Total Expenses</b>	<b>\$9,898</b>	<b>\$118,780</b>
<b>Available for Savings/Investment</b>	<b>\$1,002</b>	<b>\$12,020</b>

This budget statement, as of 2/21/2003, was prepared from information that you provided to assist you in developing your financial plan. Accordingly, it should not be used for any other purpose.

# Budget Information

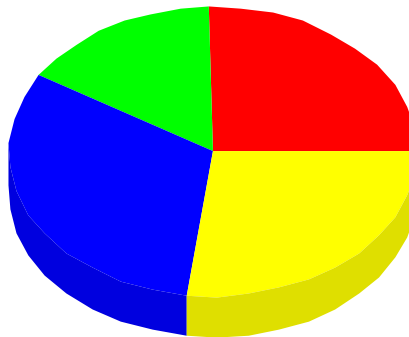
Jonathan and Sarah Edwards (~Sample)

## Income



Income: \$130,800

## Expenses



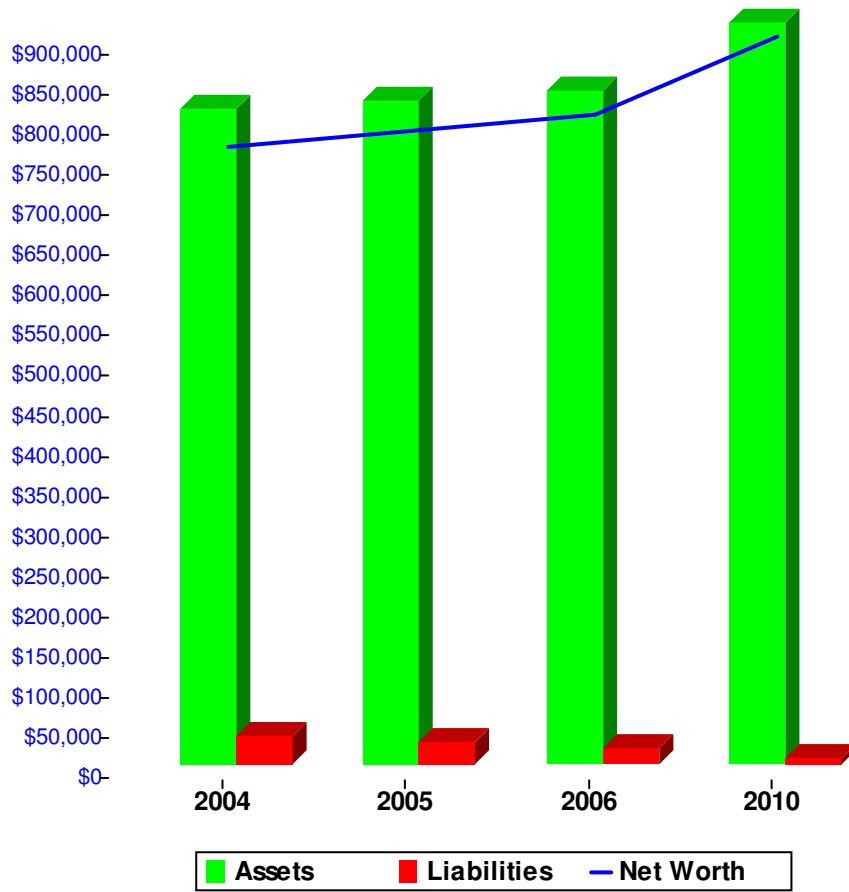
Expenses: \$118,780

**Net Worth Projections**  
Jonathan and Sarah Edwards (~Sample)

	<u>Growth Rate</u>	<u>Growth Amount</u>	<u>Current</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2010</u>
<b>Liquid Assets</b>							
Cash (Checking, Savings Accts)	3.00%	\$0	\$10,000	\$10,300	\$10,609	\$10,927	\$12,299
Cash Value of Life Insurance	5.00%	\$0	\$22,600	\$23,730	\$24,917	\$26,162	\$31,800
Money Market Funds	3.00%	\$0	\$10,000	\$10,300	\$10,609	\$10,927	\$12,299
Savings Certificates	0.00%	\$0	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Treasury Bills	0.00%	\$0	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Savings Bonds	0.00%	\$0	\$16,052	\$16,052	\$16,052	\$16,052	\$16,052
<b>Total Liquid Assets</b>			<b>\$62,452</b>	<b>\$64,182</b>	<b>\$65,986</b>	<b>\$67,868</b>	<b>\$76,250</b>
<b>Investment Assets</b>							
Marketable Securities: Stocks	4.00%	\$0	\$20,000	\$20,800	\$21,632	\$22,497	\$26,319
Mortgage Receivable	-8.00%	\$0	\$70,000	\$64,400	\$59,248	\$54,508	\$39,049
Other Investment Assets	4.00%	\$50	\$1,200	\$1,298	\$1,400	\$1,506	\$1,974
Real Estate (Investment)	2.00%	\$0	\$50,000	\$51,000	\$52,020	\$53,060	\$57,434
Retirement Funds	6.00%	\$0	\$48,000	\$50,880	\$53,933	\$57,169	\$72,174
Star Manufacturing Co.	4.00%	\$0	\$328,000	\$341,120	\$354,765	\$368,955	\$431,626
<b>Total Investment Assets</b>			<b>\$517,200</b>	<b>\$529,498</b>	<b>\$542,998</b>	<b>\$557,695</b>	<b>\$628,576</b>
<b>Personal Assets</b>							
Boats	-2.00%	\$-3,000	\$12,000	\$8,760	\$5,585	\$2,473	\$0
Household Furnishings	-3.00%	\$0	\$30,000	\$29,100	\$28,227	\$27,380	\$24,239
Residence	3.00%	\$0	\$130,000	\$133,900	\$137,917	\$142,055	\$159,884
Vacation Home-1/4 Int.	4.00%	\$0	\$20,000	\$20,800	\$21,632	\$22,497	\$26,319
Vehicles-2	-20.00%	\$0	\$35,000	\$28,000	\$22,400	\$17,920	\$7,340
<b>Total Personal Assets</b>			<b>\$227,000</b>	<b>\$220,560</b>	<b>\$215,761</b>	<b>\$212,325</b>	<b>\$217,782</b>
<b>Total Assets</b>			<b>\$806,652</b>	<b>\$814,240</b>	<b>\$824,745</b>	<b>\$837,888</b>	<b>\$922,608</b>
<b>Short-Term Obligations</b>							
Consumer Credit Obligations	0.00%	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Installment Loans-Auto	-25.00%	\$0	\$10,000	\$7,500	\$5,625	\$4,219	\$1,335
<b>Total Short-Term Obligations</b>			<b>\$13,000</b>	<b>\$10,500</b>	<b>\$8,625</b>	<b>\$7,219</b>	<b>\$4,335</b>
<b>Long-Term Obligations</b>							
Mortgage on Personal Residence	-30.00%	\$0	\$30,000	\$21,000	\$14,700	\$10,290	\$2,471
Mortgage-Vacation Home	-20.00%	\$0	\$5,000	\$4,000	\$3,200	\$2,560	\$1,049
<b>Total Long-Term Obligations</b>			<b>\$35,000</b>	<b>\$25,000</b>	<b>\$17,900</b>	<b>\$12,850</b>	<b>\$3,520</b>
<b>Total Liabilities</b>			<b>\$48,000</b>	<b>\$35,500</b>	<b>\$26,525</b>	<b>\$20,069</b>	<b>\$7,855</b>
<b>Net Worth Projections</b>			<b>\$758,652</b>	<b>\$778,740</b>	<b>\$798,220</b>	<b>\$817,819</b>	<b>\$914,753</b>

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### Net Worth Projections Jonathan and Sarah Edwards (~Sample)

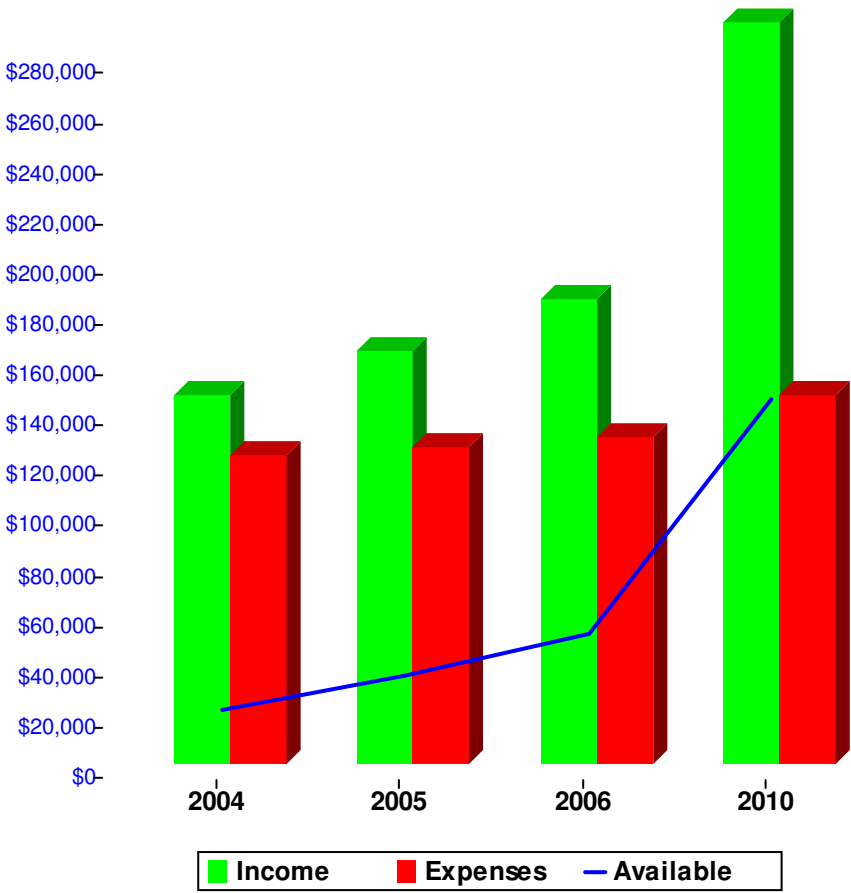


**Budget Projections**  
Jonathan and Sarah Edwards (~Sample)

	<u>Growth rate</u>	<u>Growth Amount</u>	<u>Current</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2010</u>
<b>Employment Income</b>							
Salary	13.00%	\$0	\$120,000	\$135,600	\$153,228	\$173,148	\$282,313
<b>Total Employment Income</b>			<b>\$120,000</b>	<b>\$135,600</b>	<b>\$153,228</b>	<b>\$173,148</b>	<b>\$282,313</b>
<b>Other Income</b>							
Dividends and Interest	2.00%	\$0	\$6,000	\$6,120	\$6,242	\$6,367	\$6,892
Rent Income	2.00%	\$0	\$4,800	\$4,896	\$4,994	\$5,094	\$5,514
<b>Total Other Income</b>			<b>\$10,800</b>	<b>\$11,016</b>	<b>\$11,236</b>	<b>\$11,461</b>	<b>\$12,406</b>
<b>Total Income</b>			<b>\$130,800</b>	<b>\$146,616</b>	<b>\$164,464</b>	<b>\$184,609</b>	<b>\$294,719</b>
<b>Income Taxes</b>							
Income Taxes	3.00%	\$0	\$24,480	\$25,214	\$25,971	\$26,750	\$30,107
Social Security	3.00%	\$0	\$5,600	\$5,768	\$5,941	\$6,119	\$6,887
<b>Total Income Taxes</b>			<b>\$30,080</b>	<b>\$30,982</b>	<b>\$31,912</b>	<b>\$32,869</b>	<b>\$36,994</b>
<b>Committed Expenditures</b>							
Debt Repayment	0.00%	\$0	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600
Housing (Mortgage/Rent)	0.00%	\$0	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Property & Liability Insurance	1.00%	\$0	\$3,000	\$3,030	\$3,060	\$3,091	\$3,216
Real Estate Taxes	2.00%	\$0	\$2,000	\$2,040	\$2,081	\$2,122	\$2,297
Utilities and Telephone	1.00%	\$0	\$4,200	\$4,242	\$4,284	\$4,327	\$4,503
<b>Total Committed Expenditures</b>			<b>\$18,800</b>	<b>\$18,912</b>	<b>\$19,025</b>	<b>\$19,140</b>	<b>\$19,616</b>
<b>Somewhat Discretionary</b>							
Clothing and Cleaning	3.00%	\$0	\$4,800	\$4,944	\$5,092	\$5,245	\$5,903
Current School Expense	6.00%	\$0	\$16,000	\$16,960	\$17,978	\$19,056	\$24,058
Food, Groceries, etc.	3.00%	\$0	\$7,200	\$7,416	\$7,638	\$7,868	\$8,855
Housing Supplies/Maintenance	2.00%	\$0	\$2,400	\$2,448	\$2,497	\$2,547	\$2,757
Life Insurance	0.00%	\$0	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600
Medical/Dental Expenses	4.00%	\$50	\$1,200	\$1,298	\$1,400	\$1,506	\$1,974
Transportation	3.00%	\$0	\$2,500	\$2,575	\$2,652	\$2,732	\$3,075
<b>Total Somewhat Discretionary</b>			<b>\$37,700</b>	<b>\$39,241</b>	<b>\$40,857</b>	<b>\$42,554</b>	<b>\$50,222</b>
<b>Very Discretionary</b>							
Contributions, Gifts	3.00%	\$0	\$15,000	\$15,450	\$15,914	\$16,391	\$18,448
Household Furnishings	3.00%	\$0	\$1,200	\$1,236	\$1,273	\$1,311	\$1,476
Investments	3.00%	\$0	\$2,400	\$2,472	\$2,546	\$2,623	\$2,952
Recreational/Entertainment	3.00%	\$0	\$3,600	\$3,708	\$3,819	\$3,934	\$4,428
Savings	3.00%	\$0	\$6,000	\$6,180	\$6,365	\$6,556	\$7,379
Vacations, Travel, etc.	3.00%	\$0	\$4,000	\$4,120	\$4,244	\$4,371	\$4,920
<b>Total Very Discretionary</b>			<b>\$32,200</b>	<b>\$33,166</b>	<b>\$34,161</b>	<b>\$35,186</b>	<b>\$39,603</b>
<b>Total Expenses</b>			<b>\$118,780</b>	<b>\$122,301</b>	<b>\$125,955</b>	<b>\$129,749</b>	<b>\$146,435</b>
<b>Available for Savings/Investment</b>			<b>\$12,020</b>	<b>\$24,315</b>	<b>\$38,509</b>	<b>\$54,860</b>	<b>\$148,284</b>

This budget projection, as of 2/21/2003, was prepared from information that you provided to assist you in developing your financial plan. Accordingly, it should not be used for any other purpose.

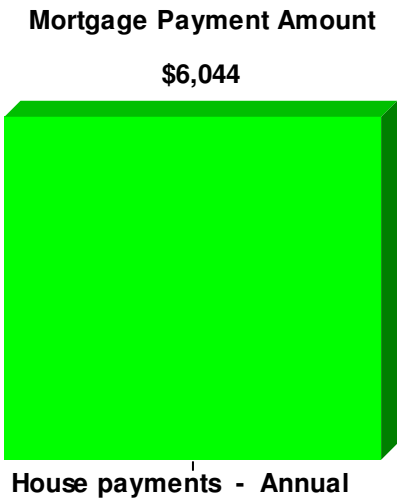
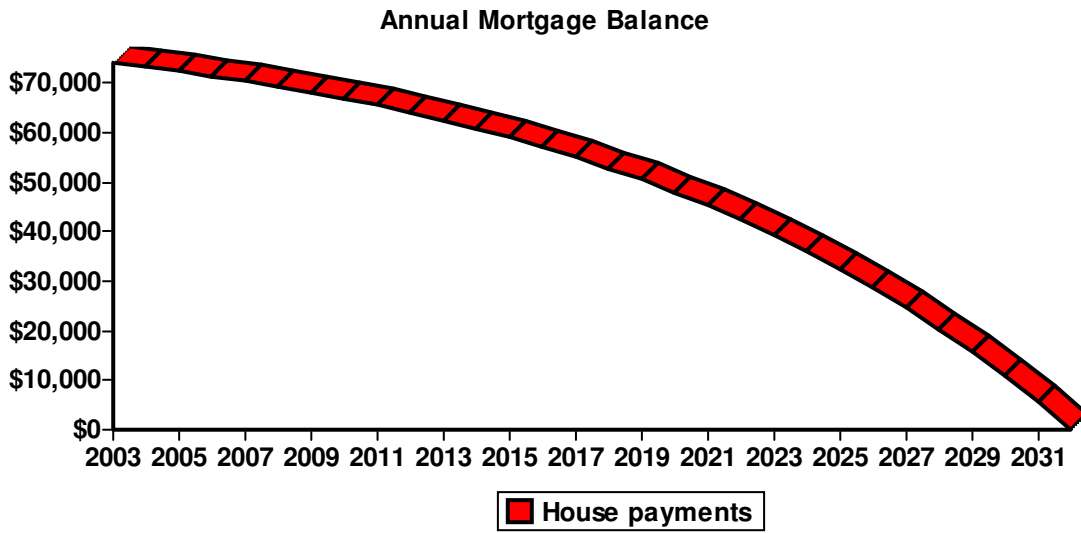
**Budget Projections**  
Jonathan and Sarah Edwards (~Sample)



**Mortgage Payment Computation**  
Jonathan and Sarah Edwards (~Sample)

<b>House payments</b>			
Amount Borrowed:	\$75,000	Payment (Annual):	\$6,044
Effective Interest:	7.000%	Payment (Semiannual):	\$3,007
Length of Mortgage:	30 Years	Payment (Quarterly):	\$1,499
Date of First Payment:	11/1/2003	Payment (Monthly):	\$499
<b>Schedule assumes annual payments.</b>			

<u>Year</u>	<u>Ending Balance</u>	<u>Annual Principal</u>	<u>Annual Interest</u>	<u>Principal to Date</u>	<u>Interest to Date</u>
2003	\$74,206	\$794	\$5,250	\$794	\$5,250
2004	\$73,356	\$850	\$5,194	\$1,644	\$10,444
2005	\$72,447	\$909	\$5,135	\$2,553	\$15,579
2006	\$71,475	\$973	\$5,071	\$3,525	\$20,651
2007	\$70,434	\$1,041	\$5,003	\$4,566	\$25,654
2008	\$69,320	\$1,114	\$4,930	\$5,680	\$30,584
2009	\$68,129	\$1,192	\$4,852	\$6,871	\$35,437
2010	\$66,854	\$1,275	\$4,769	\$8,146	\$40,206
2011	\$65,490	\$1,364	\$4,680	\$9,510	\$44,886
2012	\$64,030	\$1,460	\$4,584	\$10,970	\$49,470
2013	\$62,468	\$1,562	\$4,482	\$12,532	\$53,952
2014	\$60,797	\$1,671	\$4,373	\$14,203	\$58,325
2015	\$59,009	\$1,788	\$4,256	\$15,991	\$62,580
2016	\$57,095	\$1,913	\$4,131	\$17,905	\$66,711
2017	\$55,048	\$2,047	\$3,997	\$19,952	\$70,708
2018	\$52,857	\$2,191	\$3,853	\$22,143	\$74,561
2019	\$50,513	\$2,344	\$3,700	\$24,487	\$78,261
2020	\$48,005	\$2,508	\$3,536	\$26,995	\$81,797
2021	\$45,322	\$2,684	\$3,360	\$29,678	\$85,157
2022	\$42,450	\$2,871	\$3,173	\$32,550	\$88,330
2023	\$39,378	\$3,072	\$2,972	\$35,622	\$91,301
2024	\$36,090	\$3,288	\$2,756	\$38,910	\$94,058
2025	\$32,573	\$3,518	\$2,526	\$42,427	\$96,584
2026	\$28,809	\$3,764	\$2,280	\$46,191	\$98,864
2027	\$24,781	\$4,027	\$2,017	\$50,219	\$100,881
2028	\$20,472	\$4,309	\$1,735	\$54,528	\$102,616
2029	\$15,861	\$4,611	\$1,433	\$59,139	\$104,049
2030	\$10,928	\$4,934	\$1,110	\$64,072	\$105,159
2031	\$5,649	\$5,279	\$765	\$69,351	\$105,924
2032	\$0	\$5,649	\$395	\$75,000	\$106,319



**Debt Structure**  
**Jonathan and Sarah Edwards (~Sample)**

**Summary of Debt Structure:**

**Comments - Debt Structure:**

**Risk Management Section: General**  
**Jonathan and Sarah Edwards (~Sample)**

**Insurance Documents Provided:**

No insurance documents received yet

**General Comments - Risk Management:**

Consolidate Policies

**Policy Analyzer: Life Insurance**  
**Jonathan and Sarah Edwards (~Sample)**

**Recommended Face Value of Insurance Coverage:**

<b>Permanent Insurance:</b>	\$150,000
<b>Term Insurance:</b>	\$200,000
<b>Convertible Term Insurance:</b>	\$100,000

**Comments:**

All information not complete

**Policy 007**

<b>Company:</b>	Dry Gulch Mut.	<b>Date Issued:</b>	1/10/2001
<b>Insured:</b>	Jonathan	<b>Face Value:</b>	\$100,000
<b>Policy Owner:</b>	"	<b>Annual Premium:</b>	\$1,200
<b>Type of Insurance:</b>	WL	<b>Surrender Value:</b>	\$13,000
<b>Beneficiary:</b>	Sarah	<b>Loans:</b>	\$0
<b>Options:</b>		<b>Assigned:</b>	No

**Policy 123**

<b>Company:</b>	Old Guard	<b>Date Issued:</b>	1/10/2001
<b>Insured:</b>	Jonathan	<b>Face Value:</b>	\$100,000
<b>Policy Owner:</b>	"	<b>Annual Premium:</b>	\$2,400
<b>Type of Insurance:</b>	Universal	<b>Surrender Value:</b>	\$9,600
<b>Beneficiary:</b>	Sarah	<b>Loans:</b>	\$0
<b>Options:</b>		<b>Assigned:</b>	No

**Policy 567**

<b>Company:</b>	Group Mut.	<b>Date Issued:</b>	1/10/2001
<b>Insured:</b>	Jonathan	<b>Face Value:</b>	\$50,000
<b>Policy Owner:</b>	"	<b>Annual Premium:</b>	\$0
<b>Type of Insurance:</b>	Grp Term	<b>Surrender Value:</b>	\$0
<b>Beneficiary:</b>	Sarah	<b>Loans:</b>	\$0
<b>Options:</b>		<b>Assigned:</b>	No

**Policy Analyzer: Disability Insurance**  
**Jonathan and Sarah Edwards (~Sample)**

**Policy Old Reliable**

Company:	Old Reliable		
Policy Number:	Old Reliable		
Insured:	Jonathan	Guaranteed Renewable:	No
Monthly Income:	\$7,000	Noncancelable:	Yes
% of Current Income:	50.00%	Residual Disability:	Yes
Annual Premium:	\$1,200	Partial Disability:	Yes
Benefit Period:	Through age 65	COLA:	No
Waiting Period:		Social Security:	No
		Additional Purchase:	No
Definition of Disability:			
Limit on Definition:			
Comments			

**Policy Analyzer: Major Medical and Health  
Jonathan and Sarah Edwards (~Sample)**

**Insurance Company: Smalltown Insurance**

**Coverage: Major Medical and Health Insurance:**

**Comments: Major Medical and Health Insurance:**

Consider higher deductible

**Policy Analyzer: Long-Term Health Care**  
**Jonathan and Sarah Edwards (~Sample)**

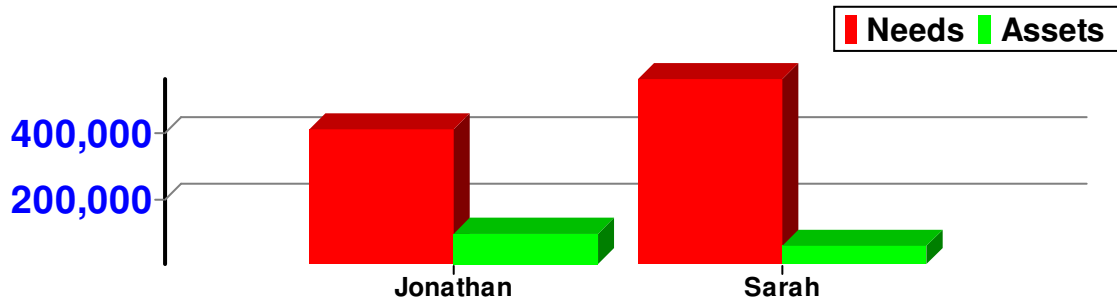
**Insurance Company:**

**Coverage: Long-Term Health Care Insurance:**

**Comments: Long-Term Health Care Insurance:**

**Insurance Needs Analysis**  
Jonathan and Sarah Edwards (~Sample)

**Needs vs. Assets**



	<b>Jonathan</b>	<b>Sarah</b>
<b>Current Cash Needs</b>		
Final Expenses	\$12,000	\$10,000
Emergency Fund	\$0	\$4,000
Mortgage Fund	\$22,000	\$0
Notes and Loans Payable	\$0	\$0
Taxes Payable	\$0	\$0
Education Expenses(NPV)	\$103,330	\$103,330
Other	\$0	\$0
<b>Total Cash Needs</b>	<b>\$137,330</b>	<b>\$117,330</b>
<b>Capital Needs</b>		
Lifetime Monthly Income	\$4,000	\$3,000
Age of Survivor at Time of Death	90	85
Survivor Years of Life	5	7
Interest Rate	7.00%	7.00%
Adjustment Period Monthly Income	\$1,200	\$3,000
Adjustment Period (Years)	5	7
Amount Required for Lifetime Income	\$202,008	\$198,772
Amount Required for Adjustment Period	\$72,000	\$252,000
<b>Total Capital Needs</b>	<b>\$274,008</b>	<b>\$450,772</b>
<b>Capital Assets</b>		
Life Insurance	\$20,000	\$0
Cash Savings	\$0	\$5,000
Investment Assets	\$0	\$0
Social Security	\$0	\$0
Pension Benefits	\$75,000	\$50,000
Other Capital Assets	\$0	\$0
<b>Total Capital Assets</b>	<b>\$95,000</b>	<b>\$55,000</b>
<b>Summary</b>		
Total Cash Needs	\$137,330	\$117,330
Total Capital Needs	\$274,008	\$450,772
<b>Total Needs</b>	<b>\$411,338</b>	<b>\$568,102</b>
Total Capital Assets	\$95,000	\$55,000
<b>Deficit</b>	<b>\$316,338</b>	<b>\$513,102</b>

**Insurance Needs Analysis**  
**Jonathan and Sarah Edwards (~Sample)**

**Life Insurance Questionnaire**  
**Jonathan and Sarah Edwards (~Sample)**

1. The following are six ways of paying for and investing in life insurance. Indicate the word that best describes the client's initial reaction to the type of policy named.

Non-Guaranteed Term:	Acceptable
Yearly Renewable and Convertible Term:	Satisfactory
Whole Life:	Prefer
Universal Life:	Acceptable
Variable Life:	Prefer
Universal/Variable Life:	Satisfactory

2. I wish to put enough money into a life insurance policy to buy the life insurance protection only - no investments.
3. At this time, I am not able to consider investing with an insurance company.
4. I prefer not to invest with a life insurance company.
5. The term policy need not be renewable or convertible as long as it provides uninterrupted life insurance for at least 2 years.
6. I want the term policy to contain renewability and convertibility features.
7. I prefer to invest capital with an insurance company and have the charges for expenses and term insurance (mortality costs) deducted from my investment account earnings (pre-tax).
8. I prefer the Whole Life policy which invests in the long-term bond and mortgage portfolio of the life insurance company.
9. I prefer the whole life arrangement of paying for life insurance for all of the following:
- Not applicable.
- I like long-term bond and mortgage investments for life insurance.
- I wish to use a very conservative investment account within my policy.
- I desire low volatility.
- I prefer a fixed, contractually guaranteed premium.
- I desire a relatively high degree of assurance that my payments into the policy may be eliminated (e.g., a "short pay" policy with a seven to twelve year time frame) with a high degree of confidence that premiums will not have to be paid after that time.
- I prefer a low management type of policy.
- I do not want premium, face amount or investment flexibility.
10. I prefer the Universal Life arrangement of paying for life insurance for all of the following reasons:
- Not applicable.
- I prefer having the insurance company specify each year the interest I will earn on the capital invested within my policy as determined by market conditions and at the company's discretion.
- The guaranteed interest account is sufficient for my life insurance investment purposes. I do not and will not want or need any other investment alternatives in the future.
- I like being able to see exactly what my investment is earning and the exact charges being made against my policy.

**Life Insurance Questionnaire**  
**Jonathan and Sarah Edwards (~Sample)**

- I like the flexibility of being able to adjust the face amount of the policy.
- I like the flexibility of being able to vary my premium payments into the policy.
- I want face amount and premium flexibility, but not investment flexibility.
11. I prefer the Variable Whole Life arrangement of paying for life insurance for all
- Not applicable.
- I like the security of knowing I only need to pay a fixed annual premium to maintain my policy regardless of what happens to my policy investments, mortality costs or expenses.
- I like the fixed premium arrangement.
- I like having the ability to invest in a variety of investment accounts and being able to reposition these investments.
- I do not want premium or face amount flexibility, just investment flexibility.
- I like the guarantee that my death benefit will never go below the original face amount of the policy.
12. I prefer the Universal/Variable arrangement of paying for life insurance for the following reasons:
- Not applicable.
- I desire the flexibility this policy offers with regard to face amount, premium payments into the policy and the investment alternatives available in the policy.
- I welcome the opportunity to exercise management control over premium, face amount and investments in this policy and to enjoy the living benefits that it offers to enhance my family's/company's security. I am aware of the responsibility that is inherent.
- I want to have the opportunity to use the family of mutual funds within a policy to accumulate for family investment objectives without creating income tax liabilities.
- I like the idea of having access to a family of mutual funds sheltered from current taxation.
- I prefer to retain premium flexibility, face amount flexibility, and investment flexibility.

**Insurance Action Letters**  
**Jonathan and Sarah Edwards (~Sample)**

**Equipment**

Smoke detectors     Fire extinguishers  
 Deadbold locks     Other devices

**Health**

Jonathan's health is Good.    Sarah's health is Excellent.  
Jonathan doesn't smoke.    Sarah doesn't smoke.

**Insurance**

Jonathan life insurance:	\$12,000
Occupation:	Teacher
Disability insurance:	\$4,000
Sarah life insurance:	\$10,000

**Special Items - Real Estate Insurance:**

**Investment Section: General**  
**Jonathan and Sarah Edwards (~Sample)**

**Investment Documents Provided:**

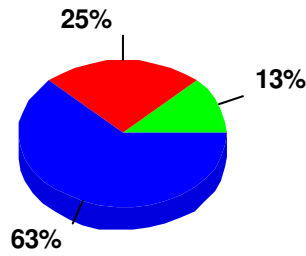
**General Comments - Investments:**

**Portfolio Allocation Worksheet**  
Jonathan and Sarah Edwards (~Sample)

	<b>Jonathan</b>
1) Getting my money to grow faster than the inflation rate is one of my most important investment objectives.	1
2) I will not need the money in my investment portfolio until I reach my retirement age.	1
3) I am willing to tolerate some sharp downswings in my investments in order to seek a potentially higher return than would normally be expected from more stable investments.	1
4) I am willing to risk a short-term loss on my investments in return for a potentially higher long-run rate of return.	<u>1</u>
<b>4) I am willing to risk a short-term loss on my investments in return for a potentially higher long-run rate of return.</b>	<b>4</b>
4) I am willing to risk a short-term loss on my investments in return for a potentially higher long-run rate of return.	<u>1</u>
<b>4) I am willing to risk a short-term loss on my investments in return for a potentially higher long-run rate of return.</b>	<b>5</b>

	<b>Calculated</b>	<b>Planner</b>
<b>Equities</b>		
<b>U.S. Equities</b>		
Large Cap Value	5 - 10%	0%
Large Cap Growth	5 - 10%	0%
Mid Cap Value	5 - 10%	0%
Mid Cap Growth	0 - 2%	0%
Small Cap Value	0 - 2%	0%
Small Cap Growth	<u>0 - 2%</u>	<u>0%</u>
<b>Total Recommended U.S. Equities</b>	<b>15 - 25%</b>	<b>0%</b>
<b>International Equities</b>		
Large Cap Value	3 - 5%	0%
Large Cap Growth	3 - 5%	0%
Mid Cap Value	0 - 2%	0%
Mid Cap Growth	0 - 2%	0%
Small Cap Value	0 - 2%	0%
Small Cap Growth	<u>0 - 2%</u>	<u>0%</u>
<b>Total Recommended International Equities</b>	<b>5 - 10%</b>	<b>0%</b>
<b>Real Estate Equities</b>		
REITS	<u>0 - 5%</u>	<u>0%</u>
<b>Total Recommended Equities</b>	<b>30%</b>	<b>0%</b>
<b>Fixed Income</b>		
Long / Intermediate Term U.S. Bonds	<b>45 - 55%</b>	<b>0%</b>
<b>Cash</b>	<b>5 - 10%</b>	<b>0%</b>
<b>Total Recommended Allocation</b>		<b>0%</b>

**Investment Portfolio**  
Jonathan and Sarah Edwards (~Sample)



	<b>Cash</b>		<b>Fixed Income</b>		<b>Equities</b>
--	-------------	--	---------------------	--	-----------------

<u>Description</u>	<u>Cash</u>	<u>Fixed Income</u>	<u>Equities</u>	<u>Total</u>
Money Market Fund	\$50,000	\$0	\$0	\$50,000
Omega Life Annuity	\$0	\$25,000	\$25,000	\$50,000
European Equity Growth	\$0	\$0	\$100,000	\$100,000
American Balanced Mutual	\$0	\$0	\$50,000	\$50,000
National Bonds of America	\$0	\$50,000	\$0	\$50,000
Omega Life Annuity	\$0	\$25,000	\$25,000	\$50,000
American Balanced Fund	\$0	\$0	\$50,000	\$50,000
<b>TOTALS</b>	<b>\$50,000</b>	<b>\$100,000</b>	<b>\$250,000</b>	<b>\$400,000</b>
	<b>12.50%</b>	<b>25.00%</b>	<b>62.50%</b>	

## **Investment Strategy Worksheet**

**Jonathan and Sarah Edwards (~Sample)**

**Review and enter client's personal investment preferences.**

Provide adequate income for retirement.

**Compute and consider amount of discretionary income. Enter the result.**

Analyzed as part of financial section. See attached notes.

**Enter the size of the investment portfolio.**

\$300,000

**Enter the time frame.**

15 years.

**Enter the percentage of total assets that are investment assets.**

70%

**Enter the income needs.**

After retirement, \$50,000 per year.

**Enter the risk aversion factor on a scale of one to five, with 1 being the most adverse to risk.**

**Enter the need to re-evaluate as conditions and circumstances change.**

Insurance coverage and portfolio allocation.

**Enter the list of options for types of investments in accord with preferences.**

Balanced funds  
Growth-income funds  
Growth funds  
Aggressive growth funds

**Compile and enter a suggested portfolio by type and percentage of each investment.**

As recommended by portfolio allocation worksheet.

**Enter the ratio of active vs. passive management.**

Percent under active management = 40%.

Percent under passive management = 60%.

**Retirement Section: General**  
**Jonathan and Sarah Edwards (~Sample)**

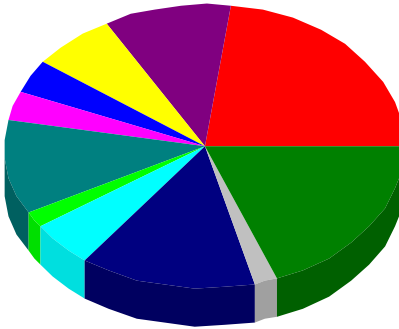
**Plans and Other Documents Provided:**

**General Comments - Retirement Planning:**

# Retirement Income Requirements Worksheet

## Jonathan and Sarah Edwards (~Sample)

### Breakdown of Expenses

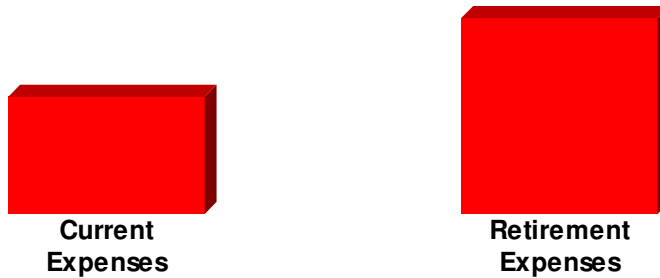


<span style="color: red;">■</span>	Housing Costs	<span style="color: purple;">■</span>	Food
<span style="color: yellow;">■</span>	Clothing	<span style="color: blue;">■</span>	Auto Expenses
<span style="color: magenta;">■</span>	Other Household	<span style="color: teal;">■</span>	Recreation Expenses
<span style="color: limegreen;">■</span>	Medical and Dental	<span style="color: cyan;">■</span>	Insurance
<span style="color: darkblue;">■</span>	Income Taxes	<span style="color: gray;">■</span>	Contributions
<span style="color: green;">■</span>	Other Expenses		

#### Annual Expenses

Housing Costs:	\$16,000
Food:	\$7,200
Clothing:	\$4,800
Auto Expenses:	\$2,500
Other Household Expenses:	\$2,400
Recreation expenses:	\$7,600
Medical and Dental Expenses:	\$1,200
Life and Disability Insurance:	\$3,600
Income Taxes:	\$10,000
Contributions:	\$1,250
Other Expenses:	<u>\$13,450</u>
<b>Total Expenses Expressed in Today's Dollars:</b>	<b>\$70,000</b>
Years Until Retirement:	13
Estimated Annual Inflation Rate:	<u>0%</u>
<b>Projected Annual Retirement Income Requirements:</b>	<b>\$116,555</b>

### Expenses: Current vs. Retirement



**Retirement Planning Worksheet**  
Jonathan and Sarah Edwards (~Sample)

**Future Value of Income Required**

Rate of Inflation:		4.00%
Years until Retirement:		13
Current Estimate of Income Needed (Today's Dollars):		\$70,000
Less Guaranteed Annual Payments:		
Social Security:	\$10,000	
Pension:	\$0	
Other:	\$0	\$10,000
Net Income Needed (Today's Dollars):		\$60,000
<b>Future Value of Annual Retirement Income Goal:</b>		<b>\$99,904</b>

**Present Value of Amount Needed at Date of Retirement**

Future Value of Annual Retirement Income:		\$99,904
Post-retirement Return on Investments:	7.00%	
Less Post-Retirement Rate of Inflation:	0.00%	7.00%
Life Expectancy from Date of Retirement:		21 Years
Take Income at Beginning of Year:		No
<b>Total Amount Needed to Fund Retirement:</b>		<b>\$1,082,517</b>

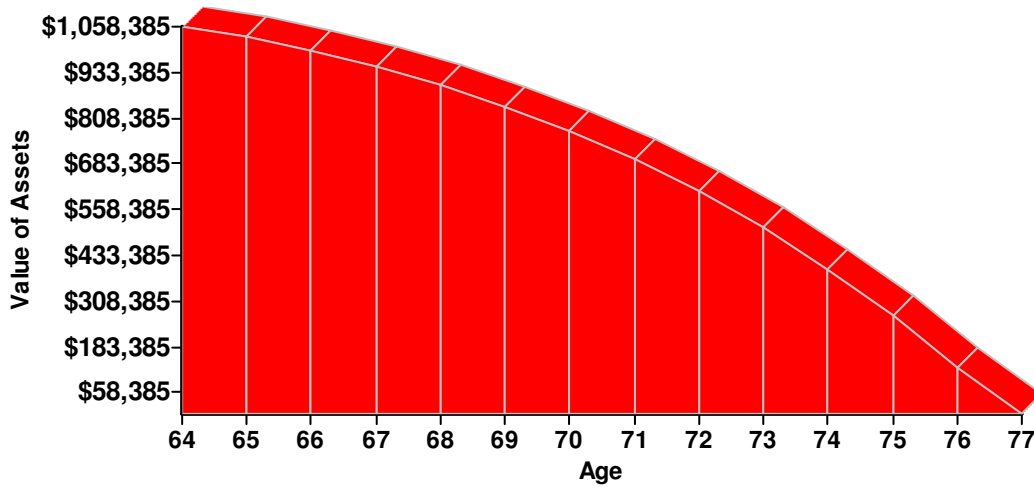
**Amount Needed Annually to Fund Retirement**

Total Dollar Amount Needed to Fund Retirement:		\$1,082,517
Less: Future Value of Current Investments:		
\$517,200 in 13 years at 0.00%	\$517,200	
\$920,882 in 0 years at 0.00%	\$920,882	\$1,438,082
Total Resources:		\$1,438,082
Shortage/Overage (Amount Needed Less Resources Available):		(\$355,565)
Pre-retirement Return on Investments:		5.00%
<b>Annual Contribution Required to Cover Shortfall:</b>		<b>\$0</b>

## Asset Life Schedule Jonathan and Sarah Edwards (~Sample)

Desired income from investments	\$99,904
Income producing assets	\$1,082,513
Assumed return on investments	7.00%
Assumed inflation rate	4.00%
Age at retirement	64
Take income at beginning of year?	no

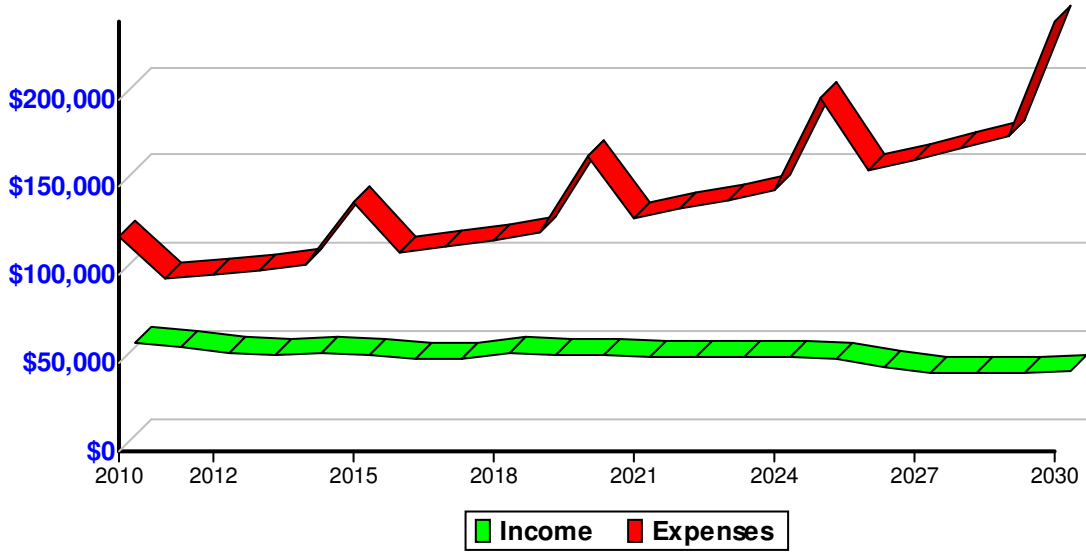
**Assets at End of Year**



<u>Year</u>	<u>Age</u>	<u>Inflation Adjusted Income</u>	<u>Value of Assets</u>	<u>Income From Assets</u>	<u>Use of Capital</u>	<u>Assets at End of Year</u>
1	64	\$99,904	\$1,082,513	\$75,776	\$24,128	\$1,058,385
2	65	\$103,900	\$1,058,385	\$74,087	\$29,813	\$1,028,572
3	66	\$108,056	\$1,028,572	\$72,000	\$36,056	\$992,516
4	67	\$112,378	\$992,516	\$69,476	\$42,902	\$949,614
5	68	\$116,874	\$949,614	\$66,473	\$50,401	\$899,213
6	69	\$121,548	\$899,213	\$62,945	\$58,603	\$840,610
7	70	\$126,410	\$840,610	\$58,843	\$67,567	\$773,043
8	71	\$131,467	\$773,043	\$54,113	\$77,354	\$695,689
9	72	\$136,726	\$695,689	\$48,698	\$88,028	\$607,661
10	73	\$142,195	\$607,661	\$42,536	\$99,659	\$508,002
11	74	\$147,882	\$508,002	\$35,560	\$112,322	\$395,680
12	75	\$153,798	\$395,680	\$27,698	\$126,100	\$269,580
13	76	\$159,950	\$269,580	\$18,871	\$141,079	\$128,501
14	77	\$166,348	\$128,501	\$8,995	\$157,353	\$0

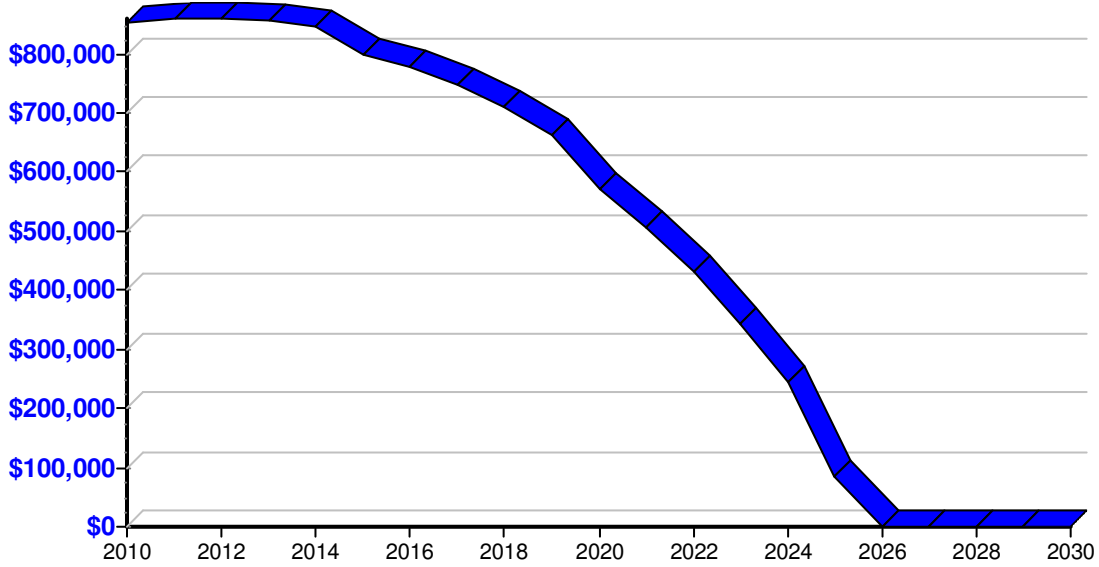
## Yearly Retirement Funding Jonathan and Sarah Edwards (~Sample)

Income vs. Expenses



Year	Summary						
	Income	Taxes & Expenses	Available Investments	Surplus (Deficit)	Minimum Distributions	Adjusted Investments	Accumulations (Shortfall)
2010	\$52,208	\$122,322	\$924,040	-\$70,114	\$0	\$853,926	\$0
2011	\$49,610	\$98,123	\$907,672	-\$48,513	\$0	\$859,159	\$0
2012	\$47,283	\$100,485	\$913,169	-\$53,202	\$0	\$859,967	\$0
2013	\$45,208	\$103,085	\$913,879	-\$57,877	\$0	\$856,002	\$0
2014	\$46,505	\$105,925	\$909,428	-\$59,420	\$3,137	\$846,871	\$0
2015	\$45,066	\$141,023	\$899,453	-\$95,957	\$3,320	\$800,176	\$0
2016	\$43,840	\$112,321	\$848,908	-\$68,481	\$3,513	\$776,914	\$0
2017	\$42,817	\$115,880	\$823,672	-\$73,063	\$3,718	\$746,891	\$0
2018	\$46,397	\$119,682	\$791,133	-\$73,285	\$8,348	\$709,500	\$0
2019	\$45,726	\$123,733	\$750,992	-\$78,007	\$8,560	\$664,425	\$0
2020	\$45,224	\$166,992	\$702,551	-\$121,768	\$8,784	\$571,999	\$0
2021	\$44,861	\$132,592	\$602,971	-\$87,731	\$8,999	\$506,241	\$0
2022	\$44,672	\$137,409	\$532,191	-\$92,737	\$9,248	\$430,206	\$0
2023	\$44,603	\$142,495	\$450,315	-\$97,892	\$9,485	\$342,938	\$0
2024	\$44,670	\$147,854	\$356,306	-\$103,184	\$9,733	\$243,389	\$0
2025	\$43,453	\$200,894	\$249,535	-\$157,441	\$8,577	\$83,517	\$0
2026	\$39,044	\$159,428	\$83,517	-\$120,384	\$4,114	\$0	-\$40,981
2027	\$35,093	\$165,660	\$0	-\$130,567	\$0	\$0	-\$171,548
2028	\$35,361	\$172,199	\$0	-\$136,838	\$0	\$0	-\$308,386
2029	\$35,731	\$179,059	\$0	-\$143,328	\$0	\$0	-\$451,714
2030	\$36,199	\$243,917	\$0	-\$207,718	\$0	\$0	-\$659,432

**Investments**



<b>Investments</b>						
<b>Year</b>	<b>New Investment</b>	<b>Real Estate</b>	<b>Retirement Plan</b>	<b>Star Manuf.</b>	<b>Stocks</b>	<b>Total</b>
2010	\$120,976	\$57,433	\$72,174	\$639,180	\$34,277	\$924,040
2011	\$120,976	\$58,582	\$76,504	\$651,610	\$0	\$907,672
2012	\$120,976	\$59,754	\$81,094	\$651,345	\$0	\$913,169
2013	\$120,976	\$60,949	\$85,960	\$645,994	\$0	\$913,879
2014	\$120,976	\$62,168	\$91,118	\$635,166	\$0	\$909,428
2015	\$120,976	\$63,411	\$93,260	\$621,806	\$0	\$899,453
2016	\$120,976	\$64,679	\$95,336	\$567,917	\$0	\$848,908
2017	\$120,976	\$65,973	\$97,332	\$539,391	\$0	\$823,672
2018	\$120,976	\$67,292	\$99,231	\$503,634	\$0	\$791,133
2019	\$116,561	\$68,638	\$101,016	\$464,777	\$0	\$750,992
2020	\$112,162	\$70,011	\$102,666	\$417,712	\$0	\$702,551
2021	\$107,781	\$71,411	\$104,159	\$319,620	\$0	\$602,971
2022	\$103,417	\$72,839	\$105,495	\$250,440	\$0	\$532,191
2023	\$99,072	\$74,296	\$106,628	\$170,319	\$0	\$450,315
2024	\$94,746	\$75,782	\$107,557	\$78,221	\$0	\$356,306
2025	\$90,439	\$77,298	\$81,798	\$0	\$0	\$249,535
2026	\$83,517	\$0	\$0	\$0	\$0	\$83,517
2027	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0

**Yearly Retirement Funding**  
Jonathan and Sarah Edwards (~Sample)

<u>Year</u>	<u>Expenses</u>						<u>Total</u>
	<u>Miscellaneous</u>	<u>Recreation</u>	<u>Household</u>	<u>Automobile</u>	<u>Medical</u>	<u>Other</u>	
2010	\$19,344	\$10,002	\$3,158	\$26,318	\$6,755	\$36,847	\$102,424
2011	\$20,118	\$10,402	\$3,284	\$0	\$7,160	\$38,321	\$79,285
2012	\$20,923	\$10,818	\$3,415	\$0	\$7,590	\$39,854	\$82,600
2013	\$21,760	\$11,251	\$3,552	\$0	\$8,045	\$41,448	\$86,056
2014	\$22,630	\$11,701	\$3,694	\$0	\$8,528	\$43,106	\$89,659
2015	\$23,535	\$12,169	\$3,842	\$32,021	\$9,040	\$44,830	\$125,437
2016	\$24,476	\$12,656	\$3,996	\$0	\$9,582	\$46,624	\$97,334
2017	\$25,455	\$13,162	\$4,156	\$0	\$10,157	\$48,489	\$101,419
2018	\$26,473	\$13,688	\$4,322	\$0	\$10,766	\$50,428	\$105,677
2019	\$27,532	\$14,236	\$4,495	\$0	\$11,412	\$52,445	\$110,120
2020	\$28,633	\$14,805	\$4,675	\$38,958	\$12,097	\$54,543	\$153,711
2021	\$29,778	\$15,397	\$4,862	\$0	\$12,823	\$56,725	\$119,585
2022	\$30,969	\$16,013	\$5,056	\$0	\$13,592	\$58,994	\$124,624
2023	\$32,208	\$16,654	\$5,258	\$0	\$14,408	\$61,353	\$129,881
2024	\$33,496	\$17,320	\$5,468	\$0	\$15,272	\$63,807	\$135,363
2025	\$34,836	\$18,013	\$5,687	\$47,398	\$16,188	\$66,359	\$188,481
2026	\$36,229	\$18,734	\$5,914	\$0	\$17,159	\$69,014	\$147,050
2027	\$37,678	\$19,483	\$6,151	\$0	\$18,189	\$71,774	\$153,275
2028	\$39,185	\$20,262	\$6,397	\$0	\$19,280	\$74,645	\$159,769
2029	\$40,752	\$21,072	\$6,653	\$0	\$20,437	\$77,631	\$166,545
2030	\$42,382	\$21,915	\$6,919	\$57,668	\$21,663	\$80,736	\$231,283

**Yearly Retirement Funding**  
**Jonathan and Sarah Edwards (~Sample)**

<b>Income</b>			
<b><u>Year</u></b>	<b><u>Mortg. Rec.</u></b>	<b><u>Soc.Sec.</u></b>	<b><u>Total</u></b>
2010	\$39,048	\$13,160	\$52,208
2011	\$35,924	\$13,686	\$49,610
2012	\$33,050	\$14,233	\$47,283
2013	\$30,406	\$14,802	\$45,208
2014	\$27,974	\$15,394	\$43,368
2015	\$25,736	\$16,010	\$41,746
2016	\$23,677	\$16,650	\$40,327
2017	\$21,783	\$17,316	\$39,099
2018	\$20,040	\$18,009	\$38,049
2019	\$18,437	\$18,729	\$37,166
2020	\$16,962	\$19,478	\$36,440
2021	\$15,605	\$20,257	\$35,862
2022	\$14,357	\$21,067	\$35,424
2023	\$13,208	\$21,910	\$35,118
2024	\$12,151	\$22,786	\$34,937
2025	\$11,179	\$23,697	\$34,876
2026	\$10,285	\$24,645	\$34,930
2027	\$9,462	\$25,631	\$35,093
2028	\$8,705	\$26,656	\$35,361
2029	\$8,009	\$27,722	\$35,731
2030	\$7,368	\$28,831	\$36,199

**Estate Planning Section: General**  
**Jonathan and Sarah Edwards (~Sample)**

**Estate Documents Provided:**

**General Comments - Estate Planning:**

**Extract of Will and Trust Worksheet**  
**Jonathan and Sarah Edwards (~Sample)**

**Extract of Will and Trust:**

**Comments:**

**Checklist: Estate Planning**  
**Jonathan and Sarah Edwards (~Sample)**

1. Is estate taxable? - Yes
2. Is there sufficient liquidity for taxes, expenses, etc.? - Yes
3. Does the use of gifts make sense? - Yes
4. Will each spouse utilize unified credit? (Check form of property ownership) - Yes
5. Should we utilize the maximum marital deductions? - N/A
6. Will trusts benefit the client?
  - a) By-Pass - Yes
  - b) QTIP - No
  - c) Qualified Domestic Trust - N/A
  - d) Charitable Remainder Trust - Yes
  - e) Life insurance - No
7. Have you reviewed ownership and beneficiaries of life insurance? - N/A
8. Have we developed a strategy for use of Generation Skipping Tax exemption? - Yes
9. Will a disclaimer be considered? - No
10. Is there a family business interest? - N/A
11. Do we have a strategy for distribution of retirement accounts?
  - a) Consider IRD implications - Yes
  - b) Lump sum vs. rollover - No
12. Have we recommended?
  - a) Living wills - N/A
  - b) Durable Powers of Attorney - general and health care - Yes
13. Will estate qualify for use of Sec. 303 or 6166? - No

**Checklist: Effectiveness of Estate Plan**  
**Jonathan and Sarah Edwards (~Sample)**

1. **Does the plan provide for the surviving spouse, children and other heirs?** - Yes
  
2. **Does the plan contend with the possibility of contingencies such as beneficiaries dying before the testator, simultaneous death, estate growth/shrinkage, etc.?** - No
  
3. **Will the estate be easy and economical to administer?** - N/A
  
4. **Have we met the client's needs and wishes?** - Yes
  
5. **Have we utilized opportunities to minimize the tax impact to the estate and to the beneficiaries?** - N/A
  
6. **Have we provided liquidity?** - Yes
  
7. **Have we provided for dependents with special problems?** - Yes
  
8. **Have we considered the impact of inflation upon the estate and upon the beneficiaries?** - No

**Forthcoming Asset Expectancies**  
**Jonathan and Sarah Edwards (~Sample)**

**Sources and Approximate Value of Future Interest for Jonathan:**

**Sources and Approximate Value of Future Interest for Sarah:**

**Estimated Annual Income Expected for Jonathan:**

**Estimated Annual Income Expected for Sarah:**

**Future Interests Expected for Children or Other Beneficiaries of Jonathan:**

**Future Interests Expected for Children or Other Beneficiaries of Sarah:**

**Estate/Gift Tax Worksheet**  
**Jonathan and Sarah Edwards (~Sample)**

Year of Death:	2003
Taxable Estate:	\$675,000
Tentative Tax Base:	\$675,000
Unified Credit:	\$345,800

Federal Estate Tax:	\$220,550
Unified Credit:	\$345,800
<b>Net Federal Estate Tax:</b>	<b>\$0</b>
<b>Total Tax Payable:</b>	<b>\$0</b>
Net Estate Remaining:	\$675,000
Percent of Estate Lost:	0.00%

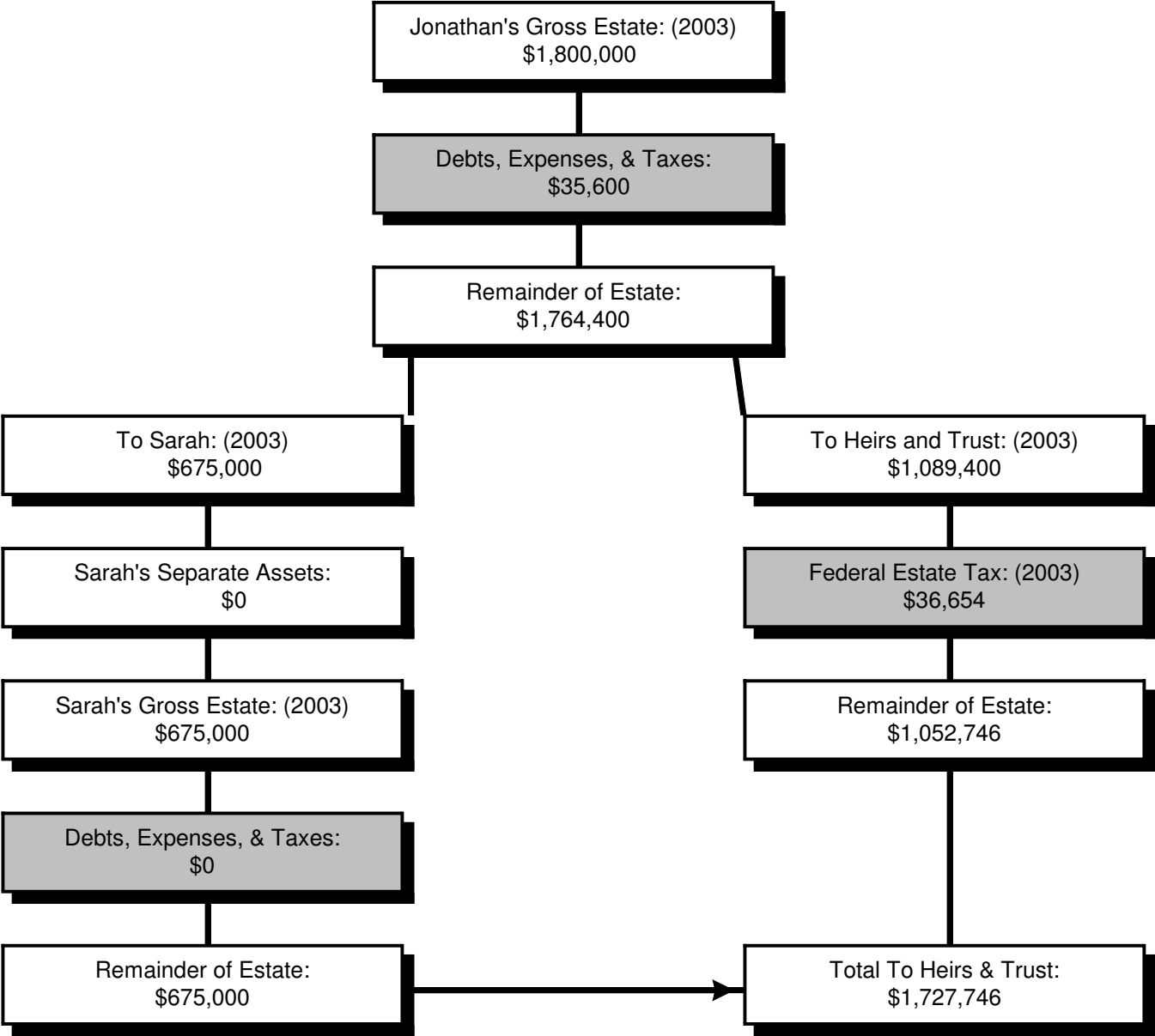
**Checklist: Power of Attorney for Health Care**  
**Jonathan and Sarah Edwards (~Sample)**

Checklist for a Comprehensive Durable Power of Attorney for Health Care (Incorporating Living Will)

- I. General Powers
  - A. Requirement to communicate with principal, if possible.
  - B. Lacking communication, then agent empowered to act in principal's best interest.
  - C. Right to access of medical records and other personal information.
  - D. Employ and discharge health care personnel.
  - E. Give or withhold consent, withdraw or modify consent to medical treatment.
  - F. Exercise and protect principal's rights.
  - G. Authorize relief from pain.
  - H. Grant releases.
- II. Powers regarding life-sustaining medical treatment - living will.
  - A. Personal Statement regarding treatment in case of an incurable and terminal condition.
  - B. Define terms - "terminal condition", "irreversible coma", etc.
  - C. Specify which life support systems are to be employed.
  - D. Need for concurrence of physical condition and prognosis by two physicians.
  - E. Specifics as to medical care.
  - F. Certification and signature of principal as to above items.
- III. Other Powers.
  - A. Provisions for residence or site of medical care.
  - B. Protection of agent for unknown revocation or amendment.
  - C. Authority for agent to act alone.
  - D. Authorization to all physicians and other providers of health care to release information.
  - E. Authorization to resort to the courts.
  - F. Reimbursement of costs.
  - G. Authorization to execute documents and incur costs in implementing powers.
  - H. Governing law.
  - I. Revocation and amendment.
  - J. Resignation of agent.
    - 1. Dissolution of marriage.
    - 2. Incapacity of agent.

**Comments:**

**Estate Distribution Flowchart**  
**Jonathan and Sarah Edwards (~Sample)**

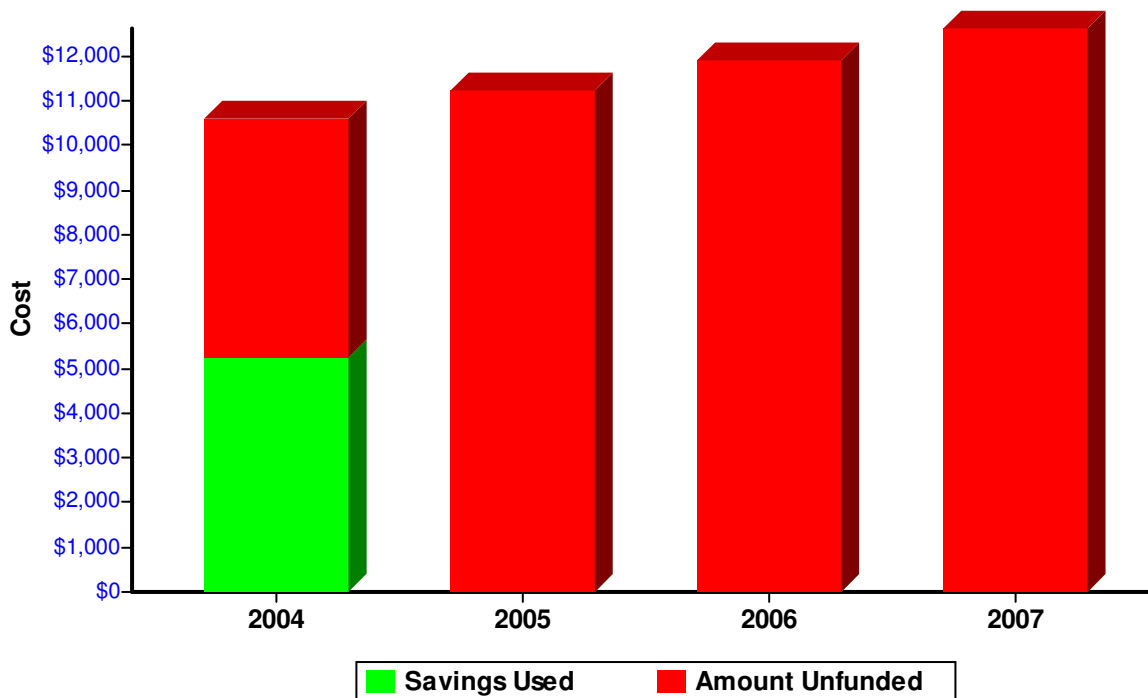


**Educational Funding Section: General**  
**Jonathan and Sarah Edwards (~Sample)**

**General Comments - Education Funding:**  
Consider early enrollment

**Education Funding Options:**

**Education Cost Estimation**  
Jonathan and Sarah Edwards (~Sample)



**Sally**

Current Year:	2003	<b>Scholarships (\$0)</b>
First Year of School:	2004	
Current Savings:	\$5,000	<b>Loans (\$0)</b>
Net Return on Investments:	5.00%	
Projected Savings (2004):	\$5,250	

**State U.**

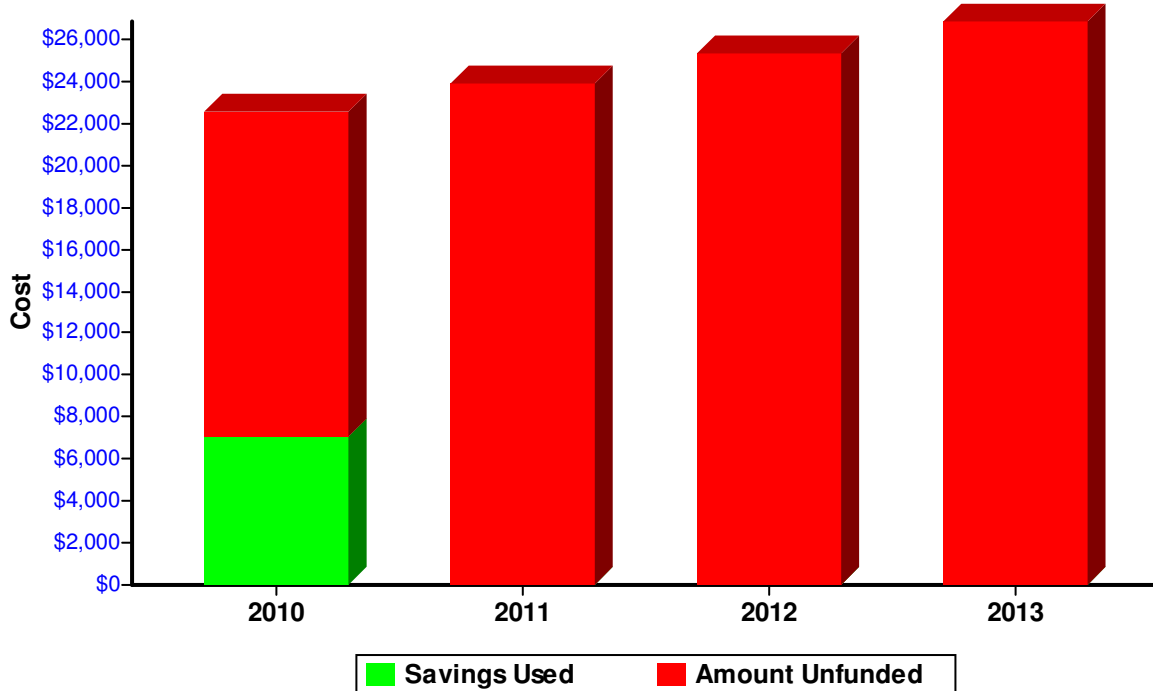
Current Annual Cost:	\$10,000
Inflation Rate:	6.00%
Years of School:	4
Projected Cost (2004):	\$46,371

**Options for Meeting Costs**

Additional Funds Required in 2004:	\$41,121
One Time Immediate Payment:	\$39,163
Annual Contribution Amount:	\$41,121
Monthly Contribution Amount:	\$3,349

<u>Year</u>	<u>Cost</u>	<u>Scholarship Used</u>	<u>Loans Used</u>	<u>Savings Used</u>	<u>Amount Unfunded</u>
2004	\$10,600	\$0	\$0	\$5,250	\$5,350
2005	\$11,236	\$0	\$0	\$0	\$11,236
2006	\$11,910	\$0	\$0	\$0	\$11,910
2007	\$12,625	\$0	\$0	\$0	\$12,625

**Education Cost Estimation**  
Jonathan and Sarah Edwards (~Sample)



**Sam**

Current Year:	2003	<b>Scholarships (\$0)</b>
First Year of School:	2010	
Current Savings:	\$5,000	<b>Loans (\$0)</b>
Net Return on Investments:	5.00%	
Projected Savings (2010):	\$7,036	

**Small Pvt**

Current Annual Cost:	\$15,000
Inflation Rate:	6.00%
Years of School:	4
Projected Cost (2010):	\$98,667

**Options for Meeting Costs**

Additional Funds Required in 2010:	\$91,632
One Time Immediate Payment:	\$65,121
Annual Contribution Amount:	\$11,254
Monthly Contribution Amount:	\$913

<u>Year</u>	<u>Cost</u>	<u>Scholarship Used</u>	<u>Loans Used</u>	<u>Savings Used</u>	<u>Amount Unfunded</u>
2010	\$22,554	\$0	\$0	\$7,036	\$15,519
2011	\$23,908	\$0	\$0	\$0	\$23,908
2012	\$25,342	\$0	\$0	\$0	\$25,342
2013	\$26,863	\$0	\$0	\$0	\$26,863

**Income Tax Section: General**  
**Jonathan and Sarah Edwards (~Sample)**

**Tax Documents Provided:**

**General Comments - Income Tax:**

**Income Tax Worksheet**  
**Jonathan and Sarah Edwards (~Sample)**

**1. Schedule for last three years and estimate for current year:**

<u>Year</u>	<u>Gross Income</u>	<u>Taxable Income</u>	<u>Tax</u>	<u>Comments</u>
2000	\$95,000	\$70,200	\$14,151	
2001	\$110,000	\$82,000	\$17,364	
2002	\$130,000	\$100,832	\$22,532	
2003	\$140,000	\$108,612	\$24,535	

**2. Analyze types of income and their tax consequences:**

All but a small percentage of income is from taxable sources.  
Some income, however, is placed in a tax-deferred annuity.

**3. Have earnings kept pace with inflation?**

Yes.

**4. Can tax planning moves be suggested?**

Yes.

**5. What does the income future look like?**

Stable.

**6. Compare income with expenditures. How much is available for investment?**

Approximately 15%.

**Income Tax Checklist**  
**Jonathan and Sarah Edwards (~Sample)**

- 1. Have all dependents been taken into account?
- 2. Is the fair market value of the residence in proportion to the client's net worth?
- 3. How much equity is in the house?
- 4. What are the terms of the mortgage?
- 5. Should refinancing be suggested?
- 6. Is the title to real estate in accord with the rest of our planning?
- 7. Does the client anticipate moving in the near future?
- 8. Does the client have dependent relatives (i.e., parents, uncles, aunts, etc.)?
- 9. Is the client taking full advantage of corporate benefits (i.e. cafeteria plans, 401(k) plans, etc.)?
- 10. Does the client's tax bracket dictate a change in investment strategy?
- 11. Does the client have questions regarding when to take Social Security benefits?
- 12. Should retirement benefits be accelerated or deferred?
- 13. Should itemized deductions be analyzed to accelerate or defer and take advantage of standard deductions in off years?
- 14. Does the client have donative intent? Can we assist in utilizing appreciated property to achieve tax benefits?
- 15. Does the client have any questionable investments where a tax advantage could be obtained through abandonment?
- 16. Are passive losses being properly managed and utilized?

**Income Tax Estimation**  
**Jonathan and Sarah Edwards (~Sample)**

	<u>2004</u>
Inflation Adjustment:	N/A
Adjusted Gross Income:	\$165,000
Total Itemized Deductions:	\$25,000
Itemized Deductions:	\$4,500
(Not Subject to Phaseout)	
Exemptions Claimed:	4
Jonathan's Age in Tax Year:	53
Sarah's Age in Tax Year:	51
Filing Status:	Married Filing Joint

Adjusted Gross Income:	\$165,000.00
Greater of Standard or Itemized Deductions:	\$24,331.00
Adjusted Personal Exemptions:	<u>\$12,400.00</u>
Taxable Income:	\$128,269.00

Tax Due:	\$25,872.82
Effective Average Tax Rate on Gross Income:	15.68%
Effective Marginal Tax Rate:	28.84%

Regular Standard Deduction:	\$9,700.00
Additional Elderly Deductions:	<u>\$0.00</u>
Standard Deduction:	\$9,700.00

Itemized Deductions:	\$25,000.00
Phaseout Amount:	<u>\$669.00</u>
Adjusted Itemized Deductions:	\$24,331.00

Personal Exemptions:	\$12,400.00
Personal Exemption Phaseout:	<u>\$0.00</u>
Adjusted Personal Exemptions:	\$12,400.00