



Financial Management

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Prepared for:

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June Reilly

Prepared by:

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Methodology

Financial management is the cornerstone to achieving financial independence. It can determine the lifestyle you enjoy today and the lifestyle you will enjoy in the future.

Managing your money the right way will allow you to take control of your life and finances so that you can achieve your goals and objectives. The two most important financial management documents are a net worth statement and a cash flow statement. Together they will help you understand how much you have, where it comes from and where it's going.

As your advisor I will help you prepare and maintain a net worth and cash flow statement in addition to providing recommendations to help you fill in any gaps in your financial position.

Scenario 1

Base Data - Pay Mortgage

Client Information	Bob	June
Retirement Age:	60	56
Life Expectancy:	95	95
Risk Profile	Pre-Retirement	Post-Retirement
RRSP/RRIF and Locked-In:	Moderate Growth	Moderate Growth
Rate of Return:	5.00 %	5.00 %
Cash, TFSA and Corporate:	Moderate Growth	Moderate Growth
Rate of Return:	5.00 %	5.00 %
Tax Efficiency:	40.00 %	40.00 %
Other Assumptions		
Inflation:	2.50 %	
Portfolio Return:	5.00 %	
Real Estate Index:	2.50 %	
Business Growth:	0.00 %	

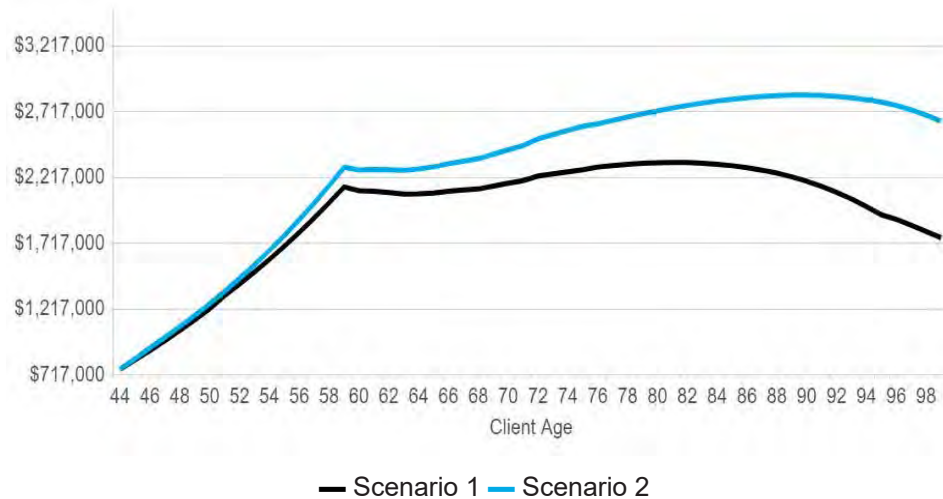
Scenario 2

Product Advice - RRSP

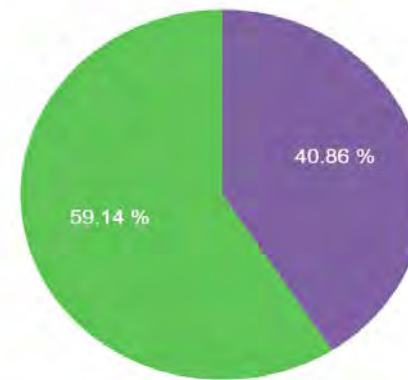
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Projected Net Worth



Net Worth*



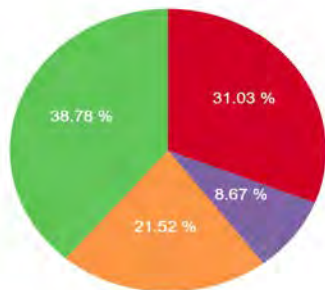
Cash/TFSA:	\$0
Retirement:	\$380,000
Real Estate:	\$550,000
Other:	\$0
Corporate:	\$0

Assets:	\$930,000
Liabilities:	\$175,000
Net Worth:	\$755,000

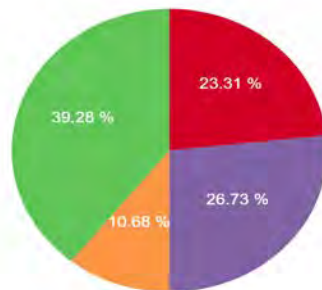
*Based on the starting balance of Scenario 2

Cash Flow

Scenario 1



Scenario 2



Income Tax Cash/TFSA Savings Retirement Savings
Debt Discretionary Spending

Value of Advice

Projected Increase in Net Worth

5 Years of Advice



\$32,518

10 Years of Advice



\$67,560

15 Years of Advice



\$150,035



Net Worth Statement (Scenario 2)

	Current Value			Projected Retirement Value		
	Bob	June	Total	Bob	June	Total
Investment Assets						
Retirement Savings (RRSP & RRIF)	\$245,000	\$135,000	\$380,000	\$1,120,940	\$373,337	\$1,494,276
Locked-In Retirement Savings (LRSP)	\$0	\$0	\$0	\$0	\$0	\$0
Tax Free Savings Account (TFSA)	\$0	\$0	\$0	\$0	\$0	\$0
Non-Registered Cash Accounts	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$245,000	\$135,000	\$380,000	\$1,120,940	\$373,337	\$1,494,276
Fixed Assets						
Principle Residence			\$550,000			\$796,564
Recreation & Investment Property			\$0			\$0
Other Assets			\$0			\$0
Sub-Total			\$550,000			\$796,564
Corporate Assets						
Investment Savings			\$0			\$0
Real Estate & Goodwill			\$0			\$0
Sub-Total			\$0			\$0
Total Assets			\$930,000			\$2,290,840
Liabilities						
Home Mortgage			\$175,000			\$0
Other Debts			\$0			\$0
Corporate Real Estate Debt			\$0			\$0
Total Liabilities			\$175,000			\$0
Net Worth			\$755,000			\$2,290,840
Estate Liabilities						
Personal Taxes			\$203,414			\$799,886
Corporate Taxes			\$0			\$0
Estate Worth			\$551,586			\$1,490,954



Cash Flow Statement (Scenario 2)

Year	2019	2020	2021	2022	2023	2024	2025	2026
Income	1	2	3	4	5	6	7	8
Bob								
Earned Income	\$125,000	\$128,125	\$131,328	\$134,611	\$137,977	\$141,426	\$144,962	\$148,586
CPP/QPP Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OAS Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pension Plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
June								
Earned Income	\$65,000	\$66,625	\$68,291	\$69,998	\$71,748	\$73,542	\$75,380	\$77,265
CPP/QPP Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OAS Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pension Plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$190,000	\$194,750	\$199,619	\$204,609	\$209,724	\$214,968	\$220,342	\$225,850
Withholding Taxes	(\$51,597)	(\$52,887)	(\$54,210)	(\$55,565)	(\$56,954)	(\$58,378)	(\$59,837)	(\$61,333)
Investment Withdrawals / (Savings)								
Registered Retirement Plans	(\$36,996)	(\$36,996)	(\$29,171)	(\$27,839)	(\$28,430)	(\$29,036)	(\$29,657)	(\$30,293)
Withholding Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Registered / Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TFSA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporate Investment, Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	(\$36,996)	(\$36,996)	(\$29,171)	(\$27,839)	(\$28,430)	(\$29,036)	(\$29,657)	(\$30,293)
Debt								
Home Mortgage	(\$14,784)	(\$14,784)	(\$14,784)	(\$14,784)	(\$14,784)	(\$14,784)	(\$14,784)	(\$14,784)
Other Real Estate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	(\$14,784)	(\$14,784)	(\$14,784)	(\$14,784)	(\$14,784)	(\$14,784)	(\$14,784)	(\$14,784)
Net Cash Flow	\$86,623	\$90,083	\$101,455	\$106,421	\$109,557	\$112,770	\$116,064	\$119,440
Lifestyle / Discretionary Spending	\$86,623	\$90,083	\$101,455	\$106,421	\$109,557	\$112,770	\$116,064	\$119,440
Income Tax Summary								
Net Tax: Bob	(\$20,997)	(\$21,832)	(\$26,001)	(\$27,500)	(\$28,187)	(\$28,892)	(\$29,614)	(\$30,355)
Net Tax: June	(\$11,263)	(\$11,575)	(\$11,896)	(\$12,224)	(\$12,561)	(\$12,906)	(\$13,260)	(\$13,623)
Total Income Tax								
Paid at Source*	\$51,597	\$52,887	\$54,210	\$55,565	\$56,954	\$58,378	\$59,837	\$61,333
Tax Refund / (Payable)*	\$19,338	\$19,480	\$16,313	\$15,841	\$16,205	\$16,579	\$16,963	\$17,356

*Does not include CPP/EI deductions

The above information is an estimate only and cannot be guaranteed, it is for illustration purposes only

DISCLAIMER

Bob Reilly & June Reilly

This financial analysis was prepared using personal and financial information provided by you. It is important that the information is as accurate as possible, as even small discrepancies in your personal and financial situation can have an impact on recommendations made.

Illustration Purposes Only: The values illustrated in this document are not guaranteed. They are based on numerous assumptions that are certain to change and are neither an estimate, nor a guarantee of future performance. Actual results will vary over the life of your plan and may differ from the provided example.

Planning Assumptions: Taxation Calculations and recommendations relating to income taxes are based on the Canadian Federal Income Tax Act and the Provincial Tax Rates in effect where you live at the time the plan was created. Since tax legislation is subject to change, the tax treatment of your assets is not guaranteed.

Professional Advice: This document was prepared solely as a general guide and is not intended to provide or replace professional, legal or tax advice. For your own specific situation, please consult your own tax and legal advisors.