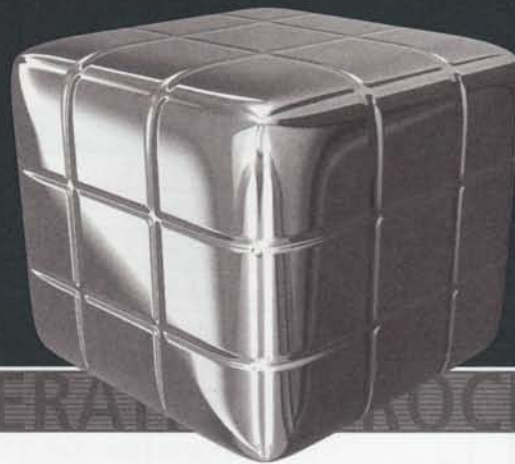


# Cash Flow Analysis Worksheet



LIFETIME ECONOMIC ACCELERATION PROCESS

CLIENT \_\_\_\_\_ DATE \_\_\_\_\_



# Cash Flow Analysis

| I Savings                   |           | Monthly Amount |
|-----------------------------|-----------|----------------|
| Savings Accounts            | \$        |                |
| Retirement Accounts         | \$        |                |
| Individual Investments      | \$        |                |
| Other                       | \$        |                |
| Other                       | \$        |                |
| <b>Total Savings</b>        | <b>\$</b> |                |
| II Debt Payments            |           |                |
| Mortgage                    | \$        |                |
| Mortgage                    | \$        |                |
| Bank Loans                  | \$        |                |
| Car Lease/Loan              | \$        |                |
| Credit Cards                | \$        |                |
| Other Loans                 | \$        |                |
| <b>Total Debt Payments</b>  | <b>\$</b> |                |
| III Fixed Expenses          |           |                |
| <b>Home</b>                 |           |                |
| Real Estate Taxes           | \$        |                |
| Maintenance Fees            | \$        |                |
| <b>Taxes</b>                |           |                |
| Federal Income              | \$        |                |
| State Income                | \$        |                |
| Local Income                | \$        |                |
| Social Security             | \$        |                |
| Medicare/Health             | \$        |                |
| Real Estate                 | \$        |                |
| Other                       | \$        |                |
| <b>Insurance</b>            |           |                |
| Home/Rental Insurance       | \$        |                |
| Disability Insurance        | \$        |                |
| Health Insurance            | \$        |                |
| Life Insurance              | \$        |                |
| Automobile Insurance        | \$        |                |
| Other                       | \$        |                |
| <b>Miscellaneous</b>        |           |                |
| Dues, Licenses, Fees        | \$        |                |
| Other                       | \$        |                |
| <b>Total Fixed Expenses</b> | <b>\$</b> |                |
| IV Variable/Fixed Expenses  |           |                |
| <b>Bills</b>                |           |                |
| Home Telephone              | \$        |                |
| Cellular Telephone          | \$        |                |
| Electricity                 | \$        |                |
| Garbage/Recycling           | \$        |                |
| Water/Sewage                | \$        |                |

| Variable/Fixed Expenses (continued)  |           |
|--------------------------------------|-----------|
| Heating Gas/Oil                      | \$        |
| Childcare                            | \$        |
| Doctors/Prescriptions                | \$        |
| Pet Foods/Supplies                   | \$        |
| <b>Transportation</b>                |           |
| Gas/Oil                              | \$        |
| Tolls                                | \$        |
| Parking                              | \$        |
| Maintenance/Repairs                  | \$        |
| <b>Education</b>                     |           |
| Tuition                              | \$        |
| Books                                | \$        |
| <b>Food</b>                          |           |
| Groceries                            | \$        |
| Dining                               | \$        |
| <b>Miscellaneous</b>                 |           |
| Basic Clothing                       | \$        |
| Other                                | \$        |
| Other                                | \$        |
| <b>Total Variable/Fixed Expenses</b> | <b>\$</b> |
| V Discretionary Expenses             |           |
| <b>Personal Care</b>                 |           |
| Health Club                          | \$        |
| Beauty                               | \$        |
| <b>Leisure</b>                       |           |
| Vacation                             | \$        |
| Entertainment                        | \$        |
| Newspapers/Periodicals               | \$        |
| <b>Miscellaneous</b>                 |           |
| Discretionary Clothing               | \$        |
| Charitable Contributions             | \$        |
| Household                            | \$        |
| Incidentals                          | \$        |
| Gifts                                | \$        |
| Other                                | \$        |
| <b>Total Discretionary Expenses</b>  | <b>\$</b> |
| <b>Total Monthly Outlay</b>          |           |
| I Savings                            | \$        |
| II Debt Payments                     | \$        |
| III Fixed Expenses                   | \$        |
| IV Variable/Fixed Expenses           | \$        |
| V Discretionary Expenses             | \$        |
| <b>TOTAL</b>                         | <b>\$</b> |

## Cash Flow Study

**Gross Monthly Income** \$ \_\_\_\_\_  
less  
Monthly Savings (-) \$ \_\_\_\_\_ (Total from Section I)  
less  
Monthly Expenses (-) \$ \_\_\_\_\_ (Total from Sections II, III, IV, & V)  
**Net Monthly Cash Flow** = \$

If **Net Monthly Cash Flow** is a **negative number**, then your monthly expenditures and savings exceed your gross monthly income. A negative cash flow may lead to increased debt and a loss of wealth building potential over your lifetime. In order to balance your budget you should seek to decrease debt balances and/or reassess expense allocations. Ask your financial representative if a Cash Flow Management study is appropriate to use in your financial situation.

If **Net Monthly Cash Flow** is a **positive number**, then your monthly expenditures and savings are less than your gross monthly income. This means that you may be able to use more monthly income to reduce debt and/or increase savings or life-style. This type of positive cash flow, if continued, provides a potential opportunity for wealth building and the realization of meeting financial needs, goals and desires.

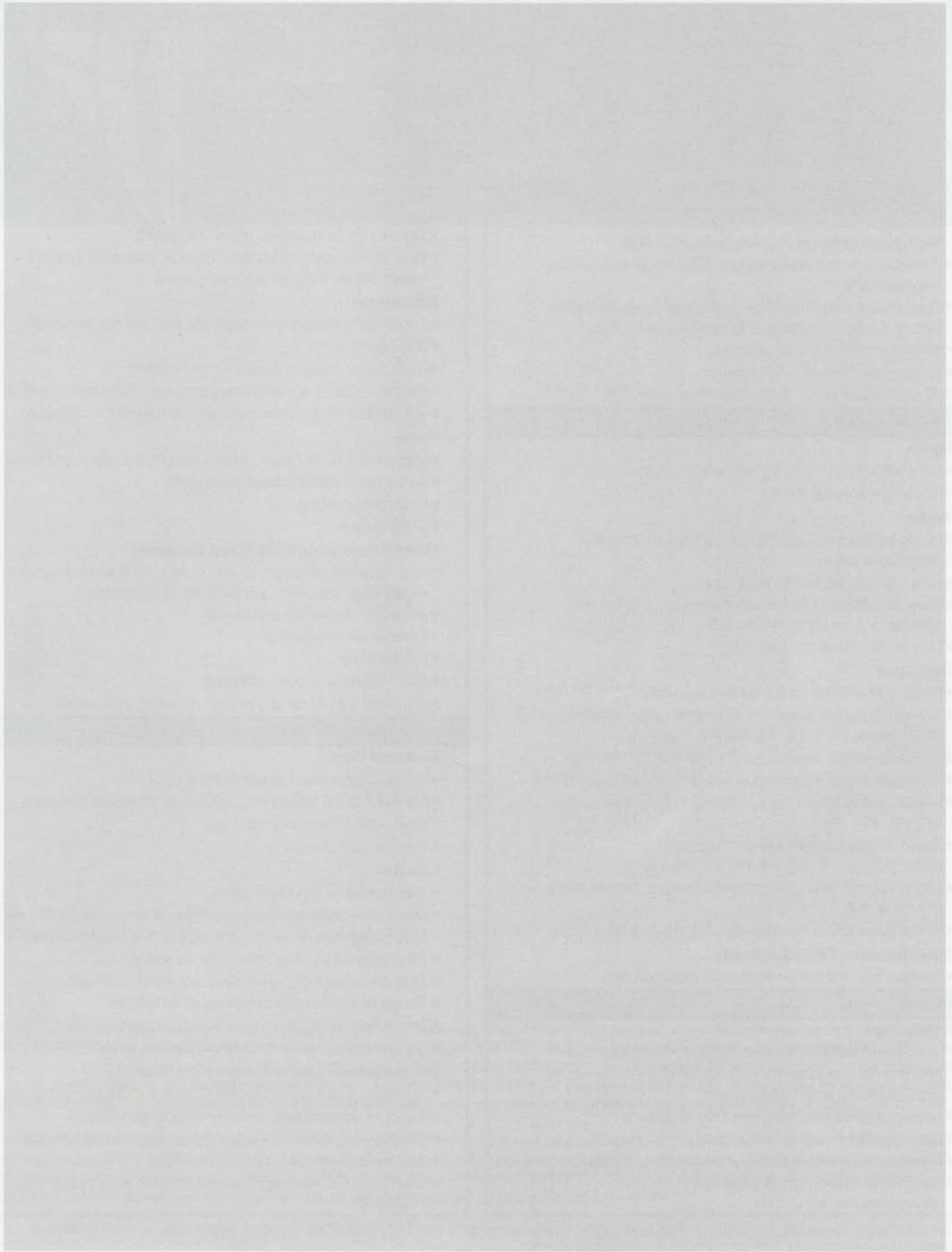
## Savings Study

A savings rate of at least 15% of gross annual income is considered to be appropriate for long-term financial well-being. To provide for increases in quality of life, retirement, college education, and other needs and desires, a dedicated savings plan is necessary. An annual savings rate of at least 15% helps to account for future wealth eroding factors such as taxes, technological change, planned obsolescence, inflation, and unknown variables. Without proper consideration of such factors, individuals may not reach their financial needs, goals or desires. Your financial representative will help you develop an appropriate and effective savings strategy.

**Gross Monthly Income** \$ \_\_\_\_\_  
Savings Target \$ \_\_\_\_\_ (15% of Gross Monthly Income)  
less  
Monthly Savings (-) \$ \_\_\_\_\_ (Total from Section I)

**Additional Savings Goal** = \$ \_\_\_\_\_ Amount Required to Reach  
15% Savings Rate Goal

# Notes/Computations



# Potential Strategies to Consider

|  |
|--|
| <b>I Savings</b> <ul style="list-style-type: none"><li>■ Reposition monthly savings to tax-deferred, tax-free, or tax-deductible accounts to lower the current expense of federal, state and local income tax (P9, S7, S8, S9, G3)</li><li>■ Withdraw earnings from non-qualified savings vehicles to flatten or reduce compound taxes (P9, S7, S8, S9, G3)</li><li>■ Increase qualified plan contributions to maximize the employer match (S9)</li></ul>  |
| <b>II Debt Payments</b> <ul style="list-style-type: none"><li>■ Re-finance short-term mortgages to long-term mortgages to lower monthly payments (G8)</li><li>■ Re-finance to interest-only mortgage to lower monthly payment (G8)</li><li>■ Consolidate non-deductible consumer loans to Equity Line of Credit to maximize tax-deductibility (G8)</li><li>■ Minimize use of credit card debt</li><li>■ Investigate intra-family financing</li><li>■ Use collateral loans or life insurance loans (P9)</li></ul>   |
| <b>III Fixed Expenses</b> <p><b>Home</b></p> <ul style="list-style-type: none"><li>■ Take advantage of home office business deductions</li><li>■ Have home re-appraised</li></ul> <p><b>Taxes</b></p> <ul style="list-style-type: none"><li>■ Increase W4 withholding exemptions to increase take-home pay</li><li>■ Hire children for family business</li><li>■ Save Social Security Taxes by employing only one spouse in a family business (S6)</li><li>■ Use professional tax planning</li></ul> <p><b>Insurance</b></p> <ul style="list-style-type: none"><li>■ Raise deductibles on home and auto insurance (P1, P2)</li><li>■ Select insurance based on its overall value, efficiency and effectiveness (P1, P2, P3, P4, P5, P9)</li><li>■ Avoid coverage duplication (P1, P2, P3, P4, P5, P9)</li><li>■ Eliminate unnecessary coverage (P1, P2, P3, P4, P5, P9)</li><li>■ Investigate multiple policy discounts from one carrier (P1, P2, P3)</li><li>■ Avoid additional premium for high frequency payment plans (P1, P2, P3, P4, P5, P6, P7, P8, P9)</li><li>■ Move taxable savings to tax-advantaged life insurance (S1-S6 → P9)</li><li>■ Avoid Term Life Insurance lost opportunity cost (P9)</li></ul> <p><b>Miscellaneous Fixed Expenses</b></p> <ul style="list-style-type: none"><li>■ Review and reduce unnecessary expenditures</li></ul> |
| <b>IV Variable/Fixed Expenses</b> <p><b>Utility Bills</b></p> <ul style="list-style-type: none"><li>■ Investigate consolidating telephone, fax, cable, cell phone with one provider for discounts and ease of administration and management</li><li>■ Consider electronic bill-paying for discounts</li><li>■ Consider flat monthly budget-pay plans</li><li>■ Investigate energy efficiency techniques for home</li><li>■ Investigate water conservation devices and techniques for home</li></ul>  |

|  |
|--|
| <b>Variable/Fixed Expenses (continued)</b> <p><b>Transportation</b></p> <ul style="list-style-type: none"><li>■ Investigate car-pooling</li><li>■ Investigate public transportation</li><li>■ Investigate alternate-fuel vehicles</li><li>■ Investigate availability of Flex-Time and off-peak hours driving and commuting</li><li>■ Maintain vehicles regularly to avoid poor fuel efficiency and make repairs promptly to avoid larger repair bills</li><li>■ Use non-toll roads</li><li>■ Tax-deduct all business travel expenses</li><li>■ Take advantage of Frequent Traveler Points for budget needs rather than unnecessary items</li></ul> <p><b>Education</b></p> <ul style="list-style-type: none"><li>■ Avoid unnecessary subscriptions that are not required</li><li>■ Buy used books</li><li>■ Re-cycle or trade in books when finished</li><li>■ Use strategic financial move options for education funding</li><li>■ Tax-deduct all business periodicals, books and training</li></ul> <p><b>Food</b></p> <ul style="list-style-type: none"><li>■ Use coupons, discount clubs, supermarket discount cards</li><li>■ Avoid non-essential food purchases</li><li>■ Comparison shop</li><li>■ Shop online</li></ul> <p><b>Miscellaneous Variable Fixed Expenses</b></p> <ul style="list-style-type: none"><li>■ Use coupons, discount clubs, department store discount cards, plus frequent flyer and points programs</li><li>■ Avoid non-essential purchases</li><li>■ Comparison shopping</li><li>■ Online shop</li><li>■ Shop online and from catalogs</li><li>■ Consider purchase of used items when appropriate</li></ul> |
| <b>V Discretionary Expenses</b> <p><b>Personal Care</b></p> <ul style="list-style-type: none"><li>■ Avoid unnecessary expenditures</li><li>■ Maintain good health through proper exercise and diet</li><li>■ Have regular annual check-ups</li><li>■ Comparison shopping</li></ul> <p><b>Leisure</b></p> <ul style="list-style-type: none"><li>■ Use Frequent Traveler Points</li><li>■ Avoid unnecessary cable or satellite TV service expenditures</li><li>■ Take advantage of media available at the public library</li><li>■ Take advantage of promotional vacations</li><li>■ Take advantage of online discount travel services</li><li>■ Tax-deduct allowable business entertainment</li><li>■ Take advantage of matinee entertainment opportunities</li><li>■ Piggy-back personal or family vacations with business travel</li></ul> <p><b>Miscellaneous Discretionary Expenses</b></p> <ul style="list-style-type: none"><li>■ Tax-deduct all donated clothing, home and personal items</li><li>■ Avoid all unnecessary and frivolous expenditures</li><li>■ Donate time rather than monetary exchange to charities</li><li>■ Comparison shopping for incidentals</li><li>■ Use discount clubs and online shopping services for incidentals</li></ul>  |

This list of potential strategies is intended to be a guide rather than an exhaustive list of all possibilities. Some strategies may be more suitable or appropriate than others based on your own particular financial position.



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