

Workshop 4: BUILDING YOUR BANKROLL

Pastor Mark Hughes with guests Jamie Neumann, Dean Highmoor, David Thiessen

Proverbs 13:22 NKJV

A good man leaves an inheritance to his children's children, But the wealth of the sinner is stored up for the righteous.

Proverbs 28:20 NIV

A faithful man will abound with blessings, But he who hastens to be rich will not go unpunished.

Proverbs 13:11 NIV

Dishonest money dwindles away, but whoever gathers money little by little makes it grow.

Recent Polls (H&R Block)

- 52% Financially unprepared for retirement
- 50% say they will take a retirement job
- 44% say they will retire before age 65
- 36% say they will never retire

PREPARING TO RETIRE

- 1. What are your retirement objectives?
- 2. Have you prepared a retirement budget?
- 3. Have you retired all your debt?
- 4. Do you have an emergency fund?
- 5. Do you have life/health insurance?
- 6. Do you have a will?



SAVING FOR RETIREMENT

- 1. Registered Savings Plans (RSPs)
- 2. Non-registered
- 3. Tax-Free Savings Accounts (TFSA)

WAYS TO SAVE FOR RETIREMENT

- 1. Own a Home
- 2. Employer Pension
- 3. Financial Institution
- 4. Financial Advisor
- 5. Self-Directed
- 6. Private Mortgage Funds
- 7. Real Estate
- 8. Building Own Business
- 9. Private Equity Funds
- 10. Crypto Currencies, Precious Metals, Collectables



DEAN HIGHMOOR

- Grew up on a family hog farm north of Swan River, MB
- University of Saskatchewan Commerce (Finance) grad in '02
- Commercial Banker with TD ('02 06)
- Joined "buy side" in '06 in Asset Management
 - North American Equities and Income boutique at Mackenzie Investments
 - Focus on Canadian dividend paying stocks
- Started attending COTR in '06

HOW CAN I SAVE FOR RETIREMENT?

Registered Options:

REGISTERED RETIREMENT SAVINGS PLANS (RRSPS)

- Contributions are tax deductible, money with plan grows tax free
- Future withdrawals are taxable, forced withdrawals at 70

TAX FREE SAVINGS ACCOUNTS (TFSAS)

- Contributions not tax deductible, but money within plan grows tax free
- Withdrawals not taxable, amount of withdrawals available in next year's TFSA room

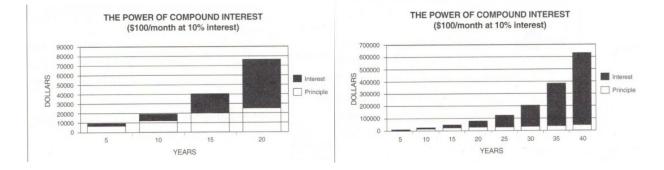
Recommend maxing out both of these first before pursuing non-registered investments

Non-registered investments ("open money"):

- Can use/access it at any time
- Will need to pay tax on annually any capital gains, dividends and/or interest earned through the year
- Recommend having any foreign investments or interest bearing investments within your registered accounts
- Best to have your Canadian paying dividend stocks in non-registered accounts (benefit from the dividend tax credit)

PLANNING TO PROSPER

COMPOUND INTEREST IS YOUR FRIEND



SOME THINGS TO THINK ABOUT

Only invest in what I know and understand

- Buy a mutual/index fund/etf may be a better alternative
- Diversification
- With stocks stick with high quality names
- Typically higher risk investments have poor risk/reward trade-offs
- Paying off personal debt may be the best risk/return
- Marathon vs Sprint
 - Proverbs 13:11
 - Luke 16:10
- Never dismiss the day of small beginnings

BOOK RECOMMENDATIONS

- The Wealthy Barber/The Wealthy Barber Returns David Chilton
- Findependence Day Jonathan Chevreau
- Money Rules Gail Vaz Oxlade
- books by Dave Ramsey or Suze Orman
- The Millionaire Next Door Thomas Stanley/William Danko
- The Little Book of Behavioral Investing James Montier

JAMIE NEUMANN

The First Purchased Property and the Last Purchased Property (Buy and Hold Strategy)

Running Numbers Before You Visit/Buy: Take the emotion out of the equation!

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Address	123 Easy Street	1040 BANNERMAN AVE, WIN 115-3077 Pembina	IIN 115-3077 Pembina	980 Selkirk Av 945 Taylor ave, 1087 PRITCHAR 134 Kairistine In	945 TAYLOR AVE,	1087 PRITCHAR	134 Kairistine In	194 McAdam
	sample	MLS® NUMBER 20226733		Winnipeg R2X 0C1 MLS® NUMBER 20 MLS® NUMBER 202216857	MLS® NUMBER 20	MLS® NUMBER	202216857	
				MLS#:202218432				
List	280000	379900	159900	289900	419900	319900	289900	399900
Notes								369000
Goal Price	250000	325000	160000	260000	420000	300000	250000	325000
Down	50000	81250	32000	52000	84000	60000	50000	65000
Principal	20000	243750	128000	208000	336000	240000	20000	260000
D LOC Payments	208.333333	338.5416667	133.333333	216.6666667	350	250	208.333333 270.8333333	270.83
Mortgage Payments	980	1194.375	5 627.2	1019.2	1646.4	1176	980	
2 Taxes	3600	4600	2000	3600	5150	3150	2600	
Monthly Taxes	300	383.333333	166.666667	300	429.1666667	262.5	216.666667	341.6666667
5 Utilities	100	100	0	150	150	120	100	
3 Maintenance	100	100	0 50	100	100	100	100	
Management	176		108	160	224	194	136	192.72
3 Vacancy	110	137.5	.5 67.5	100	140	121.25	85	120.45
Commercial Licences		_	307					
Insurance	150	200	100	150	150	150	125	
Total Monthly Expenses	2124.33333	2673.75	1559.7	2195.86667	3189.566667	2373.75	1951	2660.67
1 Rent 1	1000	1300	0 1350	1000	1400	1200	1650	

CHURCH OF THE ROCK

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Cash Flow 75.6666667 76.25	27	Total Rents	2200		1350	
Cash Flow 75.6666667 76.25	38					
	8	Cash Flow	75.6666667			

> Consider the actual costs of owning this property against what you can expect to earn from it in the short term.

? CHURCH OF THE ROCK^{*}

PLANNING TO PROSPER

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	A	В	С	D	E
_	Rental Pro				
	Rental Inc	ome and E	xpenses		
	For the 20	22 year			
	Address:				
	Month				
1	Rental Inc	ome		23845	
	Expenses				
C	Advertising	3		79.95	
1	Insurance			3094.5	
2	Interest			3891.92	
3	Office exp	enses		1081.9	
4	Profession	al fees		142.5	
5	Managem	ent and adr	nin fees		
5	Maintenance and rep		airs	3114.57	
7	Salaries and wages				
3	Property ta	axes		3480	
Э	Travel				
C	Utilities			3262.41	
1	Total Expenses			18147.75	
2					
3	Net Incom	ne		5697.25	
4					
5	Capital Ex	penditures		17679.06	
5					

Actual Annual Expenses: Property 1 (for income tax purposes)

Property Profile: 2 Unit Duplex (1.5 +2/3BRs per level)

List Price: ~\$265,000 Purchase Price: \$240,000 (2014) Down Payment Source: Savings from sale of personal residence+borrow against equity in personal residence* <u>Original Mortgage</u>: ~\$235,000 Capital Expenditures: ~\$20,000 (boosted rent/select renter – new rents: \$2595/mo)

Market Value: ~\$340,000* Existing Loan: ~\$167,000

Estimated Equity: ~\$130,000-150,000*