

Personal Financial Plan

For

College Funding

April 13, 2008

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Financial Overview, Observations and Recommendations

This presentation provides a general overview of some aspects of your personal financial position. It is designed to provide educational and / or general information and is not intended to provide specific legal, accounting, investment, tax or other professional advice. For specific advice on these aspects of your overall financial plan, consult with your professional advisors. Asset or portfolio earnings and / or returns shown, or used in the presentation, are not intended to predict nor guarantee the actual results of any investment products or particular investment style.

IMPORTANT: The projections or other information generated by Money Tree's Silver regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Additionally, it is important to note that information in this report is based upon financial figures input on the date above; results provided may vary with subsequent uses and over time.

Net Worth Statement

College Funding

April 13, 2008

ASSETS

Savings And Investments

Passbook & Credit Union Savings	\$28,428	
Common Stocks	18,500	
Stock Mutual Funds	2,358	
		\$49,286

Retirement Accounts

Qualified Plans-Bob	\$126,229	
		\$126,229

Other Assets

Residence	\$180,000	
Personal Property	28,000	
Autos	20,000	
Life Insurance Cash Values	10,094	
		\$238,094

TOTAL ASSETS \$413,609

LIABILITIES

Residence Mortgage	\$90,000	
Credit Card Debt	5,000	
Auto Loans	8,000	
		\$103,000

Net Worth (Assets less Liabilities) \$310,609

Note: Potential taxes due on unrealized gains or assets in tax-deferred retirement plans are not accounted for in this Net Worth Statement.

Education Funding Illustration

College Funding

Assuming an inflation rate of 5%, the total projected cost of education will be \$210,873

If you can invest your education funds at 5%* after taxes you may ...

- Make a single deposit now in the amount of ... \$115,969
- Make level annual payments in the amount of ... \$10,641
- Make level monthly payments in the amount of ... \$887

* This hypothetical rate of return is for illustrative purposes and does not represent a particular investment.

Student Name	Starting Year	Number of Years	Per Year in Today's \$	Total Cost at 5% Inf.	Current College Funds Saved	529 Plan	One Time Deposit	Annual Deposits
Alan	2020	4	\$15,000	\$110,577	\$1,860	Yes	\$58,140	\$5,335
Hope	2018	4	15,000	100,296	2,170	Yes	57,829	5,863

\$210,873 \$4,030 \$115,969 \$11,198**

The following schedule demonstrates the option of making level annual payments until the last year of education expenses. Any current funds saved will be utilized as educational expenses are incurred.

Annual Breakdown of Educational Funding

Year	Additions to fund	Paid to school from fund	Ending Balance at 5%*
2009	\$10,641		\$15,404
2010	10,641		27,347
2011	10,641		39,888
2012	10,641		53,055
2013	10,641		66,880
2014	10,641		81,397
2015	10,641		96,640
2016	10,641		112,645
2017	10,641		129,450
2018	10,641	23,270	122,661
2019	10,641	24,433	114,313
2020	10,641	51,310	77,326
2021	10,641	53,876	35,795
2022	10,641	28,285	19,058
2023	10,641	29,699	

** Annual deposit total shown may be higher than the level payment amount, but decreases as each student graduates.

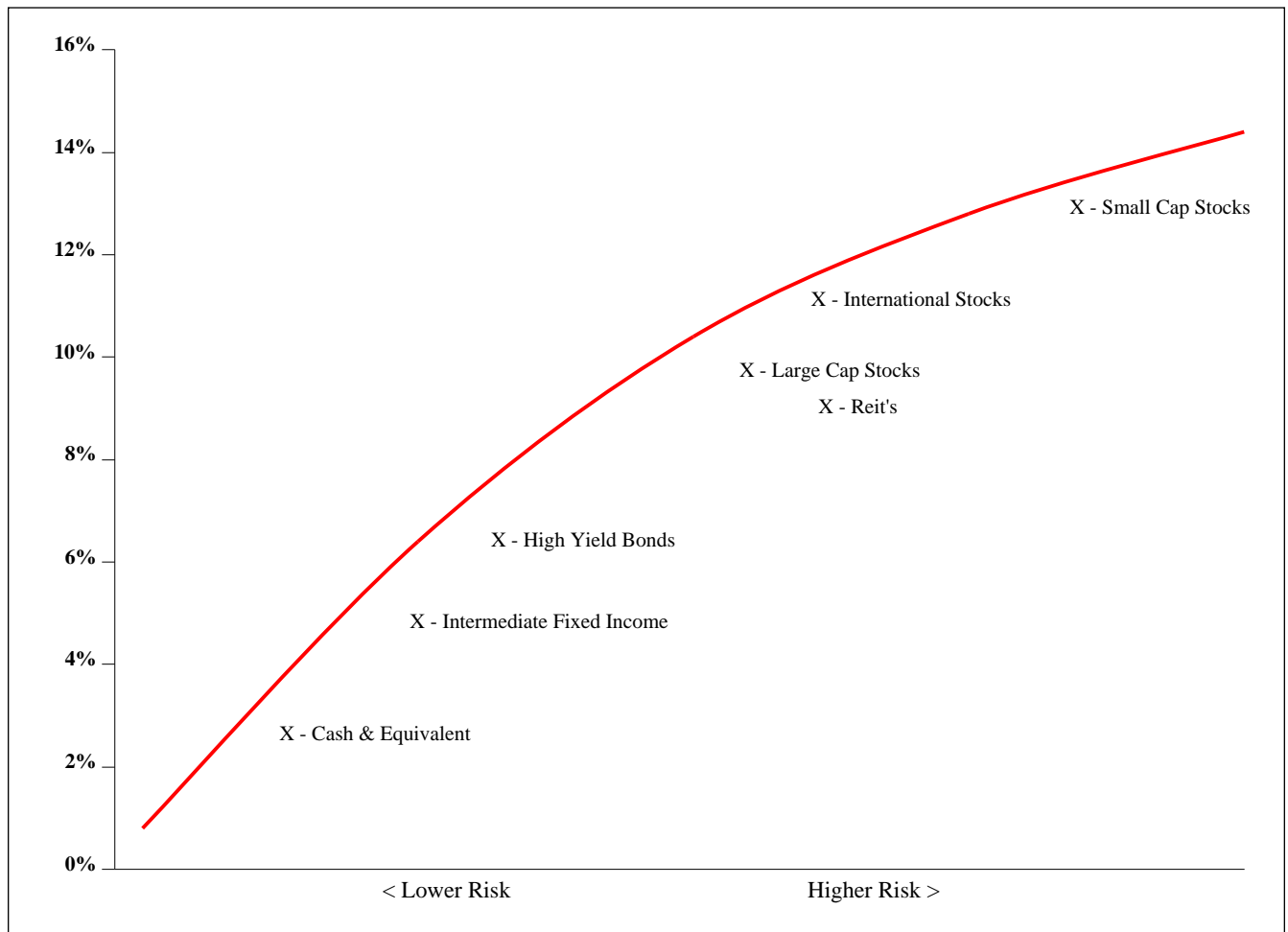
Investment Planning

ASSET ALLOCATION

Asset allocation is an important underlying principal in portfolio design because it helps to manage investment risk while attempting to maximize returns. There are basically three forms of investment risk. Credit Risk is the possibility of loss due to the underlying investment losing all of its value, for example, in a bankrupt company. Market Risk is the inherent volatility in the price and performance of investments in stocks, bonds, commodities, real estate or any other markets. Purchasing Power or Inflation Risk is the risk of an investment's value eroding over time due to an appreciation in the cost of living. Asset allocation is an attempt to utilize historical characteristics of markets to construct a portfolio that reflects the return potential of these markets. It also attempts to diversify some of the volatility risk across several asset classes, thus reducing the risk of any one big loss of principal, or any opportunity missed by not having a position in the appropriate markets.

The identification of an efficient set of portfolios is the first step in portfolio management. This set is represented by the Efficient Frontier, a graph of the lowest possible risk that can be attained for a portfolio's given expected return. The fundamental idea behind the Efficient Frontier is that, for any risk level, investors will be interested only in that portfolio with the highest expected return. This principal was set forth in a mathematical model constructed by Harry Markowitz in 1952, for which he earned a 1990 Nobel Prize for economics. Later studies, presented by Brinson, Hood, Singer Beebower, sought to determine why large pools of capital earn different rates of return. This research led to the conclusion that while only 6% of the returns in a portfolio were due to individual security selection and 2% to market timing, 92% of the returns were due to proper asset allocation.

THE EFFICIENT FRONTIER



Investment Planning

MARKET RISK AND DIVERSIFICATION

Investment markets are unpredictable, particularly in the short-term. Since volatility can be managed and reduced, but never eliminated, investors should be concerned with how their portfolio is constructed to diminish market risk.

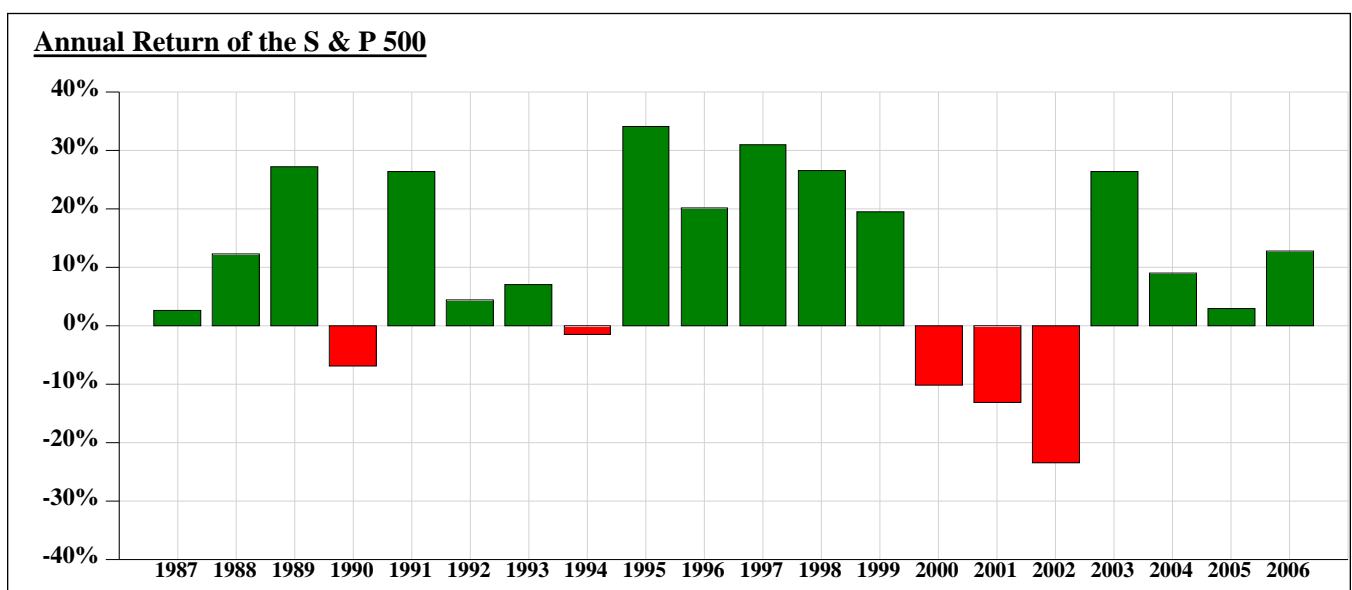
Diversification is an aid in reducing market risk. Diversification may be approached several ways. The first approach is diversification across asset classes. There are distinctions between large, mid, and small cap stocks based on the market capitalization of the companies. There are distinctions between growth stocks, with high price-to-earnings ratios, and value stocks, with price-to-earnings ratios similar or below the market averages. These asset classes may act dissimilarly in the market, each responding to macro-economic factors in its own way. Asset classes that react to market movements differently are said to have little correlation. Therefore, investing in diverse domestic equity asset classes, ones with little correlation between them, may lend stability of the performance of a portfolio.

International equity asset classes also react dissimilarly to market conditions. European markets are more closely tied to economic forces outside of the United States and may behave differently than their American counterparts. Emerging market economies in Latin America, Asia and Eastern Europe, are also subject to distinct economic conditions, and as a result will experience different results in many cases. Including international equity classes in a portfolio may further diversify market risk.

Another approach to diversification may be to invest in different types of assets, such as bonds or real estate. Because these assets do not have the same investment characteristics as equities, the movement of both types of assets within one portfolio should vary diametrically, thus providing stability to overall performance.

A third approach to diversification involves investing in different industries or companies in the equity markets, and different issuers or maturities in the bond markets. This may help to balance fluctuations in a portfolio due to such factors as seasonality or interest rate changes.

It is important to remember that although volatility involves risk, it is also the engine that drives superior investment returns. U.S. Treasury bills are not very volatile, but they offer low investment return. Small cap high growth stocks are very volatile, but offer superior return potential. It is important to discuss how you can best manage volatility with your Financial Advisor, and determine together which approach is best suited to your particular circumstances.



Investment Planning

INVESTMENT RETURNS AND THE POWER OF COMPOUNDING

One of the most important elements of achieving superior investment results is to allow the power of compounding to work for you. Given the inherent volatility of the investment markets, returns can vary substantially from year to year. When allowed to build upon themselves over an extended period, returns may become substantial. Often investors become impatient and are unwilling to allow time to work for them. But time, coupled with compounding, is the underlying engine for superior investment return potential.

Compounding is achieved in two basic ways. First, reinvesting dividends and interest payments; more money is put to work in the original investment. This allows new money to work with old money, and over time compounding power accelerates the investment performance. The second method of compounding is dollar cost averaging. This is simply making additional contributions to investments on a regular basis, such as monthly contributions to a 401 (k) retirement plan. Because investment markets fluctuate, security prices may be lower than when the first investment dollars were contributed. This allows some of the investment to be purchased at lower prices, thus lowering the average cost of the entire investment. Conversely, when the market creates higher prices, fewer shares are purchased, thus achieving a favorable average cost per share. Of course, such a method cannot guarantee a profit or protect against loss in a declining market.

Asset classes that carry higher levels of risk do not necessarily assure higher returns over time. Generally, relatively volatile asset classes, such as stocks, exhibit higher compound growth potential than do relatively less volatile asset classes such as cash and bonds. Your Financial Advisor can assist you in determining the best method to assure that your portfolio take advantage of the power of compounding.

The chart below shows simple comparison between a few asset classes and their compounding.

