

June 2016 - Monthly Financial Update - We Bought A Car With Cash

Introductory Net Worth Blog Post

This is my first net worth blog post! The format of my blog may change over time. I started this blog in July 2016 but have been writing articles for the last couple months to see if it's something I would be able to keep up. It also gave me time to think of the approach I wanted to take. I decided to start at June 2016 since we had a **major purchase**.

The above picture pretty much sums up June 2016. Money went flying away this month. Although the picture shows \$1 bills, it was actually multiple \$100 bills that found their way to a new home. No complaints here though as we had the ability to minimize the damages...but we didn't.

Net Worth

I'm coming in hot into the personal finance blog world with a net worth of **\$890,956.41**.

Major Purchase!

We had to pull the trigger and buy a car. We actually have to buy 2 cars this year so getting one out of the way is a big relief. This is my wife's car and we bought it with cash! This replaces my old 2005 Acura TSX with 200,000 miles which I had for 10 years. Read about our new (used) 2013 Acura RDX with Technology package purchased for \$23,000.

Assets - \$1,166,069.92

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Checking and Savings Accounts

Retirement Accounts

Real Estate

Cars

Household Items

Brokerage Account

College Savings

HSA Account

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\$123,884.74
\$254,122.14
\$730,315.00
\$23,174.00
\$20,000.00
\$6,952.45
\$4,747.85
\$3,233.44

Our cash on hand is fairly high at the moment. Part of this money is an emergency fund which will always remain in cash. We still have to buy another car and we would like to pay mostly cash for it. However we may end up financing some of it and reserving cash. And thirdly, we are saving for a bigger home for our family. I don't have any qualms in keeping this money safe, in cash, sitting on the sidelines.

As far as retirement is concerned, we are right on track with where I'd like to be at our age. The

original goal was to have 1x our combined annual salaries saved in retirement accounts by the age of 35. I'm happy to say we far exceeded that. The next goal is to have 2x our annual salary by the age of 40. This is attainable where we stand now.

We have about \$200,000 sitting in corporate bonds and US Treasury Securities since the beginning of the year. In a 401k we are really limited to having any sort of safe haven and the money can not be converted into cash. Since I do believe a bear market is on the horizon, I have the money parked. If the bear market happens, we will be in an excellent position to buy at a low price. If not, we miss out on valuable gains but the risk / reward is too high for me at this time.

As you can see, our real estate holdings make up a majority of our assets. We have a personal residence, a rental house, a [home we are currently flipping](#), and some raw land which I intend to develop in the next couple years. This category will see the most movement over the next few months as we work on our next flip.

I'm happy to say that our vehicles only make up 2.6% of our total net worth. Prior to making our big purchase this month, our cars were only 0.45% of our net worth! I hate buying cars at this stage in the game, but we've done well keeping our last two cars for about 10 years each.

Household items are anything that we could sell in the house if we absolutely had to and that have value.

My brokerage account is meh...I'm not too happy with it. I'm highly invested in commodities however so I should start seeing gains now that it seems like the commodities index has reach a bottom. I will be switching strategies for this account to a dividend stock account. I've been inspired by [other personal finance blogs](#) which focus on dividend investing. I like the idea of dividend payments as another stream of income. This could prove to be tricky to find good value dividend stocks in this market however.

College savings is going well. I have one ETF in particular that is absolutely crushing it. I purchased UCO (ProShares Ultra Crude Oil) in February 2016 for \$6.10/share. This was basically the bottom of the oil crash. In fact the lowest this ETF went was \$5.98 so I did very well catching the bottom. June ended with a closing price of \$12.22. That's over a 100% gain! I probably should get out of this investment. It's not meant for long term holding anyways.

The HSA account is doing great. I am very happy moving to a High Deductible Health Plan and using an HSA account. We are in our second year now and I can see this account growing steadily over the years and being a nice cushion for future medical bills.

Liabilities - \$275,113.21

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- House Mortgage
- Rental Mortgage
- House Flip Debt
- Student Loan
- Car Lease

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\$144,758.97

\$116,281.00

\$0.00

\$12,553.00

\$1,520.24

At this point we're not trying to pay down the house mortgage. We'd rather keep any extra cash in a savings account so we have a nice chunk of money available when we are ready to purchase a new home. It is possible the next house we live in will be one that we flip ourselves. I'd like to be able to buy it with cash and have it paid for while we are having work done to avoid having two mortgages.

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The rental mortgage gets paid down close to \$400 in principle every month. It is on a 5 year adjustable rate which will be resetting in about 2.5 years. The goal is to take all the money in our rental account and pay down principle before the rate adjusts. With the amount we have in our rental checking account as well as principle pay down over these next couple years, our mortgage should fall below \$100,000. By the way, this has been a great investment as we have achieved an infinite return on our money.

The house flip debt will be increasing. The funds for the flip come from a HELOC on our personal residence and a HELOC I have on some raw land which is paid off.

There is no hurry in paying off the student loan. The interest is about 2% and the monthly payment about \$150/month so it's not a big burden.

Finally, we leased a car and the lease is up in October. I hope to be able to find a car for myself right around the time of the lease expiring.

Personal Finance Goals

I'd like to get a better handle on my brokerage account and Roth IRA retirement accounts. I will be looking to sell off certain stocks and start loading up on dividend stocks.

I'd like to get my blog monetized to create another stream of income. I know this could take some time so the sooner I start the better.

Hi readers! How was your June? The first half of the year is over. Are you on track to reach your year end goals?

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