

September 2016 – Monthly Financial Update – Time For a Vacation

September 2016 Overview

September has been a long anticipated month for us as we finally had a chance to go on a [family vacation](#). The last vacation I took was 689 days ago...ugh! Unfortunately it has been slightly longer than that for my wife. I went on my last vacation with my best friend to St. Thomas to visit some friends. It was kind of a dude's last trip before the baby was born sort of deal...so I owe her one :)

This month I also [upgraded my 4 year old iPhone 5](#) to the iPhone 7 Plus. I'm quite proud to have owned one phone for as long as I did. I still don't have my new iPhone 7 Plus though. I won't receive it until November 10th because it is on back order. How could Apple not be prepared for this?

I feel there is a lot of [mystery surrounding back ordered iPhones](#). Apple will not release the first weekend sales figures like they have done in the past. However, the iPhone 7's "sold out" but how many were available? Perhaps they were available, but were not able to make their way to the U.S. It's easy to "sell out" when there aren't many available on the shelves. The "sell out" hype boosted Apple stock big time.

I also ended up [saving 40% on my cable bill!](#) All it took was a simple phone call to Dish Network and I was able to keep all the channels I wanted and ditch the others. It's called the Dish Network Flex Pack. The options are not as flexible as they could be though as I still have a lot of channels which I do not watch. I have to give credit to all the frugalers out there who have cut the cord because of rising cable costs. You've finally been heard as cable and satellite companies are losing subscribers and are offering better options. Thanks guys ;)

To add to all this excitement, our net worth grew to **\$909,762.32** which is a 1.18% increase from [last month](#).

Stock Sale & Purchase

I did not sell any stocks this month. I did however cost average down my stake in MBT from \$18.36 to \$10.01 per share in my Brokerage account. You may recall [last month](#) that I hauled in some hefty dividends from this stock. For my positions, this was a 2.89% dividend yield.

[MBT pays a semi-annual dividend](#) and just announced their next dividend payment of approximately \$0.3848/share. At the current share price, this is a 4.91% dividend yield. My

purchase this month was purposely made right before the dividend declaration date. This is an example of my [honey badger investment style](#).

Income

The big excitement this month was my wife received a raise! She took a slight pay cut 2 years ago for a less stressful position, better hours and more scheduling flexibility. It was a good move to make our family life better.

Dividends

I do not have a [dividend focused portfolio](#), so my dividend streams are not consistent. I am working towards a dividend portfolio by selling stocks as they become ripe for gains. Then I take the proceeds and invest them into dividend stocks.

[Last month](#) I raked in \$312.27 in dividends but this month was pretty dismal. Better than no dividends though :)

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ABX

ABX

Total

Roth 2

Brokerage

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\$4.00

\$1.31

\$5.31

0.16%

0.10%

0.14%

ABX or Barrick Gold is the largest gold mining company in the world. The headquarters are located in Toronto, Canada.

ABX pays a quarterly dividend so there is still one more payment this year. I did not buy ABX for the dividend but rather for stock price appreciation. Currently in my Roth 2 account, my ABX holdings are up 31.39%. In my Brokerage account, I am down 2.97%.

Gold mining stocks have been tearing it up this year with ABX up over 40% since January. I'm patiently waiting for ABX to go above \$30 before I will start to think about selling it.

Since ABX is located in Canada, there are foreign tax implications on dividends to consider.

Canadians are taxed at a 25% rate for dividends in their own country. The U.S. has a treaty with Canada to reduce the foreign tax withholding for U.S. investors at a rate 15%.

Another caveat, the 15% tax only applies to non-retirement accounts. My Brokerage account dividend payments were actually \$1.54 however I was taxed \$0.23 and only received \$1.31. I will be able to recoup the foreign taxes I paid on my 2016 tax returns though. The IRS recognizes the unfairness of getting double taxed by Canada and the U.S. on dividend payments. Isn't that nice of them!

My Roth 2 account did not have any foreign taxes withheld. Canada has agreed to not tax dividend payments in U.S. retirement accounts. Thanks buddy, this will keep my gitch drawer stocked and some two-fours in the fridge!

Rental

I've owned many rentals but have sold all of them off in the last few years. They were lower end homes with lower rents but good cash flow.

Those homes were a great start but I decided to change my rental property plan.

I now buy junk houses in great areas where I can produce equity through the rehab process. Better properties equal higher rents and better quality tenants.

Here is our lone rental property which we have achieved an infinite return through the cash out

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refinance method:

Rental Income

Mortgage

Taxes

Insurance

Other

Profit

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\$1,549.00
\$786.90
\$110.99
\$96.08
\$0.00

\$555.03

We are throwing around the idea of selling this rental home once the lease is up next April. We

have such a large equity position in this home that it may be better to cash it out and apply the money towards a new home.

Expenses

ended up being the least expensive month this year and well under our yearly average. Since this is the first time I am showing our monthly expenses in this manner, I'd like to point out that I do not include certain expenses that we save for throughout the year.

For instance, we paid roughly \$4,500 for a basement remodel earlier in the year which was paid for from short term savings. Also in June, we paid cash for a car which was also paid from long term savings. I've explained previously [how I use my savings account to budget](#), which you may find helpful.

The expenses we save for do not show up in my chart below. I will have to make an adjustment for this next year.

Expenses	
Month	Total
January	(5,205.47)
February	(5,517.09)
March	(5,725.46)
April	(4,814.10)
May	(5,367.72)
June	(4,929.40)
July	(5,797.60)
August	(4,526.44)
September	(4,275.33)
October	-
November	-
December	-
Total	\$ (46,158.60)
Average	(5,235.41)

September expenses ended up being the lowest for the year. I am anticipating our expenses to continue to be low throughout the end of the year.

Net Worth Summary

We ended the month of September with a net worth of **\$909,762.32** which is an increase of \$10,749.89 from August or 1.18%.

The increase is due to an increase in cash we have saved this month as we accumulate money for a new home. We also saw nice increases in our brokerage accounts as many of our positions are in oil related stocks.

2016 Net Worth Summary

- [June 2016 - \\$890,956.41](#)
- [July 2016 - \\$900,825.62](#)
- [August 2016 - \\$899,012.43](#)

Final Thoughts

September was a solid month with a nice increase in net worth and the lowest expenses of the year. Our family vacation allowed us to recharge our batteries and keep chugging along till the end of the year. I'm happy to have saved about 40% on my cable bill and looking forward to receiving my new iPhone 7 Plus!

Hi readers! How was your September financially?

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