Lt Explanation

Lt (Liquid Term) is calculated by dividing total liquid assets by annual personal spending. This ratio estimates the number of years a person could live on his/her cash, or cash-like assets such as an emergency fund or mutual fund outside of a retirement plan. Lt also indicates the amount of after-tax money an individual can access if needed.
APPENDIX

Performance Audit
Liquid Term Details

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Cash</td>
<td>$22,000</td>
</tr>
<tr>
<td>Business Cash</td>
<td>$128,000</td>
</tr>
<tr>
<td>Taxable Investment</td>
<td>$941,700</td>
</tr>
<tr>
<td>Roth IRA</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Liquid Assets</strong></td>
<td><strong>$1,093,177</strong></td>
</tr>
</tbody>
</table>

Total Liquid Assets / Annual Personal Spending = Lt

$1,093,177 / $195,000 = **5.05**
Lt Breakdown

- Personal Cash: 2%
- Business Cash: 9%
- Taxable Investment: 90%
- Roth IRA: 1%

Audit Notes

Dr. Givitis's personal annual spending is $195,000.

Increase in Lt due to recent property sale. The proceeds from this sale were put into the long-term brokerage account.

Related Elements®

10 Qt
Qualified Term

25 Tt
Total Term

Current Estimate

Current Estimate