

Executive findings

DRAFT / NOT REVIEWED

Illustrative matter: individual payment adjustments

Valuation date · Sep 20, 2026

PRESENT VALUE

\$120,571.06

Value reconciliation	Amount
Scheduled future support	\$127,000.00
Less: time-value discount	(\$6,428.94)
Present value	\$120,571.06

Key assumptions	Entered case
Starting monthly support	\$5,000.00
Payment term	24 payments (2 years)
Annual discount rate	4.5% (nominal)
Payment dates	Oct 20, 2026 to Sep 20, 2028
Annual payment adjustment	None

Review items · Missing source register. Document these assumptions before finalizing the report.

Fictional firm for demonstration only

Prepared by Illustrative preparer · Reference SAMPLE ONLY · Illustrative sample · Issued Sep 20, 2026

The time-value discount reflects timing and the entered rates. It is not a guaranteed saving or a recommended settlement amount.

Report contents

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Proposed buyout

Cash and any retained support compared with this scenario.

Measure	Value
Scenario present value	\$120,571.06
Cash on valuation date	\$90,000.00
Retained support present value	\$32,899.30
Total package value	\$122,899.30
Difference from scenario	+\$2,328.24
Support replaced, at present value	\$87,671.76

Retained monthly support by phase: \$1,500.00. Dates, durations, annual adjustments, and rates are preserved. Individual replacements are disclosed in the adjustment reconciliation.

Reverse calculations

Uniform annual comparison rate: 2.289162%. This rate equates released support with the cash amount; it does not replace the entered phase rates.

Final-phase duration at the package value: 25 payments, producing \$125,124.41 present value. This is the first whole-payment duration to reach the package value. Earlier phases and all other inputs remain unchanged.

This is a comparison of modeled values, not a recommended settlement.

Rate and duration sensitivity

Phase 1 (Level monthly support): 5 durations in 6-month steps. Only the final phase’s duration changes; earlier phase durations are fixed. Each annual phase rate shifts by the same number of percentage points.

Final phase	–2 points	–1 point	Entered	+1 point	+2 points
12 payments	\$54,257.38	\$53,964.43	\$53,673.78	\$53,385.41	\$53,099.30
18 payments	\$80,415.57	\$79,793.84	\$79,178.85	\$78,570.53	\$77,968.78
24 payments	\$123,372.17	\$121,960.61	\$120,571.06	\$119,203.11	\$117,856.38
30 payments	\$151,703.60	\$149,651.91	\$147,637.26	\$145,658.88	\$143,716.03
36 payments	\$179,683.45	\$176,863.52	\$174,102.38	\$171,398.64	\$168,750.94

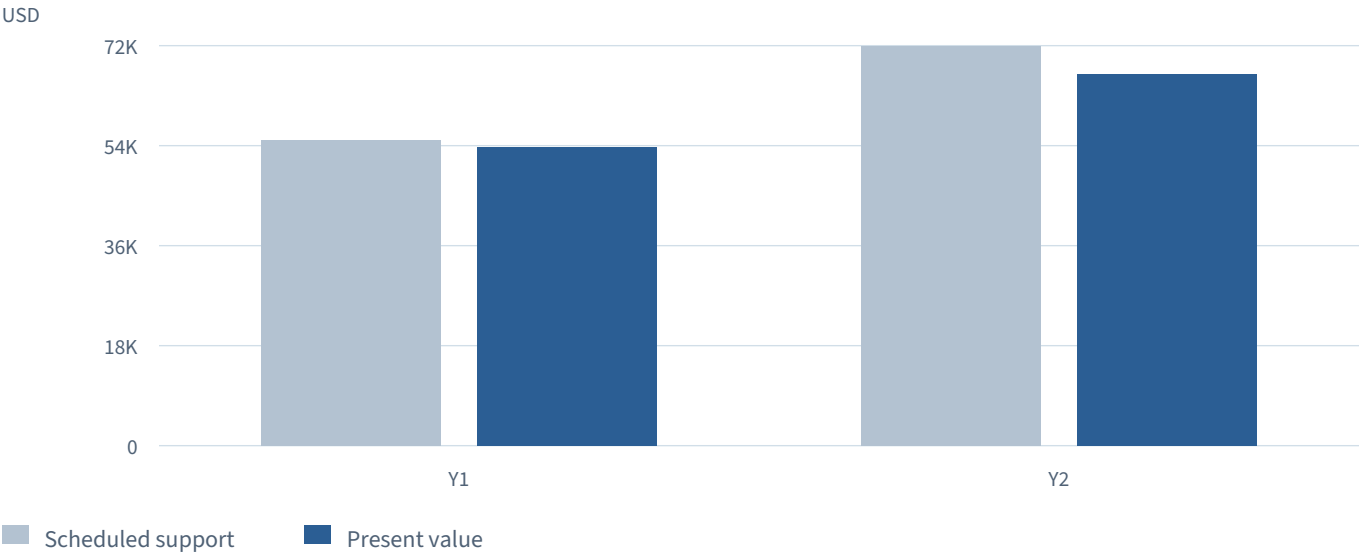
12 final-phase payments: excluded installments sample-phase:18, sample-phase:24.

18 final-phase payments: excluded installments sample-phase:24.

The duration interval matches Payment-count sensitivity. Unsupported durations are omitted; unsupported rates are marked N/A. The highlighted row uses the entered duration, and its Entered column is the baseline. Defined alternatives are not probabilities or a settlement range.

Payments by model year

Scheduled support and present value in consecutive groups of 12 payments.



The highest scheduled support is \$72,000.00, first reached in model year 2.

Cash flow by model year

Consecutive groups of 12 payments; the final group may be shorter.

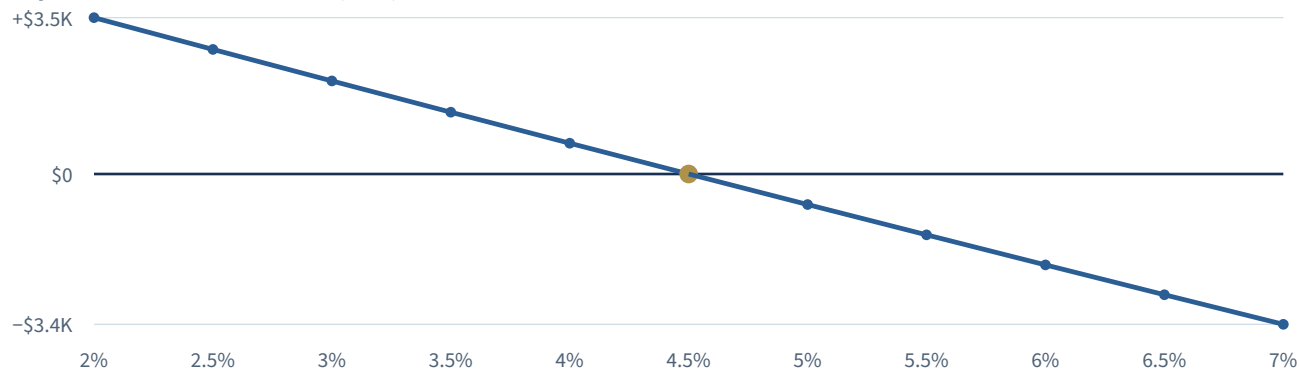
Year	Count	Scheduled support	Present value	Cumulative PV
1	12	\$55,000.00	\$53,673.78	\$53,673.78
2	12	\$72,000.00	\$66,897.28	\$120,571.06

Total: \$127,000.00 scheduled support; \$120,571.06 present value. Annual totals use unrounded payments.

Discount-rate sensitivity

All other inputs stay fixed.

Change in present value from baseline (USD)



annual rate	Present value	Change from baseline	Change %
2%	\$124,086.33	+\$3,515.27	2.92%
2.5%	\$123,372.17	+\$2,801.12	2.32%
3%	\$122,663.62	+\$2,092.56	1.74%
3.5%	\$121,960.61	+\$1,389.56	1.15%
4%	\$121,263.11	+\$692.05	0.57%
4.5% Entered	\$120,571.06	\$0.00	0.00%
5%	\$119,884.41	-\$686.65	-0.57%
5.5%	\$119,203.11	-\$1,367.95	-1.13%
6%	\$118,527.12	-\$2,043.94	-1.70%
6.5%	\$117,856.38	-\$2,714.67	-2.25%
7%	\$117,190.86	-\$3,380.20	-2.80%

At 5%, present value is \$119,884.41 and decreases by \$686.65. The entered rate is 4.5%.

11 distinct variations are shown in steps of 0.5 percentage point. Ranges shift at supported limits. No phase is allowed a negative rate or support amount. Variations are alternative assumptions, not probabilities.

Monthly-support sensitivity

All other inputs stay fixed.

monthly support	Present value	Change from baseline	Change %
\$2,500.00	\$70,361.22	-\$50,209.83	-41.64%
\$3,000.00	\$80,403.19	-\$40,167.87	-33.31%
\$3,500.00	\$90,445.16	-\$30,125.90	-24.99%
\$4,000.00	\$100,487.12	-\$20,083.93	-16.66%
\$4,500.00	\$110,529.09	-\$10,041.97	-8.33%
\$5,000.00 Entered	\$120,571.06	\$0.00	0.00%
\$5,500.00	\$130,613.02	+\$10,041.97	8.33%
\$6,000.00	\$140,654.99	+\$20,083.93	16.66%
\$6,500.00	\$150,696.96	+\$30,125.90	24.99%
\$7,000.00	\$160,738.92	+\$40,167.87	33.31%
\$7,500.00	\$170,780.89	+\$50,209.83	41.64%

Individual replacement amounts remain fixed. Only ordinary phase amounts change.

At \$5,500.00 in starting monthly support, present value is \$130,613.02 and increases by \$10,041.97. Starting support rises by \$500 in this case; annual adjustments stay fixed.

11 distinct variations are shown in \$500 steps. Ranges shift at supported limits. No phase is allowed a negative rate or support amount. Variations are alternative assumptions, not probabilities.

Payment-count sensitivity

Phase 1 (Level monthly support): 9 variations in 6-month steps, centered on the entered 24 payments. Only the final phase’s payment count changes. Earlier phases, support amounts, discount rates, timing, and annual adjustments stay fixed.

Payment count	Final payment	Scheduled total	Present value	PV change	Change %
6 payments 6 months	Mar 20, 2027	\$25,000.00	\$24,721.19	−\$95,849.86	-79.50%
12 payments 1 year	Sep 20, 2027	\$55,000.00	\$53,673.78	−\$66,897.28	-55.48%
18 payments 1 year, 6 months	Mar 20, 2028	\$82,000.00	\$79,178.85	−\$41,392.20	-34.33%
24 payments 2 years Entered baseline	Sep 20, 2028	\$127,000.00	\$120,571.06	\$0.00	0.00%
30 payments 2 years, 6 months	Mar 20, 2029	\$157,000.00	\$147,637.26	+\$27,066.20	22.45%
36 payments 3 years	Sep 20, 2029	\$187,000.00	\$174,102.38	+\$53,531.32	44.40%
42 payments 3 years, 6 months	Mar 20, 2030	\$217,000.00	\$199,979.78	+\$79,408.72	65.86%
48 payments 4 years	Sep 20, 2030	\$247,000.00	\$225,282.50	+\$104,711.44	86.85%
54 payments 4 years, 6 months	Mar 20, 2031	\$277,000.00	\$250,023.30	+\$129,452.25	107.37%

Trials exclude adjustments outside their term and never repeat one-time replacements.

6 final-phase payments: excluded installments sample-phase:18, sample-phase:24.

12 final-phase payments: excluded installments sample-phase:18, sample-phase:24.

18 final-phase payments: excluded installments sample-phase:24.

Present value is recalculated from each complete payment schedule, including annual adjustments and payment dates. Scheduled totals are undiscounted. Changes use the entered baseline and unrounded values; currency is displayed to cents. Percentage change is not applicable when baseline present value is zero.

Unsupported durations are omitted without moving the window. Each phase allows 1–600 monthly payments, with 720 across the complete schedule. These are alternative assumptions, not probabilities or a settlement range.

Rate & monthly support sensitivity

5 discount rates spaced 0.5 percentage point apart × 11 monthly amounts in \$500 steps.
Each result is gross present value. The highlighted cell uses the entered assumptions.

Monthly support	Annual discount rate				
	3.5%	4%	4.5% Entered	5%	5.5%
\$2,500	\$71,254	\$70,806	\$70,361	\$69,920	\$69,483
\$3,000	\$81,395	\$80,897	\$80,403	\$79,913	\$79,427
\$3,500	\$91,537	\$90,989	\$90,445	\$89,906	\$89,371
\$4,000	\$101,678	\$101,080	\$100,487	\$99,899	\$99,315
\$4,500	\$111,819	\$111,172	\$110,529	\$109,892	\$109,259
\$5,000 Entered support	\$121,961	\$121,263	\$120,571	\$119,884	\$119,203
\$5,500	\$132,102	\$131,355	\$130,613	\$129,877	\$129,147
\$6,000	\$142,243	\$141,446	\$140,655	\$139,870	\$139,091
\$6,500	\$152,385	\$151,537	\$150,697	\$149,863	\$149,035
\$7,000	\$162,526	\$161,629	\$160,739	\$159,856	\$158,979
\$7,500	\$172,667	\$171,720	\$170,781	\$169,848	\$168,923

Present values are rounded to whole dollars. All other inputs stay fixed.
These are alternative assumptions, not a probability range.

Payment adjustment reconciliation

Illustrative matter: individual payment adjustments

3 payment adjustments; 1 retained-payment adjustments. Before payment adjustments: \$120,000.00 future payments and \$114,553.28 present value. After payment adjustments: \$127,000.00 future payments and \$120,571.06 present value. Effects: +\$7,000.00 nominal and +\$6,017.78 present value. Retained adjustments allocate the modeled obligation and do not change its total.

Individual payment replacements apply after annual escalation and remain fixed in dollars. They replace one installment only. Present values use the effective payments. Amount sensitivity varies ordinary phase amounts while replacements stay fixed. Duration trials exclude adjustments outside the trial term and never repeat one-time adjustments. Dates remain regular monthly anniversaries; arbitrary dates and arrears are not modeled.

Payment / note	Calculated	Modeled	PV effect
1. Payment 6 2027-03-20 Phase 1 / installment 6	\$5,000.00	\$0.00	-\$4,888.96
2. Payment 18 2028-03-20 Phase 1 / installment 18	\$5,000.00	\$2,000.00	-\$2,804.54
3. Payment 24 2028-09-20 Phase 1 / installment 24	\$5,000.00	\$20,000.00	+\$13,711.28

1. Illustrative skipped installment. Zero is a modeling assumption, not a determination that support is waived or has been paid. Source: Illustrative terms for software demonstration only. Entered 2026-09-20; last updated 2026-09-20. Original entry context: 2027-03-20, generated \$5,000.00. Current reviewed date: 2027-03-20.
2. Illustrative temporary reduction for this installment only. Source: Illustrative terms for software demonstration only. Entered 2026-09-20; last updated 2026-09-20. Original entry context: 2028-03-20, generated \$5,000.00. Current reviewed date: 2028-03-20.
3. Illustrative final balloon payment replacing the ordinary installment. Source: Illustrative terms for software demonstration only. Entered 2026-09-20; last updated 2026-09-20. Original entry context: 2028-09-20, generated \$5,000.00. Current reviewed date: 2028-09-20.

Payment adjustment reconciliation

Continued

Retained-payment adjustments

Payment / note	Calculated retained	Modeled retained	Released
1. Payment 6 2027-03-20	\$1,500.00	\$0.00	\$0.00

1. No retained support in the installment modeled at zero. Source: Illustrative terms for software demonstration only. Entered 2026-09-20; last updated 2026-09-20. Original entry context: 2027-03-20, generated \$5,000.00. Current reviewed date: 2027-03-20.

Sources & review notes

A record of supplied support for the assumptions and the preparer's review status.

Preparer commentary

Separate fictional example: 24 ordinary \$5,000 payments, with one zero, one \$2,000 replacement, and a final \$20,000 balloon. Retained support is \$1,500 per month except for zero at installment 6. The \$90,000 cash proposal is illustrative, not a recommendation. Mandatory reconciliation appears even with the every-payment schedule off.

Discount-rate rationale

Illustrative 4.5% nominal annual rate, compounded monthly. Selected to demonstrate the software, not as a recommended or market-supported rate.

Matter notes

Fictional matter for demonstration only. All amounts, terms, sources, and proposals are illustrative. No real clients or instruments are represented. No independent professional review has been performed.

This report is a draft and has not been marked reviewed by the preparer.

Scope & limitations

The report values the entered regular monthly payment schedule. It does not determine the amount or duration of support owed, recommend settlement terms, or determine the legal effect of a buyout.

Every modeled payment is assumed to be made. Death, remarriage, modification, cohabitation, collection risk, and investment outcomes are not probability-weighted. Arrears, irregular payment dates, property transfers, and lump-sum tax treatment are outside this calculation.

Sensitivity results are defined alternatives, not a confidence interval, forecast, or recommended settlement range. Scenario comparisons may vary several assumptions together. Source entries and review labels are supplied by the preparer.

The report is generated from a frozen set of entered assumptions. Subsequent changes to the calculator do not update this PDF. Retain the report and its matter backup together.

Calculation model: SB-PV 5.0. Report format: SB-REPORT 3.2. Report identifier: SAMPLE-EXPERT-ADJUSTMENTS.

Entered assumptions

Exact inputs used throughout the report.

Shared setting	Entered value
Valuation date	Sep 20, 2026
Rate convention	Nominal annual rate with monthly compounding
First payment	One month after the valuation date
Support tax illustration	Not included

Phase 1 · Level monthly support

Monthly support: \$5,000.00. Term: 24 payments (2 years). Annual rate: 4.5%. Annual adjustment: none.

Payments 1–24; Oct 20, 2026 to Sep 20, 2028.

Calculation methodology

The same regular monthly present-value model is used in every exhibit.

Present value = sum of payment(k) ÷ (1 + monthly discount rate)^k.

Period k begins at 1 for a first payment in one month, or 0 for payment on the valuation date. It counts from the common valuation date and does not restart at phase changes.

Monthly rate = annual percentage ÷ 1,200 (nominal convention).

Phase	Entered annual rate	Monthly rate used
1	4.5%	0.375%

Scheduled payment = phase starting amount × (1 + annual adjustment / 100)^floor((payment within phase – 1) / 12).
Adjustments begin at payment 13 of each phase. Phase rates apply to their own payments; they are not chained forward rates.

Individual payment replacements apply after annual escalation and remain fixed in dollars. They replace one installment only. Present values use the effective payments. Amount sensitivity varies ordinary phase amounts while replacements stay fixed. Duration trials exclude adjustments outside the trial term and never repeat one-time adjustments. Dates remain regular monthly anniversaries; arbitrary dates and arrears are not modeled.

Dates follow monthly valuation-day anniversaries, clamped to month end. Discounting uses equal monthly periods, not actual days. Totals use unrounded values; displayed currency is rounded to cents unless labeled as whole dollars.

Worked payment calculations

Actual payments selected from this scenario, with the inputs and calculation steps exposed.

Payment 1 · Oct 20, 2026

Phase 1; payment 1 within this phase. No annual adjustment; payment amount is unchanged.

1. Scheduled amount = $\$5,000.00 \times (1 + 0/100)^0 = \$5,000.00$.
2. Monthly discount rate = 0.00375000000000 (decimal). Elapsed discount periods $k = 1$.
3. Discount factor = $(1 + 0.00375000000000)^{-1} = 0.996264009963$.
4. Present value = effective payment amount $\times$ unrounded discount factor = \$4,981.32.

Payment 24 · Sep 20, 2028

Phase 1; payment 24 within this phase. No annual adjustment; payment amount is unchanged.

1. Scheduled amount = $\$5,000.00 \times (1 + 0/100)^1 = \$5,000.00$.
- Individual replacement: \$20,000.00. Illustrative final balloon payment replacing the ordinary installment.
2. Monthly discount rate = 0.00375000000000 (decimal). Elapsed discount periods $k = 24$.
3. Discount factor = $(1 + 0.00375000000000)^{-24} = 0.914085039624$.
4. Present value = effective payment amount $\times$ unrounded discount factor = \$18,281.70.

Intermediate figures above are displayed to a limited precision; the engine retains unrounded values.

Phase reconciliation

Reconcile each phase's contribution with the full payment schedule.

Reconciliation	Scheduled support	Present value
Sum of payment phases	\$127,000.00	\$120,571.06
Sum of model years	\$127,000.00	\$120,571.06
Sum of individual payments	\$127,000.00	\$120,571.06
Report total	\$127,000.00	\$120,571.06

Scheduled support less present value equals \$6,428.94. Totals use unrounded calculations. Adding displayed cents can produce a small rounding difference.