

## Cost Segregation Consulting

Project Name: Fast Food Restaurant Total Cost: \$2,500,000

## Benefit Projection

	Conservative		Optimistic
Year 1 Benefit:	\$434,359	-	\$533,077
Life of Property Benefit:	\$285,111	-	\$349,909

## Contact Information

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**PTE**

## Assumptions

Tax Rate (federal + state combined):	40%	Total Cost:	\$2,500,000
Present Value Discount Factor:	7%		
Tax Year:	2019		



Potential Change in Cash Flow Resulting From a Cost Segregation Study for

### Fast Food Restaurant - Conservative

WITH Cost Segregation Study      WITHOUT Cost Segregation Study

Property Class	Percentage Assumed	Depreciable Basis	Percentage Assumed	Depreciable Basis
5 Year Property	26%	650,000	0%	0
7 Year Property	0%	0	0%	0
15 Year Property	18%	450,000	0%	0
39 Year Property	56%	1,400,000	100%	2,500,000
<b>Total</b>		<b>\$2,500,000</b>	<b>Total</b>	<b>\$2,500,000</b>

Tax Basis      \$2,500,000  
 Tax Rate      40%  
 Present Value Factor      7%

Present Value of Changes in Cash Flow	
<u>Year 1</u>	<u>39 Year Life</u>
<b>\$434,359</b>	<b>\$285,111</b>

Year	5 Year	7 Year	15 Year	39 Year	Total Annual Depreciation Expense WITH Study	Total Annual Depreciation Expense W/O Study	Change in Depreciation Expense	After-Tax Change in Cash Flow	Present Value of Changes in Cash Flow
2019	650,000		450,000	17,948	1,117,948	32,050	1,085,898	434,359	434,359
2020				35,896	35,896	64,100	(28,204)	(11,282)	(10,544)
2021				35,896	35,896	64,100	(28,204)	(11,282)	(9,854)
2022				35,896	35,896	64,100	(28,204)	(11,282)	(9,209)
2023				35,896	35,896	64,100	(28,204)	(11,282)	(8,607)
2024				35,896	35,896	64,100	(28,204)	(11,282)	(8,044)
2025				35,896	35,896	64,100	(28,204)	(11,282)	(7,517)
2026				35,896	35,896	64,100	(28,204)	(11,282)	(7,026)
2027				35,896	35,896	64,100	(28,204)	(11,282)	(6,566)
2028				35,896	35,896	64,100	(28,204)	(11,282)	(6,136)
2029				35,896	35,896	64,100	(28,204)	(11,282)	(5,735)
2030				35,896	35,896	64,100	(28,204)	(11,282)	(5,360)
2031				35,896	35,896	64,100	(28,204)	(11,282)	(5,009)
2032				35,896	35,896	64,100	(28,204)	(11,282)	(4,681)
2033				35,896	35,896	64,100	(28,204)	(11,282)	(4,375)
2034				35,896	35,896	64,100	(28,204)	(11,282)	(4,089)
2035				35,896	35,896	64,100	(28,204)	(11,282)	(3,821)
2036				35,896	35,896	64,100	(28,204)	(11,282)	(3,571)
2037				35,896	35,896	64,100	(28,204)	(11,282)	(3,338)
2038				35,896	35,896	64,100	(28,204)	(11,282)	(3,119)
2039				35,896	35,896	64,100	(28,204)	(11,282)	(2,915)
2040				35,896	35,896	64,100	(28,204)	(11,282)	(2,725)
2041				35,896	35,896	64,100	(28,204)	(11,282)	(2,546)
2042				35,896	35,896	64,100	(28,204)	(11,282)	(2,380)
2043				35,896	35,896	64,100	(28,204)	(11,282)	(2,224)
2044				35,896	35,896	64,100	(28,204)	(11,282)	(2,079)
2045				35,896	35,896	64,100	(28,204)	(11,282)	(1,943)
2046				35,896	35,896	64,100	(28,204)	(11,282)	(1,816)
2047				35,896	35,896	64,100	(28,204)	(11,282)	(1,697)
2048				35,896	35,896	64,100	(28,204)	(11,282)	(1,586)
2049				35,896	35,896	64,100	(28,204)	(11,282)	(1,482)
2050				35,896	35,896	64,100	(28,204)	(11,282)	(1,385)
2051				35,910	35,910	64,125	(28,215)	(11,286)	(1,295)
2052				35,896	35,896	64,100	(28,204)	(11,282)	(1,210)
2053				35,910	35,910	64,125	(28,215)	(11,286)	(1,131)
2054				35,896	35,896	64,100	(28,204)	(11,282)	(1,057)
2055				35,910	35,910	64,125	(28,215)	(11,286)	(988)
2056				35,896	35,896	64,100	(28,204)	(11,282)	(923)
2057				35,910	35,910	64,125	(28,215)	(11,286)	(863)
2058				17,948	17,948	32,050	(14,102)	(5,641)	(403)
<b>Total</b>	<b>650,000</b>	<b>0</b>	<b>450,000</b>	<b>1,400,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>0</b>	<b>0</b>	<b>285,111</b>



Potential Change in Cash Flow Resulting From a Cost Segregation Study for

## Fast Food Restaurant - Optimistic

WITH Cost Segregation Study      WITHOUT Cost Segregation Study

Property Class	Percentage Assumed	Depreciable Basis	Percentage Assumed	Depreciable Basis
5 Year Property	31%	775,000	0%	0
7 Year Property	0%	0	0%	0
15 Year Property	23%	575,000	0%	0
39 Year Property	46%	1,150,000	100%	2,500,000
<b>Total</b>		<b>\$2,500,000</b>	<b>Total</b>	<b>\$2,500,000</b>

Tax Basis      \$2,500,000  
 Tax Rate      40%  
 Present Value Factor      7%

Present Value of Changes in Cash Flow	
Year 1	39 Year Life
<b>\$533,077</b>	<b>\$349,909</b>

Year	5 Year	7 Year	15 Year	39 Year	Total Annual Depreciation Expense WITH Study	Total Annual Depreciation Expense W/O Study	Change in Depreciation Expense	After-Tax Change in Cash Flow	Present Value of Changes in Cash Flow
2019	775,000		575,000	14,743	1,364,743	32,050	1,332,693	533,077	533,077
2020				29,486	29,486	64,100	(34,614)	(13,846)	(12,940)
2021				29,486	29,486	64,100	(34,614)	(13,846)	(12,093)
2022				29,486	29,486	64,100	(34,614)	(13,846)	(11,302)
2023				29,486	29,486	64,100	(34,614)	(13,846)	(10,563)
2024				29,486	29,486	64,100	(34,614)	(13,846)	(9,872)
2025				29,486	29,486	64,100	(34,614)	(13,846)	(9,226)
2026				29,486	29,486	64,100	(34,614)	(13,846)	(8,622)
2027				29,486	29,486	64,100	(34,614)	(13,846)	(8,058)
2028				29,486	29,486	64,100	(34,614)	(13,846)	(7,531)
2029				29,486	29,486	64,100	(34,614)	(13,846)	(7,038)
2030				29,486	29,486	64,100	(34,614)	(13,846)	(6,578)
2031				29,486	29,486	64,100	(34,614)	(13,846)	(6,148)
2032				29,486	29,486	64,100	(34,614)	(13,846)	(5,745)
2033				29,486	29,486	64,100	(34,614)	(13,846)	(5,370)
2034				29,486	29,486	64,100	(34,614)	(13,846)	(5,018)
2035				29,486	29,486	64,100	(34,614)	(13,846)	(4,690)
2036				29,486	29,486	64,100	(34,614)	(13,846)	(4,383)
2037				29,486	29,486	64,100	(34,614)	(13,846)	(4,096)
2038				29,486	29,486	64,100	(34,614)	(13,846)	(3,828)
2039				29,486	29,486	64,100	(34,614)	(13,846)	(3,578)
2040				29,486	29,486	64,100	(34,614)	(13,846)	(3,344)
2041				29,486	29,486	64,100	(34,614)	(13,846)	(3,125)
2042				29,486	29,486	64,100	(34,614)	(13,846)	(2,921)
2043				29,486	29,486	64,100	(34,614)	(13,846)	(2,730)
2044				29,486	29,486	64,100	(34,614)	(13,846)	(2,551)
2045				29,486	29,486	64,100	(34,614)	(13,846)	(2,384)
2046				29,486	29,486	64,100	(34,614)	(13,846)	(2,228)
2047				29,486	29,486	64,100	(34,614)	(13,846)	(2,082)
2048				29,486	29,486	64,100	(34,614)	(13,846)	(1,946)
2049				29,486	29,486	64,100	(34,614)	(13,846)	(1,819)
2050				29,486	29,486	64,100	(34,614)	(13,846)	(1,700)
2051				29,498	29,498	64,125	(34,628)	(13,851)	(1,589)
2052				29,486	29,486	64,100	(34,614)	(13,846)	(1,485)
2053				29,498	29,498	64,125	(34,628)	(13,851)	(1,388)
2054				29,486	29,486	64,100	(34,614)	(13,846)	(1,297)
2055				29,498	29,498	64,125	(34,628)	(13,851)	(1,212)
2056				29,486	29,486	64,100	(34,614)	(13,846)	(1,133)
2057				29,498	29,498	64,125	(34,628)	(13,851)	(1,059)
2058				14,743	14,743	32,050	(17,307)	(6,923)	(495)
<b>Total</b>	<b>775,000</b>	<b>0</b>	<b>575,000</b>	<b>1,150,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>0</b>	<b>0</b>	<b>349,909</b>