



A brief review of some basic project information allows our engineers to estimate the benefits to be gained from our involvement. The first year increase in cash flow realized from our analysis should be a multiple of our professional fee. Our fees are fixed, not contingent in nature (i.e., we do not take a percentage of the savings received). It is important to note that the preliminary review and resulting proposal for services is provided at no cost to you.

For more information regarding BDO Seidman, LLP's **Cost Segregation Services**, please contact John Price, CPA, Partner with Scott McElveen, L.L.P. @ 803-753-5241.



Cost Segregation Services

“An Engineering-Based Methodology to Help Real Estate Owners Increase Cash Flow”

BDO Seidman, LLP's engineering-based **Cost Segregation** practice has distinguished itself on a national basis by helping clients realize significant benefits from their real estate holdings. Your company may be able to obtain similar benefits. The tax positions recommended by BDO Seidman, LLP's engineers are well documented and supported in the report provided as part of our analysis. Our cost segregation studies are based on sound engineering principles and are supported by IRS regulations, rulings and case law. In addition to new construction projects and building acquisitions, this methodology applies to taxpayers who have either constructed or acquired buildings in prior years.

- The classification of assets placed into service in past years can be corrected without the need to amend prior year's tax returns.
- The total depreciation adjustment identified for all prior years can be fully recognized in the year of change.

The following table illustrates the benefits of BDO Seidman, LLP's **Cost Segregation Services**.

Cost Segregation Project	First Year Increase In Cash Flow	NPV of Accelerated Cash Flow
78,000 sq. ft. Retail Strip Center w/Grocery (New Construction, 30% Bonus Depreciation)	\$ 317,000	\$ 417,000
238,000 sq. ft. Office Building (Acquisition of Existing Facility)	\$ 115,000	\$ 322,000
315,000 sq. ft. Manufacturing Facility (Correct 6 Prior Years' Depreciation)	\$ 300,000	\$ 245,000

Benefits derived from accelerated depreciation based on classification of assets as personal property (5-year or 7-year), land improvements (15-year) rather than real property (39-year).

(Net Present Value (NPV) assumes: 35% federal tax rate, 7% interest, 39-year life)