



MAXIMIZING CASH FLOW

## PROJECT PROFILE: Clayton Kids R Kids Preschool

# TAXES SAVED: \$95,500

Clayton Kids R Kids Preschool



Tax Savings: \$95,500\*

### **Property Overview:**

The preschool center was completed in December, 2005. The cost basis for purposes of a cost segregation study was \$1,316,584 (excluding the land value of 673,423). The building occupies a site on 2.11 acres with total interior space of approximately 15,750 square feet.

### **Engineering Process:**

The project engineer examined all design and construction documents, contractor payment requisitions and other related data to determine the cost basis for every component in the building. Next, the project engineer conducted an on-site study to identify measure, quantify and photograph all assets eligible for accelerated depreciation.

### **Estimate of Benefits & Savings:**

A pre-engagement estimate provided to the CPA and client provided a potential reallocation of 30% or \$395,000 to shorter depreciable lives.

### **Results:**

The study resulted in 41.37% or \$544,594 of the assets being moved to a shorter depreciable life. As a result, the property owner saved \$ 92,000 in taxes for the first tax year and \$95,500 net present value\* over the next 10 years.

### **Contact:**

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\*represents the 10 year net present value savings (NPV) using a 6% discount rate