

## Cash Flow Comparison Before/After Cost Segregation

	Before	After
Revenues	\$1,506,000	\$1,506,000
Less: Operating Expenses	(\$1,054,000)	(\$1,054,000)
Net Operating Income	\$452,000	\$452,000
Less: Debt Service (P&I)	(\$276,000)	(\$276,000)
Pre-Tax Cash Flow	\$176,000	\$176,000
Less: Depreciation	(\$69,550)	(\$203,894)
Add Back: Principal Payment on Debt	\$36,200	\$36,200
<b>Taxable Income</b>	<b>\$142,650</b>	<b>\$8,306</b>
Pre-Tax Cash Flow	\$176,000	\$176,000
Less: Taxes (at 40%)	(\$57,060)	(\$3,322)
After Tax Cash Flow	\$118,940	\$172,678
<b>Return on Investment</b>	<b>7.93%</b>	<b>11.51%</b>