

## Case Study – Golf Club

### PROJECT OVERVIEW

An **engineering-based cost segregation study** was conducted for a recently purchased golf club located in the western United States. The study’s objective was to identify property components that could be reclassified to shorter recovery periods in order to accelerate building depreciation and increase cash flow by deferring income taxes.

### PROJECT RESULTS

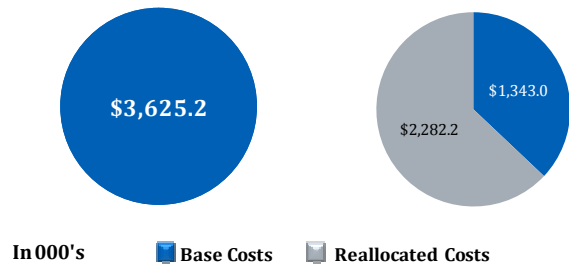
As a result of this engineering-based cost segregation study, the client was able to reallocate \$2,282,164 or 63.0% of the assets to shorter recovery periods. The client’s tax savings on a present value basis were projected to be a total of \$320,002, with the first-year tax savings alone totaling \$56,525.

### PROPERTY PROFILE

<b>The Building</b>	The property is a 132-acre site and has three buildings and an 18-hole, regulation-length golf course
<b>Cost Basis</b>	The property has a cost basis of \$3,625,224 and was acquired in 2005

Initial Cost Basis

Post-Cost Segregation



### ENGINEERING PROCESS

Our construction engineers performed:

- a detailed inspection that itemized the improvements located on this purchased property
- a review of all available construction documentation
- the necessary steps to isolate the various components qualifying the assets for shorter cost recovery period depreciation under the provisions of the Internal Revenue Code and current tax law
- construction estimating techniques where each component was assigned a value which was then adjusted for depreciation and reconciled back to the purchase price
- a quality check where our internal audit team of senior construction engineers and tax specialists reviewed and certified its completeness and accuracy

### Tax Savings

