

### Ethanol Plant

#### Client Profile

McGuire Sponsel performed a cost segregation study for a company completing a \$130 million ethanol production plant. The client had run some preliminary numbers, estimating that they would be able to reclassify approximately 80 percent of the construction costs to shorter-lived assets.

#### Our Process

McGuire Sponsel employees completed a detailed, engineering-based cost segregation analysis of the property. Our engineers physically inspected the property and reviewed significant property documentation including all blueprints and construction invoices. The deliverable report included detailed documentation and calculations for each property and cited tax law to support all asset classifications.

#### Study Results

Based on our study, the client realized increased cash flow in excess of \$8 million over the first five years of their investment. These increased depreciation deductions produced an estimated net present value of tax savings in excess of \$4.5 million over the life of the investments.

**McGuire Sponsel was able to help the client increase cash flow by more than \$8 million over the first five years of their investment and produce NPV of tax savings in excess of \$4.5 million.**

