



# MAXIMIZING CASH FLOW FOR GROCERY STORE OWNERS

**SUNDAY, FEBRUARY 13, 2011**



**COST SEG ASSOCIATES**

4600 West 77<sup>th</sup> Street • Suite 350 • Minneapolis, MN 55435  
Office (952) 831-6300 • Toll Free (888) 245-5613

# HOW WE CAN HELP YOU

- CSA creates cash flow for grocery store owners
- The average cash flow we generate per grocer is

**\$137,000**

\* This number represents the average cash flow over 5 years assuming a 40% tax bracket based on average grocery store investment of \$1,750,000.



**COST SEG ASSOCIATES**

# CSA TEAM

- **Rod Axtell**  
CPA and Managing Partner  
(952) 831-6300  
raxtell@csateam.com
- **Robert Lehmann**  
Partner and  
Senior Vice President of Sales  
(612) 805-6648  
rlehmann@csateam.com
- **Paula Carlson**  
Vice President Marketing  
(612) 803-9554  
pcarlson@csateam.com
- **Thomas Buettner**  
Vice President Business Development  
(612) 281-0158  
tbuettner@csateam.com



# WE CREATE CASH FLOW FOR YOU

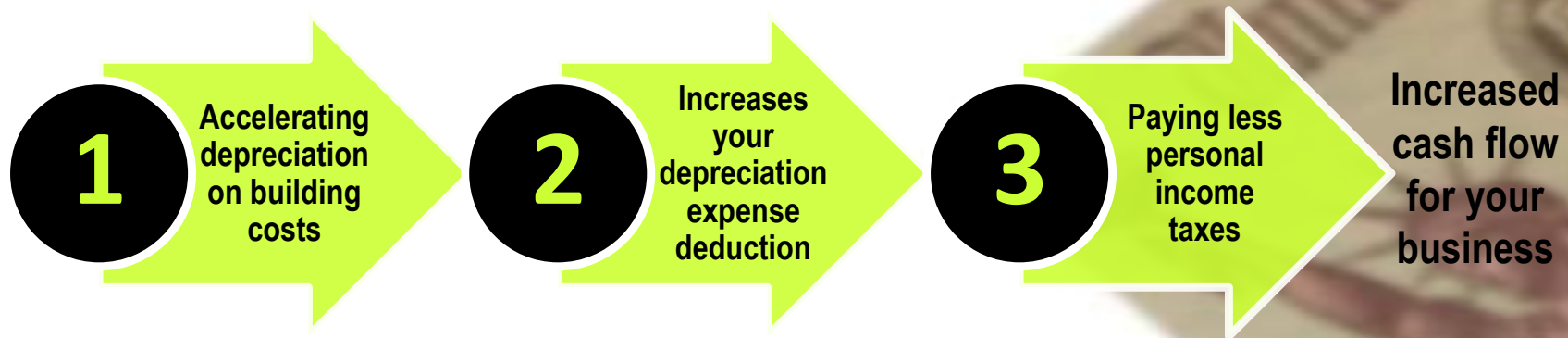
Cost segregation can provide you with access to a significant amount of cash flow from your real estate investment

- Readily accessible cash and it's yours to keep
- No payments or interest
- No approvals to get
- Based on the purchase or construction cost— not on current market value



# HOW WE DO IT

- We do an engineered cost segregation study on your real estate investment that results in



- Can be used for a current year investment or on a prior year investment using a “catch-up” provision



# HOW WE DO IT

- We itemize and assign building costs at the greatest level of detail using an engineered costing process
- Then we assign each building cost its fastest depreciable recovery period (5-year and 15-year versus the traditional 39-year)
- This accelerated depreciation creates a bigger up front tax deduction and minimizes your personal income taxes



# ACTUAL CSA RESULTS

- Breakdown of CSA engineered cost segregation study results by grocery store size

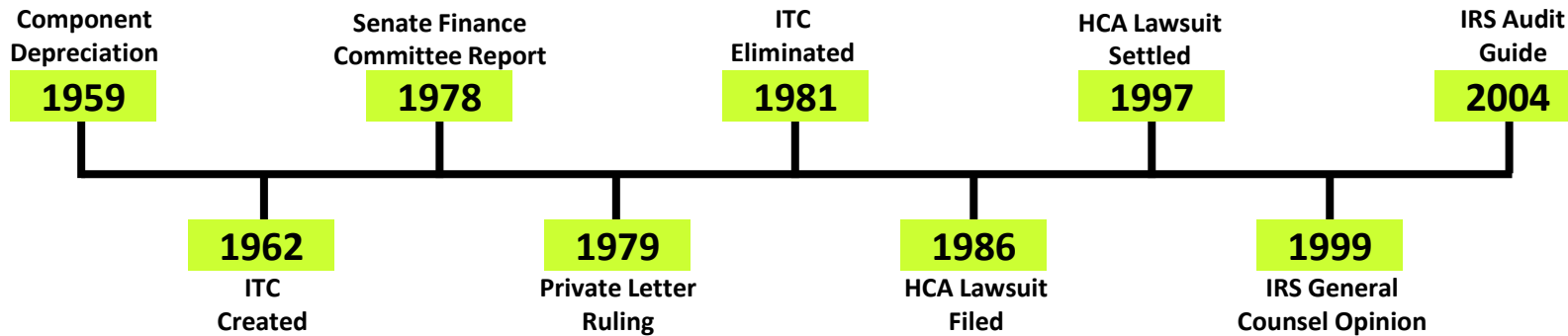
Square Feet	5 Year Cash Flow
0 to 14,999	\$72,000
15,000 to 39,999	\$148,000
40,000+	\$187,500

- Average study cost \$8,500
- Average ROI 8 to 20 times the cost of the study



# WHY YOU CAN DO IT

- An engineered cost segregation study is a tax strategy accepted under the U.S. tax laws and accounting rules

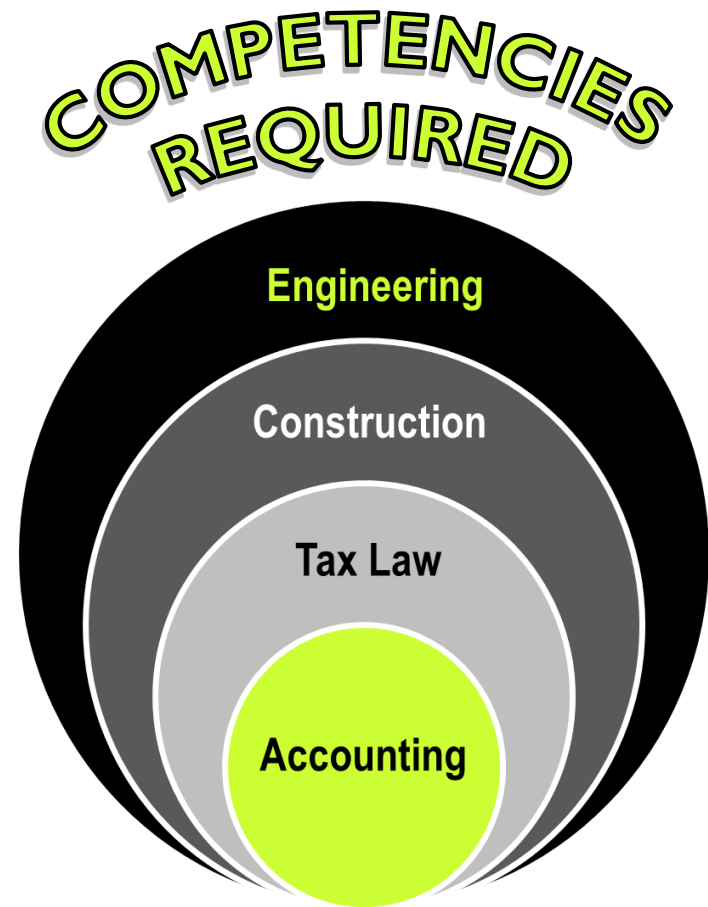


- The IRS requires cost segregation studies to be completed by firms that can demonstrate engineering, construction, tax law and accounting expertise



# COST SEG ASSOCIATES “CSA”

- Minnesota company serving independent grocers nationwide
- Group of engineers, construction specialists and tax law experts
- The only thing we do is cost segregation



# PARTNERS AND PEERS USING CSA

## ■ Strategic partners



## ■ Preferred vendor for independent grocers served by

- ▶ **Affiliated Foods Midwest**
- ▶ **Nash Finch Company**
- ▶ **Spartan Stores**
- ▶ **SUPERVALU**
- ▶ **TopSource/TopCo**



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# ACTUAL PARTNER & PEER RESULTS

Example	Building Costs	Placed In Service	1 <sup>st</sup> Year Cash Flow	36 Month Cash Flow	NPV
1. Purch	\$934,000	2000	\$77,500	\$77,000	\$57,100
2. New	\$1,659,000	2002	\$146,400	\$149,300	\$117,200
3. Lease	\$2,011,000	2008	\$65,200	\$228,900	\$226,000
4. Renov	\$2,520,000	2007	\$206,300	\$240,500	\$167,000
5. Purch	\$3,825,000	2006	\$153,000	\$243,400	\$229,600
6. New	\$5,100,000	2010	\$85,200	\$472,500	\$477,200



# WHAT YOU CAN EXPECT IN OUR WORKSHOP

- Attend our workshop on Monday, 8:00 a.m. in Antigua B
  
- We will cover the following
  - ▶ Who qualifies
  
  - ▶ When does it work
  
  - ▶ A specific case example
  
  - ▶ New tax laws and planning tips you need to know
  
  - ▶ Cost of a study and your involvement





# THANK YOU



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