

P&L Reconciliation: What the Books Missed

Illustrative diagnostic from a completed \$1.85M commercial renovation study. Generated 2026-09-01. Illustrative only — not a client deliverable, never a guarantee of any tax outcome.

What the Review Found

DEDUCTIONS THE BOOKS MISSED \$96,000	CASH THIS FILING SEASON \$35,520	EXPOSURE CAUGHT BEFORE FILING \$415,000
YEAR ONE ON THE CAPITALIZED AMOUNT \$231,786	FIRST-YEAR VALUE OF THE REVIEW \$121,281	

Every figure above comes from the same engine run as the tables below. "Year one on the capitalized amount" is the exposure amount's pro-rata share of the study's own first-year depreciation, at the study's blended first-year rate. Illustrative only, never a guarantee of any tax outcome; your CPA's schedule controls.

The Three Positions

Position	Conservative	Middle of the Road (selected)	Aggressive
Cash this filing season	\$35,520	\$35,520	\$35,520
Year one on the capitalized amount	\$231,786	\$231,786	\$231,786
First-year value of the review	\$121,281	\$121,281	\$121,281

No line in this renovation ledger sits in the gray band between positions, so the Conservative, Middle of the Road and Aggressive positions coincide here. All three print rather than implying a spread the classification did not produce.

The Books Beside the Renovation Detail

DOCUMENTED RENOVATION SPEND \$1,850,000	BOOKED TO REPAIRS & MAINTENANCE \$415,000	BOOKED AS CAPEX \$1,084,200
RECONCILIATION GAP \$84,300		

We do not prepare tax returns or provide legal advice. Please consult your CPA, tax preparer, or attorney regarding the implementation of the Cost Segregation Study. We cannot guarantee tax savings or financial results. Actual benefits depend on your specific tax situation.

Matched (22 of 28 renovation lines)

Renovation Line	Book Category	Match Basis	Amount
line-01	Roof Repairs	Exact amount	\$320,000
line-02	Structural Repairs and Reinforcement	Exact amount	\$189,000
line-04	Parking Lot Repaving	Exact amount	\$167,200
line-05	Site Lighting and Bollards	Exact amount	\$38,000
line-07	Interior Demolition	Exact amount	\$46,000
line-08	Interior Partitions and Drywall	Exact amount	\$158,000
line-09	Suspended Ceilings	Exact amount	\$54,000
line-13	Plumbing Improvements	Exact amount	\$44,000
line-14	Fire Alarm and Sprinklers	Exact amount	\$66,000
line-15	Security and Access Control	Exact amount	\$24,000
line-16	Structured Cabling	Exact amount	\$29,000

Matched (22 of 28 renovation lines), continued

Renovation Line	Book Category	Match Basis	Amount
line-17	Millwork and Casework	Exact amount	\$37,000
line-19	Storefront Glazing	Exact amount	\$84,000
line-20	Elevator Modernization	Exact amount	\$96,000
line-03	Electrical Repairs	Keyword	\$132,000
line-10	Flooring Repairs	Keyword	\$72,000
line-11	Flooring Repairs	Keyword	\$28,000
line-12	Painting, Capitalized	Keyword	\$39,000
line-21	HVAC, Capitalized	Keyword	\$21,000
line-22	Plumbing Improvements	Keyword	\$16,500
line-23	Painting, Capitalized	Keyword	\$11,800
line-28	Roof Repairs	Keyword	\$93,200

In the Renovation Detail, Not Found in the Books

- line-06: \$15,800
- line-18: \$17,000
- line-24: \$9,600
- line-25: \$18,400
- line-26: \$7,900
- line-27: \$15,600

In the Books, Not Found in the Renovation Detail

None.

Misclassification Exposure

Booked to repairs & maintenance but classified as capital: \$415,000. Booked as capital but currently deductible: \$96,000. Either direction is fixable — but only before filing.

Reconciliation gap: \$84,300. The books and the renovation detail do not yet tell the same story. Before anything is filed, book a call — we respond very fast.