

## Return on Equity Year 5

123 Main Street Salem, OR 97302

<b>Year 5 Appreciation</b>			
Purchase Value	\$ 600,000		
+ Cumm Appreciation (years 1-4)	123,000		
Adjusted Value @ end of Year 5		\$ 723,000	
Sale Value @ end of Year 5	732,000		
- Adjusted Value	723,000		
Appreciation in Year 5		9,000	
<b>Year 5 Profit</b>			
+ Appreciation	\$ 9,000		
+ Cash Flow (CFBT)	28,073		
+ Principal Reduction	6,725		
+ Tax Benefit (Loss)*	(6,407)		
Profit in Year 5			37,391
<b>Equity to Date</b>			
Original Equity	\$ 175,200		
+ Cumm Profit (years 1-4)	206,269		
Equity to Date			\$ 381,469

RETURN ON EQUITY - YEAR 5: (PROFIT/EQUITY TO DATE)	<b>9.80%</b>
AVERAGE RETURN ON EQUITY (YEARS 1-5):	<b>20.18%</b>

<b>*YEAR 5 TAX BENEFIT (LOSS)</b>			
Taxable Revenues	103,946		
- Deducted Expenses	40,958		
- Interest Expense	24,813		
- Amortized Points	140		
- Depreciation	15,152		
Ordinary Income		22,883	
x Tax Bracket @ 28%		0.28	
Tax Benefit (Loss)			(6,407)

**Report Assumptions:**

S/L depreciation @ 27.5 years.

**Disclaimer:**

This is intended for purposes of projection and analysis and should not be used for preparation of income tax returns. The user of this program and information should consult a tax specialist before making any investment decision.