CHARTERED PROFESSIONAL ACCOUNTANTS CANADA

CFE CANDIDATE NUMBER:

Common Final Examination
September 21, 2016 – Day 1
(Booklet #1 – PRI Version 1)

Total examination time: 4 hours.

Further details on the examination can be found on the next page.

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1. Fill in your 7-digit candidate number on the booklets and the USB key. The exam booklets and the USB key (or paper response, as instructed) must be submitted before leaving the writing centre. They must NOT BE REMOVED from the writing centre. If these items are not received, the response may not be accepted.
2. Sign the Policy Statement and Agreement Regarding Exam Confidentiality below.
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CANDIDATE NAME (Please print) ______________________ SIGNATURE ______________________

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Examination Details

The examination consists of:

Booklet #1 – Linked Case (240 minutes) (this booklet)
Booklet #2 – Capstone 1 case and rough notes

The case should be answered in Securexam. Securexam has an answer tab and a spreadsheet tab to input your response. The main body of your response should be in the answer tab. Only supporting calculations should appear in the spreadsheet tab, **under Sheet 1**. You are responsible for clearly explaining all your calculations, as outlined in the Securexam tutorial.

Answers or part answers will not be evaluated if they are recorded on anything other than Securexam or the CPA Canada writing paper provided. Rough-note paper is available in the second booklet, which also includes a copy of the Capstone 1 case. Rough notes, and any other notations made in the exam booklet(s) will not be evaluated.

The CPA Canada Handbooks and the Income Tax Act, in the form of searchable PDF files, are available within Securexam throughout the entire examination. Securexam provides the standards in effect and tax laws enacted as at December 31, 2015.

A tax shield formula and other relevant tax information are available at the end of this booklet.

Common Final Examination, September 2016

Chartered Professional Accountants of Canada
277 Wellington Street West
Toronto, Ontario M5V 3H2

Case **(Suggested time 240 minutes)**

You, CPA, are enthusiastically greeted by Kieran Postmaa, the vice-president of Sparky's operations. It is October 14, 2017, and you are one week into your assignment to assess Sparky's performance from PRI's perspective (Appendix I).

Kieran ushers you into his office and launches into his plans for the week. "Jennifer told me that your visit is a formality. As you know, she couldn't be here to meet with you. I understand she sent you an email instead (Appendix II)."

During the past week, you gathered information from Kieran about Sparky's operations (Appendix III), visited stores, spoke with store managers and attended a staff meeting with management at one location (Appendix VII).

Kieran continues: "I thought we could have dinner with the executive team tonight. Tomorrow, you and I can talk further about our operations and then we can improvise for the rest of your visit. Do you like to golf?"

You are a little surprised by Kieran's welcome, having thought that this visit was more than just a formality.

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APPENDIX I
EMAIL FROM MARTINA

To: **CPA**
Re: **Sparky Ltd. visit**

As you know, we purchased Sparky Ltd. for $1.2 billion on January 1, 2017. The acquisition was hotly debated, and I hope we made the right decision. We want a brand that targets the young-professional market and is trendy and appealing. At the time of purchase, the fair value of Sparky's net assets, using an earnings-based valuation, was in the range of $1.1 to $1.5 billion. If profits remain at or above 2016 levels for the next three years, there is a contingency payment of an additional $500 million. Profits will be calculated using PRI's customary accounting policies.

Employees at Sparky unionized just prior to the acquisition. The minimum wage was increased by the government by 3%. The trend in the industry seems to be to offer some benefits to part-time employees. So far, the union has not raised significant issues, but we will be heading into our first round of collective bargaining with them next year, at which time potential wage issues and working conditions will be negotiated.

I wanted to provide you with a brief update on changes that have occurred since you last helped us.

Maggie no longer plays an active role in the company and is proceeding with her shopping blog, which has become quite successful.

George and I now have a good working relationship and share the same vision for PRI. I have stayed at the helm of Phoenix. As you may know, we agreed to keep our downtown department stores and to close our suburban locations. Sales of the two owned suburban stores and the cash flow savings from the closure of all the suburban locations allowed us to reinvest in our downtown core stores. The closings have been hard on our employees but we have accommodated them as much as possible by offering positions at other locations.

The Canadian dollar has lost value relative to the US dollar. The retail industry and the economy continue to struggle, but the reinvestment we made in our infrastructure has given us an advantage over our competitors and our sales have actually improved. A renewed support in the marketplace for Canadian businesses has also helped us.

Fortunately, the class action lawsuit related to the data breach was thrown out and small settlements were reached with only those customers who were impacted. Several IT experts have tested the software for potential data breaches and we are confident that the data is secure.

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APPENDIX I (continued)
EMAIL FROM MARTINA

Drawing on Sparky's expertise in online sales, we have launched online shopping for Phoenix. Our strategy of expanding to a larger market seems to be bringing in younger shoppers, which is positively impacting both our online and in-store sales.

A significant competitor launched its own e-commerce site at the same time as us. Industry experts predict that this space will become more competitive in the next few years.

Phoenix is one of the few online retailers that serves the Canadian market exclusively. We are able to maintain our mission of being a hallmark retailer in the Canadian market with strong traditions and values, while becoming more accessible to a wider market. Our mission statement now reflects the online addition: "Our mission is to serve our customers through our stores by providing a high-quality home and fashion retail experience. The experience is tailored to meet the needs of Canadians by providing quality, choice and service that can be trusted. *From in-store to online, we make it easy for Canadians to shop with us*."

Activity at Cinder has remained stable. As we decided not to make any significant decisions until Sparky was more settled, we have made no major operational changes.

Sparky will serve its own unique market. We support its offering trendy, quality products at an affordable price to its niche market. However, like Phoenix and Cinder, Sparky is expected to adopt PRI's values and the principle of treating customers, suppliers and employees with respect and integrity.

I have been hearing some grumblings from Phoenix employees. I think it might be due to the changes we had to make recently. This concerns me, and I want you to look into this when you return from Sparky. Thankfully, Cinder seems quiet at the moment.

Jennifer is now president of Sparky. As a wholly-owned subsidiary of PRI, and consistent with the setup of Cinder and Phoenix, Sparky is a separately incorporated entity. Jennifer was unhappy with the decisions being made at Phoenix, and with the fact that George and I were agreeing with each other! While I have some qualms about Jennifer being president, it seemed easiest to let her work for Sparky, as it is the closest fit with her personal vision. I have emphasized that decisions must still be made in PRI's best interest. The board instructed Jennifer to operate Sparky just as it is for the current year, as we want to get a better feel for the company before making any significant changes. Jennifer is to make all operational decisions at Sparky but still reports to me. It is important to the board that Sparky be in line with PRI's vision, and we want Jennifer to set that tone with current management.

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APPENDIX I (continued)
EMAIL FROM MARTINA

I asked Jennifer to investigate one possible operational change. In line with Sparky's desire to remain contemporary, I asked Jennifer to look into self-checkout systems. The industry has been moving towards more automated alternatives for customer service, which suits the younger, tech-savvy market. If this is considered the best way to provide customer service, perhaps we should implement it in all of our stores across PRI. I know she would appreciate your input. And I am curious to see the information she has gathered so far.

I haven't heard a lot from Jennifer. Now that we have had Sparky for almost one year, she will begin making formal quarterly reports to the board, starting this quarter. It will be important to bring PRI's board and audit committee up to date as we have not had a thorough look at Sparky's results since our due diligence was completed in October of 2016.

I would like you to give me a sense of how Sparky is performing in Jennifer's hands. Taking into account what you know about our family of stores from the previous engagement, I would like you to assess Sparky's current situation and operating environment. Provide your assessment of the challenges you see Sparky facing, or having to face in the near future. Please consider both strategic and operational challenges. Where you believe you have sufficient information to do so, please suggest a course of action, or indicate what further investigation is required.

Kind regards,
Martina

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APPENDIX II
EMAIL FROM JENNIFER

To: **CPA**
Re: **Visit to Sparky Ltd.**

Thank you so much for coming to visit Sparky! I apologize for not being able to welcome you but I am in Taiwan.

As you may know, we are now generating profits because of the decision to manufacture many of our in-house-brand products in China, where labour costs are lower. After Kieran discovered a factory in Taiwan with the capacity to manufacture many of our remaining Canadian-made products at a significantly lower cost, we started having all of our in-house-brand linens, such as towels and curtains, manufactured there. As the goods have just recently started to be sold, we aren't seeing a huge financial statement impact yet, but Kieran is confident that we will. I am in meetings here to see what other manufacturing we can move to Taiwan, to further lower our inventory costs. And while I'm here, I will be formalizing the acquisition of one of those suppliers. I will bring a signed binding memorandum of understanding back with me, to present to Martina and the board.

I have also looked into two self-checkout systems (Appendix VI) and am about to decide which option to pursue. While I am interested in the cost savings this will generate, I also think it is critical that we provide our target market with the technology they expect. Busy young professionals don't like to waste time waiting, and self-checkouts meet that need. It will also bring us in line with many other retailers in the industry, several of which offer a mix of self-service and conventional checkout systems. A few have moved to 100% self-service, which is my preference. Self-checkouts tend to be preferred by shoppers in the 18 to 45 age range. Older, less tech-savvy shoppers don't like the impersonal nature as much. Self-checkout systems have an expected useful life of four years.

The biggest change I have planned is to increase our appeal to the young professional by developing an in-store café. Customers can take a break from shopping to have a coffee, or can sip on one while they stroll the aisles. I did my research before moving ahead. Our market studies indicated that in-store cafés were viewed favourably by 82% of customers surveyed in the 25 to 39 age range, and by 67% of those in the 40-55 age range. Our analysis of similar competitor stores in the US indicated that cafés create profits of their own while also increasing in-store traffic by 15%. This is exciting, and we expect to open the cafés in the next year. As I knew Martina would get all worked up about this, I have kept it quiet so far, and I ask you to do the same. I am positive the board will be thrilled when I present it to them next quarter. Martina thinks she knows what's best for all of PRI, but she needs to recognize that I know what's best for Sparky.

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APPENDIX II (continued)
EMAIL FROM JENNIFER

Mr. Snookers was a visionary, and I am following his example by applying my own vision to this part of the family empire. I am lucky to have the freedom to do so. I am confident that Kieran can show you how we have achieved our recent successes at Sparky, and can answer any questions you might have. He has been very enterprising and I don’t have to worry, knowing he is making great decisions for Sparky.

Cheers,
Jennifer

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APPENDIX III
COMMENTS FROM KIERAN POSTMAA

"As you know," Kieran begins, "2015 was a rough year, but things returned to our normal levels in 2016, and we are confident we can continue at this level. We are on target for fiscal 2017 and expect things to look even better at year end, given that the holiday season, which is always our biggest quarter, is upon us.

"When Mr. Snookers retired on January 1, 2017, Jennifer took over as president. I continued as vice-president of operations, but have taken on several new responsibilities. As Mr. Snookers' second-in-command, I learned everything I know from him. Jennifer is following his example, although taking a more hands-off approach, which is great. She understands that making a profit is important and trusts me to make the right decisions. We both believe in being aggressive when it comes to Sparky's continued success. I make most of the decisions and then report to Jennifer, simply for confirmation to proceed. We have implemented a number of key strategies that I am excited to share with you.

"We are having a stellar year (Appendix IV), which is due to some of the new initiatives I have implemented. As a retailer, one of our largest controllable costs is labour, which is often as much as 20% of our margin. I have worked with our scheduling department to find ways to minimize labour costs while still providing the support we need for our customers.

"I realized that the daytime staff were not spending enough time restocking shelves. With customers in the store, it was hard to know whether items were sold out or were sitting in carts waiting to be put back on the shelves. Daytime staff also spent a lot of time tidying up after customers instead of restocking. I therefore moved the restocking to the night shift. We always had some restocking done then, with four staff on overnight. I put four more staff on the overnight shift and eliminated ten staff during the day. The result is great savings and a more efficient way of working! There have been no issues filling the night shifts — lots of employees are asking to work them.

"We are also working hard to find more ways to economize, such as manufacturing more goods overseas for cost-saving measures on many of our in-house brands. Jennifer should be signing a binding memorandum of understanding with one of our suppliers, for Sparky to buy them, which should allow us to expand and start being a supplier to others. There is money to be made.

"With respect to the in-store cafés, we have worked closely with design teams to develop both the brand and the interior atmosphere that the cafés will bring to our store. We used the results of our market studies to create a design that will appeal to our target market. This has been a massive undertaking, and it has cost quite a bit to finalize the designs. Our next step is to start construction. We capitalized everything as a branding intangible, so fortunately, nothing will show up on the income statement in the current year.

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APPENDIX III (continued)
COMMENTS FROM KIERAN POSTMAA

These costs include:

Legal fees	$	50,000
Preliminary market study		200,000
Design consulting fee and logo		275,000
Marketing staff salaries		75,000
Office overhead		50,000
Interior design fees		400,000
	$	1,050,000

"Mr. Snookers, who was always focused on cutting costs, must have recognized that increased compensation would improve morale, since he implemented a new bonus plan just before he left (Appendix V). Mr. Snookers mentioned that this should motivate managers to achieve higher profits in the next three years, in line with what PRI would want, based on the purchase and sale agreement. I know that top management is happy with the new plan, and is working hard to earn it. Happier managers should translate into happier employees overall!

"Come to think of it, Jennifer has never asked me about the plan and how it is working, which is a bit odd. I'm assuming that Martina knew about the bonus plan at the time of the acquisition."

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APPENDIX IV
SPARKY LTD. INCOME STATEMENT

Sparky Ltd.
(in thousands of dollars)

	9 months ended Sep. 30, 2017	12 months ended Dec. 31, 2016
Retail sales	$ 792,081	$ 1,025,347
Online sales	396,428	511,789
Cost of merchandise	(855,726)	(1,117,498)
Margin	332,783	419,638
Fulfillment costs	31,714	40,943
Technology	32,099	41,352
Employee wages and benefits	59,872	85,371
Amortization	15,789	19,747
General, administrative and other	152,897	204,589
Earnings before income tax	40,412	27,636
Income tax expense	11,315	7,738
Net earnings	$ 29,097	$ 19,898

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APPENDIX V
MANAGEMENT BONUS STRUCTURE

In November of 2016, Mr. Snookers announced that, effective January 1, 2017, Sparky would be implementing a revised bonus structure for its senior management team. Whereas senior managers previously received a small annual bonus, Mr. Snookers introduced a structured bonus system, to provide incentive for improved profits and to motivate all Sparky employees to work as a team.

The revised management bonus structure is as follows:

- Bonuses are calculated as a percentage of each manager's base salary.
- The percentage of the base bonus is equal to the percentage change in profits in any given year; for example, a 5% increase in profits equals a 5% base bonus.
- Base bonuses will increase by one percentage point for every 10% decrease in expenses from the prior year.
- Base bonuses will increase by one percentage point for every 10% increase in total assets from the prior year.
- Bonuses will be paid out in February of the following fiscal year.

The senior management team consists of the four vice-presidents and the ten regional managers responsible for sales and finances.

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APPENDIX VI
SELF-CHECKOUT SYSTEMS

Check-It-Out

Check-It-Out is the original self-checkout system, and is used by retailers worldwide.

The Check-It-Out process is as follows:

- The customer presses “Start” on the touchscreen.
- For every item scanned, the weight of that item is registered in the system, and the checkout expects the same weight to be added to the bagging area.
  - If the same weight is added, the customer may continue to scan and bag items.
  - If the same weight is not added, an error message such as, “Please rescan the item and place the item in the bag,” will be displayed and the customer cannot proceed until this is corrected.
- If an item is bagged without being scanned, an error message such as, “Unexpected item in the bagging area – please scan item before placing in bag,” will be displayed and the customer cannot proceed until this is corrected.
- Once all items are bagged, the customer selects their method of payment, pays and leaves.
- Acceptable methods of payment are by debit, credit and cash.

As it is familiar to most customers, the Check-It-Out system is popular. The scale is quite sensitive and can be problematic if a customer leans on it or if an item’s weight does not exactly match the weight registered in the system. This often leads to cashiers clearing errors without knowing the actual reason for the error.

Read-It-All

Read-It-All is a new, high-tech system that eliminates some of the frustrations of the weight checks performed by previous versions of self-checkouts. It is brand new to the market and initial feedback has been positive.

The Read-It-All process is as follows:

- The customer places an item inside a large rectangular space. The machine finds and automatically reads the UPC code without the customer having to scan the product.
- At the same time, the machine weighs the product, so when moved to the bagging area, the weights are matched up. The scale is less sensitive, so inconsequential weight differences rarely cause an error message.

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APPENDIX VI (continued)
SELF-CHECKOUT SYSTEMS

- When all items have been scanned, the customer pushes a button and proceeds to payment, similar to the Check-It-Out system.
- No cash is accepted — all payments must be with debit or credit cards.

Each self-checkout system requires a master terminal and annual maintenance. The estimated initial investment costs and annual operating expenses have been compiled below.

	Traditional	Check-It-Out	Read-It-All	Note
Number of registers	12	12	8	1
Cost per register	$ 0	$ 30,000	$ 80,000	2
	0	360,000	640,000	
Master terminal	0	150,000	200,000	
Installation cost	0	25,000	50,000	
Upfront investment	$ 0	$ 535,000	$ 890,000	
Annual maintenance	$ 500	$ 25,000	$ 40,000	
Staffing cost	546,000	162,500	65,000	3
Annual costs	$ 546,500	$ 187,500	$ 105,000	

Notes:

1. Due to its efficiency, Read-It-All can accommodate a quicker flow-through rate, so only eight registers are required.

2. There is no upfront cost for traditional equipment as it has already been purchased. If disposed of, the traditional equipment has no salvage value.

3. The cost of staffing one checkout person for all open hours is $65,000 per year.

Traditional:	Requires one staff per register for the average time each checkout register is open (70%) = (12 × $65,000 × 70%)
Check-It-Out:	Requires one staff per four registers during peak times (75%) and one staff for all twelve registers during slow times (25%) = (3 × $65,000 × 75%) + (1 × $65,000 × 25%)
Read-It-All:	Requires one staff per eight registers = (1 × $65,000)

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APPENDIX VII
NOTES FROM A STAFF MEETING WITH MANAGEMENT AT A SPARKY LOCATION

- The results from the customer comment box that is maintained in the front of the store were presented. Some of the customer comments are as follows:

  - *Whenever I am in the store, I feel like it is in chaos. I check back every few days for curtains I see advertised online. I can never find them and the window treatment aisle always looks like a closing-out sale — bare and a mess!*

  - *I am excited about the rumours I am hearing of a café being added! As a young mom, I am always looking for an easy caffeine fix while I shop.*

  - *You can never find a staff person when you need one. I look for help and there is nobody around! I like a personal touch when I shop.*

  - *I like how bright and cheerful the store is, but it is frustrating that it is so behind on technology. It is more efficient to check prices and ring things up for myself. At least the addition of high-quality coffee in your rumoured café will help make my shopping more enjoyable while I am stuck waiting in lineups.*

  - *The staff is always flustered and the place is a mess. I cannot find anything and no one is around to find it for me. What a nightmare!*

  - *They need more staff on checkouts. The lineups are out of control. I am tired of waiting for the old lady in front of me to finish chitchatting with the one clerk that is on cash!*

  - *I just bought a set of sheets from you. They have always been of reasonable quality, but faded as soon as I washed them. When I tried to return them, the store clerk told me I couldn't because they had been washed. Well, I wouldn't know they were going to fade without washing them, would I?*

  - *Your store treats customers like an inconvenience. There is no respect! Your goods might be trendy, but your service sucks. Everything is impersonal. I was excited about visiting the new stores, but with what I've experienced, I will not be coming back.*

- The staff seemed unfazed by the comments. "Well, that's just how things are now," one stated. "It's not like we control any of that — there's not much we can do about it." "Customers think it is bad for them — they should try being us," groaned another. "The holiday season is only going to make it worse."

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APPENDIX VII (continued)
NOTES FROM A STAFF MEETING WITH MANAGEMENT AT A SPARKY LOCATION

- The next week's schedule was presented, which prompted a staff person to complain. "I cannot believe I only have three shifts! That will make paying rent a challenge. When we unionized, we expected to see better control over our shifts, but management still isn't listening."

- The general consensus among staff is that they are frustrated with the hours of work. There are less regular day shifts and more staff are being asked to pick up night shifts. With less hours being given out in total, they take them because they need the money, but it is not ideal. Some also commented that, with their hours being reduced, many of them are at risk of losing full-time status and might therefore lose their rights to full benefits.

- The store manager attempted to keep the focus positive but eventually agreed with staff that the hours weren't working, adding that there is little to be done as their regional manager seems set on keeping costs down.

- Concerns related to restocking were discussed. A decision was made by the regional manager to place more out overnight so that enough products would be on the shelves for customers. Staff noted that this would cause shelf space shortages, and some products might need to be moved around. In terms of getting product onto the shelves during the day, the store manager's instruction was, "Just do your best."

As staff were leaving the meeting, you heard them discussing a union local being formed at Phoenix's flagship store in Vancouver. Phoenix employees are worried that the acquisition will result in employment changes similar to Sparky's experience. The feeling was that unionizing that store would show PRI how serious the employees are.

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End of Exam

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CPA COMMON FINAL EXAMINATION REFERENCE SCHEDULE

1. PRESENT VALUE OF TAX SHIELD FOR AMORTIZABLE ASSETS

Present Value of Total Tax Shield from CCA for a New Asset

$$= \frac{CTd}{(d+k)}\left(\frac{2+k}{2(1+k)}\right) = \frac{CdT}{(d+k)}\left(\frac{1+0.5k}{1+k}\right)$$

Notation for above formula:

C = net initial investment
T = corporate tax rate
k = discount rate or time value of money
d = maximum rate of capital cost allowance

2. SELECTED PRESCRIBED AUTOMOBILE AMOUNTS

	2015	**2016**
Maximum depreciable cost — Class 10.1	$30,000 + sales tax	$30,000 + sales tax
Maximum monthly deductible lease cost	$800 + sales tax	$800 + sales tax
Maximum monthly deductible interest cost	$300	$300
Operating cost benefit — employee	27¢ per km of personal use	26¢ per km of personal use
Non-taxable automobile allowance rates		
— first 5,000 kilometres	55¢ per km	54¢ per km
— balance	49¢ per km	48¢ per km

3. INDIVIDUAL FEDERAL INCOME TAX RATES

For 2015

If taxable income is between			Tax on base amount	Tax on excess
$0	and	$44,701	$0	15%
$44,702	and	$89,401	$6,705	22%
$89,402	and	$138,586	$16,539	26%
$138,587	and	any amount	$29,327	29%

For 2016

If taxable income is between			Tax on base amount	Tax on excess
$0	and	$45,282	$0	15%
$45,283	and	$90,563	$6,792	20.5%
$90,564	and	$140,388	$16,075	26%
$140,389	and	$200,000	$29,029	29%
$200,001	and	any amount	$46,316	33%

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4. SELECTED INDEXED AMOUNTS FOR PURPOSES OF COMPUTING INCOME TAX

Personal tax credits are a maximum of 15% of the following amounts:

	2015	**2016**
Basic personal amount	$11,327	$11,474
Spouse, common-law partner, or eligible dependant amount	11,327	11,474
Amount for children under 18	N/A	N/A
Age amount if 65 or over in the year	7,033	7,125
Net income threshold for age amount	35,466	35,927
Canada employment amount	1,146	1,161
Disability amount	7,899	8,001
Infirm dependants 18 & over	6,700	6,788
Net income threshold for infirm dependants 18 & over	6,720	6,807
Adoption expense credit limit	15,255	15,453

Other indexed amounts are as follows:

	2015	**2016**
Medical expense tax credit — 3% of net income ceiling	$2,208	$2,237
Annual TFSA dollar limit	10,000	5,500
RRSP dollar limit	24,930	25,370
Lifetime capital gains exemption on qualified small business corporation shares	813,600	824,176

5. PRESCRIBED INTEREST RATES (base rates)

Year	Jan. 1 – Mar. 31	Apr. 1 – June 30	July 1 – Sep. 30	Oct. 1 – Dec. 31
2016	1	1	1	
2015	1	1	1	1
2014	1	1	1	1

This is the rate used for taxable benefits for employees and shareholders, low-interest loans, and other related-party transactions. The rate is 4 percentage points higher for late or deficient income tax payments and unremitted withholdings. The rate is 2 percentage points higher for tax refunds to taxpayers, with the exception of corporations, for which the base rate is used.

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6. MAXIMUM CAPITAL COST ALLOWANCE RATES FOR SELECTED CLASSES

Class 1……………………………….	4%	for all buildings except those below
Class 1……………………………….	6%	for new non-residential buildings acquired after March 18, 2007
Class 1……………………………….	10%	for new manufacturing and processing buildings acquired after March 18, 2007
Class 8……………………………….	20%	
Class 10……………………………..	30%	
Class 10.1…………………………...	30%	
Class 12……………………………..	100%	
Class 13……………………………..	Original lease period plus one renewal period (minimum 5 years and maximum 40 years)	
Class 14……………………………..	Length of life of property	
Class 17……………………………..	8%	
Class 29……………………………..	50%	straight-line
Class 43……………………………..	30%	
Class 44……………………………..	25%	
Class 45……………………………..	45%	
Class 50……………………………..	55%	
Class 53……………………………..	50%	

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