

FIXED ASSETS MANAGERTM SUPPORTS CANADIAN TAX DEPRECIATION

Small and medium Canadian enterprises can now experience the benefits of Fixed Assets ManagerTM. Designed initially to support Arthur Andersen's internal U.S. tax practice, Fixed Assets ManagerTM provides comprehensive tax features and calculations along with straightforward navigation, designed to simplify daily fixed asset management tasks. As a part of this enhancement, all Capital Cost Allowance (CCA) class rules and rates are maintained by Red Moon Solutions, removing the burden of staying compliant for companies. Read on to learn more about CCA and how Fixed Assets Manager's features and benefits can power your tax strategy.



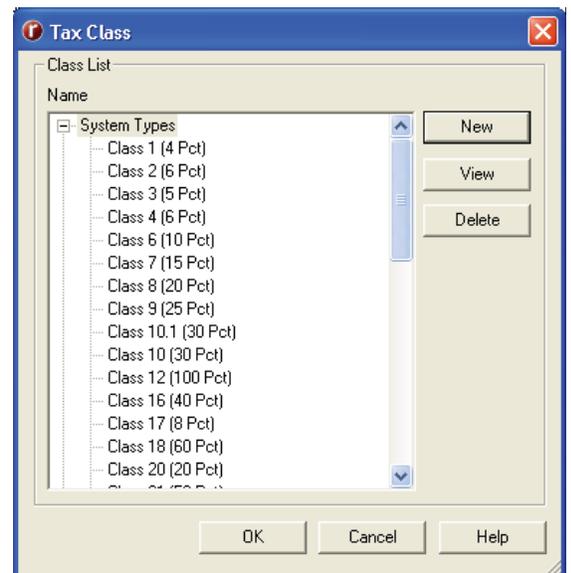
BACKGROUND: CANADIAN TAX

For Canadian tax purposes, the depreciation of capital assets, such as buildings and equipment, is governed by the "Capital Cost Allowance". Under this system, capital assets are grouped into classes and a calculated portion of the expense can be deducted annually against each class in accordance with the rate prescribed for each class. This continues over a period of years as the property or the equipment depreciates.

The amount of Capital Cost Allowance that can be claimed each year depends on when the property was acquired and to what CCA class it belongs. Canadian legislation sets out more than 40 classes of assets and their associated CCA rates, which are expressed in percentage terms.

The Fixed Assets ManagerTM Canadian Depreciation module provides the ability to calculate the depreciation values for these 40 pre-defined CCA classes.

Calculation data is drawn from assets placed in service or disposed of during the current accounting year.



SOLVING
THE UNIQUE
CHALLENGES

of today's
tax professional

RED MOON SOLUTIONS

Red Moon Solutions takes pride in solving unique challenges for today's tax professionals. Founded by the former Andersen CIO and head of tax technology, Red Moon Solutions provides specialty tax products and services. Its solutions, Like-Kind Exchange Matching™ and Fixed Assets Manager™, were built to support the Andersen tax practice. Red Moon Solutions is an SAP-certified integration partner.

FIXED ASSETS MANAGER™

Consistently awarded a top rating, Fixed Assets Manager™ enables tax and accounting professionals to track high volumes of assets and ensure financial and tax depreciation is current. Unparalleled in the breadth of functionality and ability to adapt to small business needs or complex scenarios encountered by large corporations, Fixed Assets Manager™ is in a class of its own.

CANADIAN TAX STRATEGY: AN OPPORTUNITY

Capital Cost Allowance, essentially being a non-cash deduction from income that would otherwise be subject to taxation, should be thought of as a tax strategy that can be used to significantly impact your company's cash flow.

For example, many business owners are not aware that they do not have to claim Capital Cost Allowance in the year that it occurs; rather they can use as much or as little of the allowable CCA claim in a particular tax year. Any unused portion can be carried forward to help offset a larger, future income tax bill.

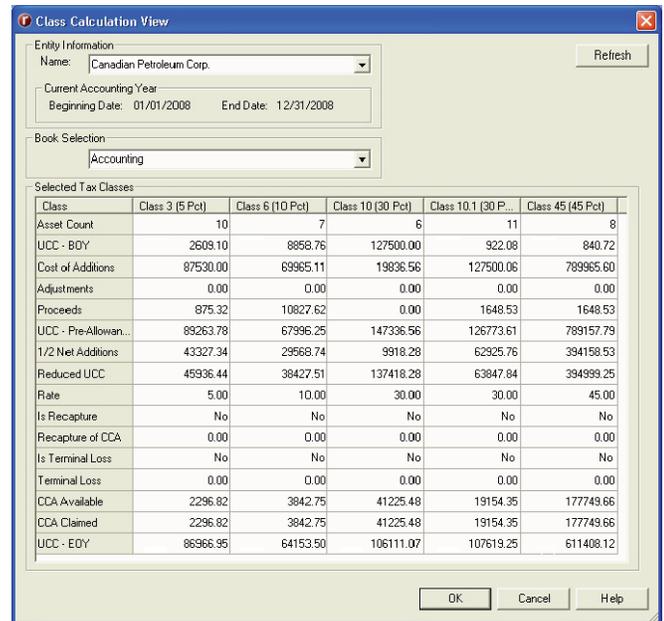
Since CCA affects the net income of a business, optimal usage of the CCA rules is essential for all business decision-makers.

STRATEGIC TOOL: FIXED ASSETS MANAGER™ FEATURES AND BENEFITS

Fixed Assets Manager™ is easy to use and includes a large selection of reports, including projections, to support both book depreciation and tax depreciation under both US and Canadian regulations.

The Fixed Assets Manager™ Canadian Depreciation module allows you to:

- Create user-defined tax classes, if necessary
- Identify the tax class to which assets belong
- Sum the book cost of assets placed in service in the current tax year for each tax class
- Sum the proceeds from the disposition of assets for each tax class in the current tax year
- Calculate current year tax depreciation allowable for each tax class
- Print depreciation reports for the tax classes



Class	Class 3 (5 Pct)	Class 6 (10 Pct)	Class 10 (30 Pct)	Class 10.1 (30 Pct)	Class 45 (45 Pct)
Asset Count	10	7	6	11	8
UCC - B/DY	2609.10	8858.76	127500.00	922.08	840.72
Cost of Additions	87530.00	69965.11	19836.56	127500.06	789965.60
Adjustments	0.00	0.00	0.00	0.00	0.00
Proceeds	875.32	10827.62	0.00	1648.53	1648.53
UCC - Pre-Allowan...	89263.78	67996.25	147336.56	126773.61	789157.79
1/2 Net Additions	43327.34	29568.74	9918.28	62925.76	394158.53
Reduced UCC	45936.44	38427.51	137418.28	63847.84	394999.25
Rate	5.00	10.00	30.00	30.00	45.00
Is Recapture	No	No	No	No	No
Recapture of CCA	0.00	0.00	0.00	0.00	0.00
Is Terminal Loss	No	No	No	No	No
Terminal Loss	0.00	0.00	0.00	0.00	0.00
CCA Available	2296.82	3842.75	41225.48	19154.35	177749.66
CCA Claimed	2296.82	3842.75	41225.48	19154.35	177749.66
UCC - E/DY	88966.95	64153.50	106111.07	107619.25	611408.12

Contact us today to learn more or schedule a free demo!

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