



This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *T2 Corporation - Income Tax Guide 2002*.

You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification					
Business number (BN) (item 11) 001 86420 5893 RC 0001					
Corporation's name (item 12) 002 FORT FRANCES POWER CORPORATION					
Has the corporation changed its name since the last time we were notified? 003 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
If yes, do you have a copy of the articles of amendment? 004 <input type="checkbox"/> Yes <input type="checkbox"/> No					
Address of head office (item 13) Has the address changed since the last time we were notified? 010 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
011 320 Portage Avenue					
012 _____					
City	Province				
015 Fort Frances	016 ON				
Country (other than Canada)	Postal code				
017 _____	018 P9A 3P9				
Mailing address (if different from head office address) (item 14) Has the address changed since the last time we were notified? 020 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
021 C/o _____					
022 320 Portage Avenue					
023 _____					
City	Province				
025 Fort Frances	026 ON				
Country (other than Canada)	Postal code				
027 _____	028 P9A 3P9				
Location of books and records (item 15) 031 320 Portage Avenue					
032 _____					
City	Province				
035 Fort Frances	036 ON				
Country (other than Canada)	Postal code				
037 _____	038 P9A 3P9				
040 Type of corporation at end of taxation year (item 16) 1 <input checked="" type="checkbox"/> Canadian controlled private corporation (CCPC) 2 <input type="checkbox"/> Other private corporation 3 <input type="checkbox"/> Public corporation 4 <input type="checkbox"/> Corporation controlled by a public corporation 5 <input type="checkbox"/> Other corporation (please specify, below) _____ If the type of corporation changed during the taxation year, provide the effective date of the change 043 _____					
To which taxation year does this return apply? (item 17) From 060 2002/01/01 to 061 2002/12/31					
Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
If yes, provide date control was acquired 065 _____					
Is the corporation a professional corporation that is a member of a partnership? (item 18) 067 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Is this the first year of filing after: Incorporation? (item 19) 070 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Amalgamation? (item 20) 071 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, complete Schedule 24					
Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21) If yes, complete Schedule 24 072 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Is this the final taxation year before amalgamation? (item 22) 076 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Is this the final return up to dissolution? (item 23) 078 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Is the corporation a resident of Canada? (item 24) 080 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, give the country of residence. 081 _____					
Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24) 082 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, complete Schedule 91					
If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25) 085 1 <input type="checkbox"/> Exempt under 149(1)(e) or (l) 2 <input type="checkbox"/> Exempt under 149(1)(j) 3 <input type="checkbox"/> Exempt under 149(1)(t) 4 <input type="checkbox"/> Exempt under other paragraphs of section 149					
Do not use this area					
091	092	093	094	095	096
097					

Guide item		Attachments		Yes	Schedule
27	Is the corporation related to any other corporations?	150	<input type="checkbox"/>		9
28	Does the corporation have any non-resident shareholders?	151	<input type="checkbox"/>		19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	<input type="checkbox"/>		23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161	<input type="checkbox"/>		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162	<input type="checkbox"/>		11
33	If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163	<input type="checkbox"/>		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	<input type="checkbox"/>		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	<input type="checkbox"/>		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	<input type="checkbox"/>		T5004
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167	<input type="checkbox"/>		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168	<input type="checkbox"/>		22
41	Did the corporation have any foreign affiliates during the year?	169	<input type="checkbox"/>		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170	<input type="checkbox"/>		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171	<input type="checkbox"/>		T106
47	Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172	<input type="checkbox"/>		—
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	<input checked="" type="checkbox"/>		50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	<input checked="" type="checkbox"/>		1
78-81	Has the corporation made any charitable donations or gifts of cultural or ecological property?	202	<input type="checkbox"/>		2
82, 104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	<input type="checkbox"/>		3
69-76	Is the corporation claiming any type of losses?	204	<input checked="" type="checkbox"/>		4
131	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	<input type="checkbox"/>		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	<input checked="" type="checkbox"/>		6
102	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (b) a partnership, (c) a foreign business, or (d) a personal services business; or (ii) is the corporation claiming the refundable portion of Part I tax?	207	<input type="checkbox"/>		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	<input checked="" type="checkbox"/>		8
58	Does the corporation have any property that is eligible capital property?	210	<input checked="" type="checkbox"/>		10
59	Does the corporation have any resource-related deductions?	212	<input type="checkbox"/>		12
60	Is the corporation claiming reserves of any kind?	213	<input type="checkbox"/>		13
61	Is the corporation claiming a patronage dividend deduction?	216	<input type="checkbox"/>		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing?	217	<input type="checkbox"/>		17
149	Is the corporation an investment corporation or a mutual fund corporation?	218	<input type="checkbox"/>		18
130	Is the corporation carrying on business in Canada while not a Canadian corporation?	220	<input type="checkbox"/>		20
117	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221	<input type="checkbox"/>		21
154	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226	<input type="checkbox"/>		26 *
110	Does the corporation have any Canadian manufacturing and processing profits?	227	<input type="checkbox"/>		27
120	Is the corporation claiming an investment tax credit?	231	<input type="checkbox"/>		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232	<input type="checkbox"/>		T661/T665
123	Is the corporation subject to Part 1.3 tax?	233	<input type="checkbox"/>		33/34/35
123	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	<input type="checkbox"/>		36
123	Is the corporation claiming a surtax credit?	237	<input type="checkbox"/>		37
127	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	<input type="checkbox"/>		38
127	Is the corporation claiming a Part I tax credit?	242	<input type="checkbox"/>		42
128	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243	<input type="checkbox"/>		43
128	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	<input type="checkbox"/>		45
124	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249	<input type="checkbox"/>		46
127	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250	<input type="checkbox"/>		39
127	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251	<input type="checkbox"/>		40
127	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252	<input type="checkbox"/>		41
151	Is the corporation claiming a Canadian film or video production tax credit refund?	253	<input type="checkbox"/>		T1131

Guide item	Yes	Schedule
129 Is the corporation subject to Part XIII.1 tax?	<input type="checkbox"/>	92 *
152 Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000	<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
- Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
- Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
- Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174

Additional information			
Is the corporation inactive? (item 48)	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (item 50)	282		
(Only complete if yes was entered at line 281.)			
If the major activity involves the resale of goods, indicate whether is is wholesale or retail (item 51)	283	1 Wholesale <input type="checkbox"/>	2 Retail <input checked="" type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)	284	Electrical Energy	285 99.000 %
	286	Other	287 1.000 %
	288		289 %
Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

Taxable income			
Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)	300	231,402	A
Deduct: Charitable donations from Schedule 2 (item 78)	311		
Gifts to Canada or a province from Schedule 2 (item 79)	312		
Cultural gifts from Schedule 2 (item 80)	313		
Ecological gifts from Schedule 2 (item 81)	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320		
Part VI.1 tax deduction from Schedule 43 (item 83)*	325		
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331	4,476	
Net capital losses of preceding taxation years from Schedule 4 (item 85)	332		
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333		
Farm losses of prior taxation years from Schedule 4 (item 87)	334		
Limited partnership losses of prior years from Schedule 4 (item 88)	335		
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340		
Prospector's and grubstaker's shares (item 90)	350		
Subtotal	4,476	4,476	B
Subtotal		226,926	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	355		D
Taxable income (amount C plus amount D) (item 92)	360	226,926	
Income exempt under paragraph 149(1)(t) (item 93)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)			Z
<p>* If the taxation year ends after December 31, 2002, use "3" instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the <i>T2 Corporation Income Tax Guide</i>.</p>			

Small business deduction**Canadian-controlled private corporations throughout the taxation year**

Income from active business carried on in Canada from Schedule 7 (item 95)	400	231,402	A
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Taxable income from line 360 or amount Z, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96)

405	226,926	B
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Business limit:

\$200,000 x	Number of days in the taxation year before 2003	365	=	200,000
	Number of days in the taxation year	365		

\$225,000 x	Number of days in the taxation year in 2003		=	
	Number of days in the taxation year	365		

Maximum business limit before allocation to associated corporations	200,000
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Business limit (for associated corporations, enter business limit from Schedule 23) (item 97)	410	200,000	C
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Reduction to business limit: (item 98)

Amount C	200,000	X	415 ***		D	=		E
					11,250			

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	200,000	F
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Small business deduction - 16% of the least of amounts A, B, C, and F	430	32,000	G
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(enter amount G of line 9 on page 7)

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax for preceding year** - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

Accelerated tax reduction (item 99)**Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**

Reduced business limit (amount from line 425)	200,000	x	300,000	=	300,000	A
			200,000			

Net active business income (amount from line 400)*	231,402	B
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Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax

226,926	C
---------	---

Deduct:

Aggregate investment income (amount from line 440)	D
--	---

Amount C minus amount D (if negative, enter "0")	226,926	E
--	---------	---

The least of amounts A, B, or E above	226,926	F
---------------------------------------	---------	---

Amount Z from Part 9 of Schedule 27	x 100 / 7 =	G
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Amount QQ from Part 13 of Schedule 27	H
---------------------------------------	---

Resource allowance (amount from line 346 of Schedule 1)	x 3 =	I
---	-------	---

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	J
---	---

Least of amounts on lines 400, 405, 410, and 425 of the small business deduction	200,000	K
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Total of amounts G, H, I, J, and K	200,000	L
------------------------------------	---------	---

Amount F minus amount L (if negative, enter "0")	26,926	M
--	--------	---

Amount M	26,926	x	Days in the taxation year after December 31, 2000	365	=	26,926	N
			Days in the taxation year	365			

Accelerated tax reduction - 7% of amount N	1,885	O
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(Enter amount O on line 637 of page 7)

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

General tax reduction for Canadian-controlled private corporations (item 100)

Canadian-controlled private corporations throughout taxation year

Taxable income from line 360 or amount Z of page 3				226,926	A
Amount Z from Part 9 of Schedule 27	x 100 / 7 =		B		
Amount QQ from Part 13 of Schedule 27			C		
Resource allowance (amount from line 346 of Schedule 1)	x 3 =		D		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			E		
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction			200,000	F	
Aggregate investment income from line 440 of page 6			G		
Amount used to calculate the accelerated tax reduction (amount M on page 4)			26,926	H	
Total of amounts B, C, D, E, F, G, and H			226,926	I	
Amount A minus amount I (if negative, enter "0")				J	
Amount J	x	Number of days in the taxation year in 2001 Number of days in the taxation year	365	x 1% =	K
Amount J	x	Number of days in the taxation year in 2002 Number of days in the taxation year	365 365	x 3% =	L
Amount J	x	Number of days in the taxation year in 2003 Number of days in the taxation year	365	x 5% =	M
General tax reduction for Canadian-controlled private corporations - total of amounts K, L and M					N
(enter amount N on line 638 of page 7)					

General tax reduction (item 101)

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 or amount Z of page 3				A
Amount Z from Part 9 of Schedule 27	x 100 / 7 =		B	
Amount QQ from Part 13 of Schedule 27			C	
Resource allowance (amount from line 346 of Schedule 1)	x 3 =		D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			E	
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction			E1	
Total of amounts B, C, D, E and E1			F	
Amount A minus amount F (if negative, enter "0")			G	
Amount G	x	Number of days in the taxation year in 2001 Number of days in the taxation year	x 1% =	H
Amount G	x	Number of days in the taxation year in 2002 Number of days in the taxation year	x 3% =	I
Amount G	x	Number of days in the taxation year in 2003 Number of days in the taxation year	x 5% =	J
General tax reduction - total of amounts H, I and J				K
(enter amount K on line 639 of page 7)				

Refundable portion of Part I tax (item 102)**Canadian-controlled private corporations throughout the taxation year**

Aggregate investment income **440** X 26 2/3 % = **A**
 (Amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7

Deduct:

Foreign investment income **445** X 9 1/3 % = **B**
 (Amount O from Part 1 of Schedule 7) (if negative, enter "0")

Amount A **minus** amount B (if negative, enter "0") **C**

Taxable income from line 360 on page 3 226,926

Deduct:

Least of amounts on lines 400, 405, 410, and 425
 on page 4 200,000

Foreign non-business income tax credit
 from line 632 on page 7 x 25/9 =

Foreign business income tax credit
 from line 636 on page 7 x 10/4 = 200,000

200,000

26,926 X 26 2/3% = 7,180 **D**

Part I tax payable minus investment tax credit refund
 (line 700 minus line 780 on page 8) 32,196

Deduct corporate surtax from line 600 on page 7 2,542

Net amount 29,654 **E**

Refundable portion of Part I tax - the least of amounts C, D, and E 450 **0 F**

Refundable dividend tax on hand (item 103)

Refundable dividend tax on hand at the end of the preceding tax year **460**
Deduct dividend refund for the previous taxation year **465** **A**

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from line 360 on page 2 of Schedule 3

Net refundable dividend tax on hand transferred from a predecessor

corporation on amalgamation, or from a wound-up subsidiary corporation **480** **B**

Refundable dividend tax on hand at the end of the taxation year - Amount A plus Amount B 485 **0**

Dividend refund (item 104)**Private and subject corporations at the time taxable dividends were paid in the taxation year**

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3

X 1/3 **A**

Refundable dividend tax on hand at the end of the taxation year from line 485 above **B**

Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8) 0

Part I tax**Base amount of Part I tax** - 38% of taxable income (line 360 or amount Z, whichever applies)from page 3 (item 105) 550 86,232 A**Corporate surtax calculation** (item 106)Base amount from line A above 86,232 1**Deduct:**10% of taxable income (line 360 or amount Z, whichever applies) from page 3 22,693 2Investment corporation deduction from line 620 below 3Federal logging tax credit from line 640 below 4Federal qualifying environment trust tax credit from line 648 below 5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b and c below on line 6:

28% of taxable income from line 360 on page 3 a28% of taxed capital gains b 6Part I tax otherwise payable
(line A plus line C and D minus line F) 29,654 cTotal of lines 2 to 6 22,693 7Net amount (line 1 minus line 7) 63,539 8**Corporate surtax** - 4% of the amount on line 8 600 2,542 BRecapture of investment tax credit from line XX in Part 16 on page 8 of Schedule 31 (item 107) 602 C**Calculation for the refundable tax on Canadian-controlled private corporation's investment income**

(for a CCPC throughout the taxation year) (item 108)

Aggregate investment income from line 440 on page 6 iTaxable income from line 360 on page 4 226,926**Deduct:**The least of amounts on lines 400, 405, 410, and 425
on page 4 200,000Net amount 26,926 ii**Refundable tax on CCPC's investment income** - 6 2/3 % of the lesser of amounts i or ii 604 DSubtotal (add lines A, B, C, and D) 88,774 E**Deduct:**Small business deduction from line 430 on page 4 32,000 9Federal tax abatement (item 109) 608 22,693Manufacturing and processing profits deduction from amount BB or VV
of Schedule 27 (item 110) 616Investment corporation deduction (item 111) 620(Taxed capital gains **624**) 628Additional deduction - credit unions from Schedule 17 (item 112) 632Federal foreign non-business income tax credit from Schedule 21 (item 113) 636Federal foreign business income tax credit from Schedule 21 (item 114) 637 1,885Accelerated tax reduction from amount O of page 4 (item 115) 638General tax reduction for CCPC's from amount N of page 5 (item 116) 639General tax reduction from amount K of page 5 (item 116) 640Federal logging tax credit from Schedule 21 (item 117) 644Federal political contribution tax credit (item 118) 646Federal political contributions 648Federal qualifying environmental trust tax credit (item 119) 652Investment tax credit from Schedule 31 (item 120) Subtotal 56,57856,578 F**Part I tax payable** - Line E minus line F (enter amount G on line 700 on page 8) (item 121) 32,196 G

Summary of tax and credits**Federal tax**

Part I tax payable from page 5 (item 122)	700	32,196
Part I.3 tax payable from Schedule 33, 34, or 35 (item 123)	704	
Part II tax payable from Schedule 46 (item 124)	708	
Part IV tax payable from Schedule 3 (item 125)	712	
Part IV.1 tax payable from Schedule 43 (item 126)	716	
Part VI tax payable from Schedule 38 (item 127)	720	
Part VI.1 tax payable from Schedule 43 (item 128)	724	
Part XIII.1 tax payable from Schedule 92 (item 129)	727	
Part XIV tax payable from Schedule 20 (item 130)	728	
Total federal tax		32,196

Add provincial and territorial taxProvincial or territorial jurisdiction (item 131) **750 ON**

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 132) **760**Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 146) **765****Total tax payable 770 32,196 A****Deduct other credits**

Investment tax credit refund from Schedule 31 (items 147)	780
Dividend refund from Page 4 (items 148)	784
Federal capital gains refund from Schedule 18 (item 149)	788
Federal qualifying environmental trust tax credit refund (item 150)	792
Canadian film or video production tax credit refund from Form T1131 (item 151)	796
Film or video production services tax credit refund from Form T1177 (item 152)	797
Tax withheld at source (item 153)	800
Total payments on which tax has been withheld (item 153) 801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 154)	804
Provincial and territorial capital gains refund from Schedule 18 (item 155)	808
Provincial and territorial refundable tax credits from Schedule 5 (item 156)	812
Royalties deductible under Syncrude Remission Order 815	
Tax remitted under Syncrude Remission Order (item 157)	816
Tax instalments paid (item 158)	840

Total credits 890 BRefund Code **894** Overpayment (item 159)**Balance (line A minus line B) 32,196 I****Direct Deposit Request (item 163)**

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.

☐ Start ☐ Change information **910**

Branch number

914 **918**

Institution number

Account number

If the result is negative, you have an **overpayment**.If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.

We do not charge or refund a difference of less than \$2.

Balance unpaid (item 162) **32,196**Enclosed payment (item 161) **898**

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance is due? (item 160)

896 1 Yes ☒ 2 No ☐ NA ☐**Certification (item 164)****950** McCaig

Surname

951 Mark

First name

954 CEO

Position, office or rank

955 2003/07/31

Date

956 (807) 274-9291

Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. **957** 1 Yes ☒ 2 No ☐**958**

Name

959 () -

Telephone number

Language of correspondence - Langue de correspondance (item 165)**990**

Language of choice/Langue de choix

1 English / Anglais ☒2 Français / French ☐

**NET INCOME (LOSS) FOR INCOME TAX PURPOSES****Schedule 1**

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements			A	94,330
Add:				
Amortization of tangible assets	104	321,988		
Amortization of intangible assets	106	6,201		
Loss on disposal of assets	111	18,661		
Total of fields 101 to 199	500	346,850	▶	346,850
Deduct:				
Capital cost allowance - Schedule 8	403	206,580		
Cumulative eligible capital deduction - Schedule 10	405	3,198		
Total of fields 401 to 499	510	209,778	▶	209,778
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)				231,402



Part 1 - Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31	4,476					4,476	
2002/12/31							
Totals	4,476					4,476	

Current year non-capital loss

Net income (loss) for income tax purposes	231,402
Deduct:	
Net capital losses deducted in the year	
Taxable dividends deductible under sections 112, 113 or subsection 138(6)	
Amount of Part VI.1 tax deductible	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	
Subtotal - if positive, enter "0"	
Deduct: Section 110.5 - addition for foreign tax credits	
Add: Current year farm loss	
Current year non-capital loss (if positive, enter "0")	

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year		4,476	
Losses expired after 7 years	100	-	
Non-capital losses - beginning balance	102	=	4,476
Transfers from wind-up of wholly-owned subsidiary and amalgamation			105 +
Current year non-capital loss from above	110		
Deduct - Non-capital loss carry back to:			
1st preceding taxation year against taxable income	901		
2nd preceding taxation year against taxable income	902		
3rd preceding taxation year against taxable income	903		
1st preceding taxation year against taxable dividends subject to Part IV tax	911		
2nd preceding taxation year against taxable dividends subject to Part IV tax	912		
3rd preceding taxation year against taxable dividends subject to Part IV tax	913		
Current year non-capital loss net of carryback			+
		Subtotal	= 4,476
Deduct:			
Amount applied against taxable income (enter on line 331 of T2 return)	130	4,476	
Amount applied against dividends subject to Part IV tax	135		
Section 80 adjustments	140		
Other adjustments	150		
		4,476	- 4,476
Non-capital losses - ending balance			180 =

Paragraph 88(1.1)(f) election indicator

Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Farm losses at end of preceding taxation year

Losses expired after 10 years	300 -	
Farm losses - beginning balance	302 =	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		305 +
Current year farm loss	310	
Deduct - Farm loss carry back to:		
1st preceding taxation year against taxable income	921	
2nd preceding taxation year against taxable income	922	
3rd preceding taxation year against taxable income	923	
1st preceding taxation year against taxable dividends subject to Part IV tax	931	
2nd preceding taxation year against taxable dividends subject to Part IV tax	932	
3rd preceding taxation year against taxable dividends subject to Part IV tax	933	
	Subtotal	
Current year farm loss net of carry-back		+
	Subtotal	=
Deduct:		
Amount applied against taxable income (enter on line 334 of T2 return)	330	
Amount applied against dividends subject to Part IV tax	335	
Section 80 adjustments	340	
Other adjustments	350	
		-
Farm losses - ending balance		380 =

Restricted farm loss continuity by year

Current year restricted farm loss	
Net loss from farming business	485
Deductible farm loss:	
Net loss from above	A
\$2,500 plus 1/2 (A - \$2,500)	B 2,500
Maximum deduction	C 8,750
Deductible farm loss (lesser of A, B, and C)	-
Current year restricted farm loss	

Restricted farm losses at end of preceding taxation year		
Losses expired after 10 years	400 -	
Restricted farm losses - beginning balance	402 =	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		405 +
Current year restricted farm loss (enter on line 233 of Schedule 1)	410	
Deduct - Restricted farm loss carry back to:		
1st preceding taxation year against farming income	941	
2nd preceding taxation year against farming income	942	
3rd preceding taxation year against farming income	943	
Current year restricted farm loss net of carry-back		+
Deduct:		
Amount applied against taxable income (enter on line 333 of T2 return)	430	
Section 80 adjustments	440	
Other adjustments	450	
		-
Restricted farm losses - ending balance		480 =



Part 1 - Capital loss

Capital loss continuity and carry-back request

Actual capital losses at end of preceding taxation year	200		
Transfers from wind-up of wholly-owned subsidiary and amalgamation	205		
Current year capital loss	210	18,660	
		Subtotal	18,660
Allowable business investment loss expired as a non-capital loss	X 4/3	220	
		Subtotal	18,660
Deduct:			
Amount applied against current year capital gain (see note 1)	225		
Section 80 adjustments	240		
Other adjustments	250		
		Subtotal	
Deduct - capital loss carry back to: (see note 2)			
	Net loss applied	Inclusion rate	Actual
1st preceding taxation year	+	% = 951	
2nd preceding taxation year	+	% = 952	
3rd preceding taxation year	+	% = 953	
		Subtotal	
Capital losses - ending balance		280	18,660
Current year capital loss available for carryforward			18,660

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

Part 2 - Listed personal property loss

Year of origin	Balance at end of prior year	Adjustments	Applied	Current year loss net of carry-back	Ending balance
		Expired			
2000/12/31					
2001/12/31					
2002/12/31					
Totals					

Listed personal property loss continuity and carry-back request

Listed personal property losses at end of preceding taxation year			
Deduct: Listed personal property losses expired after seven taxation years	500		
Listed personal property losses - beginning of taxation year	502		
Current year listed personal property loss (from Schedule 6)	510		
Deduct - Listed personal property loss carry back to:			
1st preceding taxation year	961		
2nd preceding taxation year	962		
3rd preceding taxation year	963		
Listed personal property losses net of carry-back			+
		Subtotal	=
Deduct:			
Amount applied against listed personal property gain (enter on line 655 of Schedule 6)	530	-	
Other adjustments	550	-	
Listed personal property losses - closing balance	580	=	

**LIMITED PARTNERSHIP LOSSES****Schedule 4****Current year limited partnership losses**

1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at risk amount	Corp's share of partnership ITC, farming losses and resource expenses	Column 4 - 5 if negative, enter "0"	Current year limited partnership losses Column 3 - 6
600	602	604	606	608		620
Total (enter this amount on Schedule 1)						

Limited partnership losses from prior taxation years that may applied in the current year

1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at end of preceding taxation year	Corporation's at risk amount	Corp's share of partnership ITC, business/property losses & resource expenses	Column 4 - 5 if negative, enter "0"	Limited partnership losses that may be applied in the year The lesser of columns 3 and 6
630	632	634	636	638		650

Continuity of limited partnership losses that can be carried forward to future taxation years

Partnership identifier	Losses at end of preceding taxation year	Losses transferred from amalgamation or wind-up of subsidiary	Current year limited partnership loss (from column 620)	Limited partnership losses applied (cannot exceed 650)	Limited partnership losses closing balance
660	662	664	670	675	680
Total (enter this amount on line 335 of the T2 return)					



DISPOSITIONS OF CAPITAL PROPERTY

Schedule 6

- For use by corporations that have disposed of capital property or claimed an allowable business investment loss in the taxation year.

Designation under paragraph 111(4)(e) of the *Income Tax Act*

Are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e)?

050 Yes ☐ No ☒ If yes, attach a statement specifying which properties are subject to such a designation.

1 Types of capital property	2 Date of acquisition	3 Proceeds of disposition	4 Adjusted cost base (ACB)	5 Outlays and expenses	6 Gain (or loss) (3 - (4 + 5))
--------------------------------	--------------------------	------------------------------	-------------------------------	---------------------------	--------------------------------------

Part 1: Shares

Period	No. of shares 100	Name of corporation 105	Class of shares 106	Date 110	Proceeds 120	ACB 130	Outlays 140	Gain (or loss) 150
3		ONE MONEY MA			70,740	70,858		(118)
3		ONE BOND FUN			435,452	453,994		(18,542)
3								

Total (18,660) A

Gain (loss) on dispositions before February 28, 2000 A1

Gain (loss) on dispositions after February 27, 2000 and before October 18, 2000 A2

Gain (loss) on dispositions after October 17, 2000 (18,660) A3

Part 2: Real estate - Do not include losses on depreciable property.

Period	Municipal address 200	Date 210	Proceeds 220	ACB 230	Outlays 240	Gain (or loss) 250
3	Address: _____ City _____ Province Country Postal code _____					

Total B

Gain (loss) on dispositions before February 28, 2000 B1

Gain (loss) on dispositions after February 27, 2000 and before October 18, 2000 B2

Gain (loss) on dispositions after October 17, 2000 B3

Part 3: Bonds

Period	Face value 300	Maturity date 305	Name of issuer 307	Date 310	Proceeds 320	ACB 330	Outlays 340	Gain (or loss) 350
3								

Total C

Gain (loss) on dispositions before February 28, 2000 C1

Gain (loss) on dispositions after February 27, 2000 and before October 18, 2000 C2

Gain (loss) on dispositions after October 17, 2000 C3

Part 4: Other properties - Do not include losses on depreciable property.

Period	Description 400	Date 410	Proceeds 420	ACB 430	Outlays 440	Gain (or loss) 450
3						

Total D

Gain (loss) on dispositions pre-February 28, 2000 D1

Gain (loss) on dispositions after February 27, 2000 and before October 18, 2000 D2

Gain (loss) on dispositions after October 17, 2000 D3

DISPOSITIONS OF CAPITAL PROPERTY

Part 5: Personal-use property						
Period	Description 500	Date 510	Proceeds 520	ACB 530	Outlays 540	Gain only 550
3						
Note: Losses are not deductible						Total
						Gain on dispositions pre-February 28, 2000
						Gain on dispositions after February 27, 2000 and before October 18, 2000
						Gain on dispositions after October 17, 2000

E
E1
E2
E3

Part 6: Listed personal property						
Period	Description 600	Date 610	Proceeds 620	ACB 630	Outlays 640	Gain (or loss) 650
3						
Note: Net listed personal property losses may only be applied against listed personal property gains.						Total
						Subtract: Unapplied listed personal property losses from other years 655
						Net gains (or loss)

F

Amount from line 655 is from line 530 in Part 5 of Schedule 4.

LPP gains or losses on dispositions before February 28, 2000		
Subtract: Portion of amount on line 655 applicable to gain on disposition before February 28, 2000		
Net gain (loss) on dispositions before February 28, 2000 657		F1
LPP gains or losses on dispositions after February 27, 2000 and before October 18		
Subtract: Portion of amount on line 655 applicable to gain on dispositions after Feb 27, 2000 and before Oct 18, 2000		
Net gain (loss) on disposition after February 27, 2000 and before October 18, 2000 658		F2
LPP gains or losses on dispositions after October 17, 2000		
Subtract: Portion of amount on line 655 applicable to gain on disposition after October 17, 2000		
Net gain (loss) on disposition after October 17, 2000 659		F3

Part 7 - Property qualifying for and resulting in an allowable business investment loss							
Period	Name of small business corporation	Shares or debt 905	Date 910	Proceeds 920	ACB 930	Outlays 940	Loss 950
3		N/A					
Note: Properties listed in part 7 should not be included in any other parts of Schedule 6							Total
							Loss on dispositions before February 28, 2000
							Loss on dispositions after February 27, 2000 and before October 18, 2000
							Loss on dispositions after October 17, 2000

G
G1
G2
G3**Determining capital gains or losses**

	Period 1 (A1 - G1)	Period 2 (A2 - G2)	Period 3 (A3 - G3)	Total (A - F)
Total amounts A to F (don't include F if the amount is a loss)	770	670	570	(18,660)
Add:				
Capital gains dividends received in the taxation year	775	675	575	875
Capital gains reserve opening balance (from schedule 13)				880
Subtotal				(18,660)
Deduct:				
Capital gains reserve closing balance (from schedule 13)	785	685	585	885
Capital gains or losses (excluding business investment loss)	790	690	590	(18,660)

Note 1
Enter the amount for capital gains reserve from line 880 in whichever one of the three calculations above has a time frame which corresponds with the taxation year start of this corporation.

DISPOSITIONS OF CAPITAL PROPERTY

	Inclusion rate			Inclusion rate		Net capital gain / Net capital loss
	Gains /loss					
Amount from line 790		J	x	75.0000	% =	JJ
Amount from line 690		K	x	66.6667	% =	KK
Subtotal (note 2)		a	x		% =	aa
Amount from line 590	(18,660)	L	x	50.0000	% =	(9,330) LL
Total (note 3)	(18,660)	b	x	50.0000	% =	(9,330) bb
Inclusion rate for the year (bb divided by b)						50.0000 % M

Note 2

If one of either line J or line K is positive, and the other one is negative, enter the difference (gain or loss) on the **subtotal** line. On the **inclusion rate** line, enter the inclusion rate applicable to the period from which the larger amount originates, and calculate the net gain or net loss at line **aa** based on that rate. In this case, it would not be necessary to calculate an amount at JJ and KK. Otherwise, add lines J and K and lines JJ and KK for the subtotals. At the **inclusion rate** line between a and aa, enter the result of aa divided by a.

This rate may be required in further calculations.

Note 3

If one or either line a or line L is positive, and the other is negative, enter the difference (gain or loss) on the total line. On the **inclusion rate** line, enter the inclusion rate applicable to the period from which the larger amount originates, and calculate the net gain or net loss at line **bb** based on that rate. This could be the rate referred to at the end of note 2 above. In this case, it would not be necessary to calculate an amount at line LL. Otherwise, add lines a and L, and lines aa and LL for the totals

Determination of taxable capital gains, total capital losses and allowable business investment losses

Amount from line 890	(18,660) N
Gain on donations of a share, debt obligation, or right listed on a prescribed stock exchange and amounts under paragraph 38(a.1) of the Act (for donations made after February 18, 1997, and before the year 2002 to charities other than private foundations)	
	x 1/2 = 895
Amount on line N minus line 895	(18,660) O
Amount of gains on donations of ecologically sensitive land after February 27, 2000	x 1/2 = 896
Amount on line O minus line 896	(18,660) P
If this amount is a loss, enter on line 210 of Schedule 4.	
Taxable capital gains (line P X line M 50.0000)	Q
Enter the amount from line Q on line 113 of Schedule 1.	
Allowable business investment loss (line G X line M 50.0000)	R
Enter the amount from line R on line 406 of Schedule 1.	

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada

CAPITAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? 101 1 Yes ☐ 2 No ☐

1 Class	2 UCC at start of year	3 Cost of additions in the year	4 Net adjustments	5 Proceeds of dispositions in the year	7 Adjustment for additions (1/2 x (col 3 - 5))	8 Base amount for CCA	9 Rate %	10 CCA for the year (col 8 x 9 or a lower amount)	11 Recapture of CCA	12 Terminal loss	13 UCC at the end of the year
200	201	203	205	207	211		212	217	213	215	220
1	205,746					205,746	4	8,230			197,516
1	3,804,366	84,219			42,110	3,846,475	4	153,859			3,734,726
8	15,567	2,197			1,099	16,665	20	3,333			14,431
8	10,394	1,110			555	10,949	20	2,190			9,314
10	105,335	25,082			12,541	117,876	30	35,363			95,054
10	11,231	1,297			649	11,879	30	3,564			8,964
12		83			42	41	100	41			42
Totals	4,152,639	113,988			56,996	4,209,631		206,580			4,060,047



- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - balance at beginning of taxation year (if negative, enter nil)	200	45,687	A
Add:			
Cost of eligible capital property acquired during the taxation year	222		B
Transfer from predecessor or subsidiary corporation	224		C
Other adjustments	226		D
(add amounts B, C, and D)		x 3/4 =	E
Subtotal (amount A plus amount E)	230	45,687	F
Deduct:			
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	242		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H
Other adjustments	246		I
(add amounts G, H, and I)		x 3/4 =	J
Cumulative eligible capital balance (amount F minus amount J)		45,687	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)			
Current year deduction	amount K	45,687 x 7% =	250 3,198 L
(Deduct amount L on line 405 of Schedule 1)			
Cumulative eligible capital balance at the end of the taxation year	300	42,489	M

Note: The maximum current year deduction is 7%. You can claim any amount up to the maximum. If your fiscal period starts after December 21, 2000, and is less than 365 days, prorate the calculation for line 250 by multiplying by the number of days in the year divided by 365.

Part 2 - Amount to be included in income arising from disposition

(complete this part only if line K is negative)

Amount from line K above (show as a positive amount)			N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	400	1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)	401	2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	402	3	
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	408	4	
Line 3 minus line 4	409	5	
Total of lines 1, 2, and 5		6	
Line T from schedule 10 of previous taxation years ending after February 27, 2000		7	
Line 6 minus line 7			O
Line N minus line O (cannot be negative)			P
Amount on line 5 X 1/2			Q
Line P minus line Q			R
Amount on line R X 66.6667 *			S
Lesser of line N or line O			T
Amount to be included in income on line 108 of schedule 1, line S plus line T	410		

* For taxation years ending after February 27, and before October 18, 2000, use the fraction 8/9 to calculate line S

* For taxation years ending after October 17, 2000 use the fraction 2/3 to calculate line S

**SHAREHOLDER INFORMATION****Schedule 50**

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder 100	Business Number * 200	Social Insurance Number * 300	Percentage common shares 400	Percentage preferred shares 500
Town of Fort Frances	NR		100.000	
	RC			

* If the shareholder is a trust, fields 200 and 300 will be blank.

**BALANCE SHEET INFORMATION****Schedule 100**

Assets	Code	Amount
Cash and deposits	1000	
Total assets	2599	

Liabilities	Code	Amount
Bank overdraft	2600	
Total liabilities	3499	

Equity	Code	Amount
Common shares	3500	
Retained earnings / deficit	3600	
Total equity	3620	
Total liabilities and equity	3640	

Retained earnings	Code	Amount
Retained earnings/deficit-start	3660	
Net income / loss	3680	
Total retained earnings	3849	

**Details**

Operating name, if different from the corporations' legal name

0001

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Amount
Trade sales of goods and services	8000	
Total sales of goods and services	8089	
Total revenue	8299	

Cost of sales	Code	Amount
Opening inventory	8300	
Cost of sales	8518	
Gross profit / loss (item 8089 - item 8518)	8519	

Operating expenses	Code	Amount
Total operating expenses	9367	
Total expenses	9368	
Net non-farming income	9369	

Farming revenue	Code	Amount
Grains and oilseeds	9370	
Total farm revenue	9659	

Farming expenses	Code	Amount
Crop expenses	9660	
Total farm expenses	9898	
Net farm income	9899	
Net income / loss before taxes and extraordinary items	9970	

Summary

Complete this section if only one Schedule 125 is filed, Schedule 140 is used to summarize the information from multiple Schedules 125.

Extraordinary items	9975 -
Legal settlements	9976 -
Unrealized gains / losses	9980 +
Unusual items	9985 -
Current income taxes	9990 -
Deferred income tax provision	9995 -
Net income / loss after taxes and extraordinary items	9999 =



NOTES CHECKLIST

Schedule 141

Involvement of accountant

0100 Who reported on/prepared the corporation's financial statements?

- 1 an independent auditor with a report that expressed no reservation ☒
- 2 an independent auditor with a report that expressed a reservation ☐
- 3 an independent accountant with a review engagement report that expressed no reservation ☐
- 4 an independent accountant with a review engagement report that expressed a reservation ☐
- 5 an independent accountant who conducted a compilation engagement with no review ☐
- 6 an independent accountant with a compilation engagement and review engagement resulting in no reservation ☐
- 7 an independent accountant with a compilation engagement and review engagement resulting in a reservation ☐
- 8 prepared by an employee/associate/management of the company, or a person on behalf of the company, without the involvement of an independent accountant ☐

Other information

Were any notes to the financial statements prepared? 101 ☒ Yes ☐ No

If yes, complete the following:

Are any values presented at other than cost? 102 ☐ Yes ☒ NoHas there been a change in accounting policies since the last return? 103 ☐ Yes ☒ NoAre subsequent events mentioned in the notes? 104 ☐ Yes ☒ NoIs re-evaluation of asset information mentioned in the notes? 105 ☐ Yes ☒ NoIs contingent liability mentioned in the notes? 106 ☐ Yes ☒ NoIs information regarding commitments mentioned in the notes? 107 ☐ Yes ☒ NoDoes the corporation have investments in joint venture(s) or partnerships? 108 ☐ Yes ☒ NoIf yes, are you filing financial statements of the joint venture(s) or partnership(s)? 109 ☐ Yes ☐ No

CDA

Capital dividend account continuity

Summary

	Prior years	Current year	Total
Non-taxable (non-deductible) portion of capital gain (loss)		(9,330)	(9,330)
Non-taxable portion of allowable business investment (loss)	+		
A. Net non-taxable gain eligible for CDA (0 if negative)	=		
B. Capital dividends received			
1/4 of net proceeds from the sale of eligible capital property			
ECP proceeds not included in income (year-ends after 2000/02/27)	+		
1/4 of eligible capital expenditures	- 15,503		15,503
Other ECP adjustments	±		
C. Net non-taxable ECP gain eligible for CDA (0 if negative)	=		
D. Net proceeds (in excess of adjusted cost base) of life insurance policy where corporation is beneficiary			
E. Subtotal (A to D)			
F. Capital dividends paid	-		
G. Capital dividend account at end of the year (E - F) (0 if negative)	=		

Adjustments

Adjusted CDA balance

Instalments

Federal tax instalments

Instalment base

Year-end	Estimate for current year 2003/12/31	First instalment base 2002/12/31	Second instalment base 2001/12/31
Taxable income		226,926	
Base amount of Part I tax		86,232	
Corporate surtax		2,542	
Refundable tax on CCPC's investment income			
Small business deduction		32,000	
Federal tax abatement		22,693	
Manufacturing and processing profits deduction			
Foreign tax credits			
Tax reductions		1,885	
Political contribution tax credit			
Investment tax credit			
Other credits			
Part I tax payable		32,196	
Part I.3 tax payable			
Part VI tax payable			
Part VI.1 tax payable			
Net provincial or territorial tax payable			
Total tax payable		32,196	
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years		32,196	
Estimated credits for the current year:			
Investment tax credit refund			
Dividend refund			
Other			
Total estimated credits			
Instalment base		32,196	
Monthly payment		2,683	

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
 ☒ 3. based on the first and second instalment base
- ☐ 2. based on the first instalment base
 ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2003/01/31			
2003/02/28			
2003/03/31	3,220		
2003/04/30	3,220		
2003/05/31	3,220		
2003/06/30	3,220		
2003/07/31	3,220		16,100
2003/08/31	3,220		3,220
2003/09/30	3,220		3,220
2003/10/31	3,220		3,220
2003/11/30	3,220		3,220
2003/12/31	3,220		3,220
Total	32,200		32,200

Summary

Tax Summary

Tax year ending 2002/12/31

Taxable income		Tax payable	
Net income for tax purposes	231,402	Part I tax	32,196
Charitable donations and gifts	-	Part 1.3 tax (large corporations tax)	+
Taxable dividends	-	Taxable dividends received	+
Losses of prior years	4,476	Part IV tax	+
Other adjustments	±	Other federal tax payable	+
Taxable income	= 226,926	Subtotal	= 32,196
Part I tax		Provincial and territorial tax (except QC, ON, AB)	+
38% of taxable income	86,232	Provincial tax on large corporations (NB, NS)	+
Surtax	+ 2,542	Tax payable	+ 32,196
Refundable tax on CCPC investment income	+	Tax instalments paid	-
Active business income	231,402	Investment tax credit refund	-
Small business deduction	- 32,000	Taxable dividends paid	-
Federal tax abatement	- 22,693	Dividend refund	-
Manufacturing and processing deduction	-	Other refundable credits	-
Foreign tax credits	-	Balance owing (refund) on federal return	= 32,196
Political contribution tax credit	-	Provincial income tax (ON, AB, QC)	13,616
Investment tax credit	-	Capital and other provincial taxes	+ 3,568
Other deductions and credits	- 1,885	Tax instalments and credits	-
Part I tax	= 32,196	Other provincial taxes	= 17,184
		Total balance owing (refund)	49,380

Provincial tax

	Taxable income	Income tax	Capital and other provincial taxes	Tax instalments and credits	Net provincial tax
Newfoundland					
Prince Edward Island					
Nova Scotia					
New Brunswick					
Manitoba					
Saskatchewan					
British Columbia					
Yukon Territory					
Northwest Territories					
Schedule 5 provincial tax payable					
Ontario	226,926	13,616	3,568		17,184
Alberta					
Québec					
Totals		13,616	3,568		17,184

Loss carryforwards

Capital	18,660
Non-capital	
Farm	
Restricted farm	
Limited partnership	
Listed personal property	

Other carryforwards

Capital dividend account	
Refundable dividend tax on hand (net of dividend refund)	
Unused Part 1.3 tax credit	
Unused surtax credits	2,542
Foreign business tax credits	
Donations and gifts	
Investment tax credits	



Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2001 CT23 Corporations Tax and Annual Return

(Revised)

For taxation years commencing after May 4, 1999

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the MCBS Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-18, together with the applicable schedules on pages 19-22. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

The Annual Return (common page 1 and MCBS Schedules A or K on pages 23 and 24) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? (Refer to Guide) Yes ☒ No ☐

Page 1 of 24

Corporation's legal name and mailing address FORT FRANCES POWER CORPORATION				Ontario Corporations Tax Account No. (MOF) 1424338	
320 Portage Avenue				This CT23 Return covers the Taxation Year	
City Fort Frances				Start	2002/01/01
Province ON				End	2002/12/31
Country CA					
Postal code P9A 3P9					
Has address changed since last filed return? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				Date of Incorporation or Amalgamation 2000/06/19	
Date of change					
Registered/Head Office Address 320 Portage Avenue				Ontario Corporation No. (MCBS) 1424338	
City Fort Frances					
Province ON					
Country CA					
Postal code P9A 3P9					
Location of books and records 320 Portage Avenue				Canada Customs and Revenue Agency Business No. 864205893RCRC00	
City Fort Frances					
Province ON					
Country CA					
Postal code P9A 3P9					
Name of person to contact regarding this Return Mark McCaig		Telephone no. (807) 274-9291	Fax no. () -	Jurisdiction Incorporated Ontario	
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS)				If not incorporated in Ontario, indicate date Ontario business activity commenced and ceased:	
City				Commenced	
Province				Ceased	
Country				(Not Applicable) <input checked="" type="checkbox"/>	
Postal code					
Former Corporation Name (Extra-Provincial Corporations only) Not applicable <input type="checkbox"/> (MCBS)				Preferred Language / Langue de préférence English <input checked="" type="checkbox"/> French <input type="checkbox"/> anglais français	
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶				Ministry Use	
No. of Schedule(s) 3					
If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please check <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). ▶ <input checked="" type="checkbox"/> No Change					
Certification (MCBS)					
I certify that all information set out in the Annual Return is true, correct and complete.					
Name of Authorized Person Mark McCaig					
Title: <input type="checkbox"/> Director <input type="checkbox"/> Officer <input type="checkbox"/> Other individual having knowledge of the affairs of the Corporation					
Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.					

Taxation Year End

**Exempt From Filing (EFF)
Corporations Tax Return Declaration**

Page 2 of 24

Corporation's Legal Name

Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

The above corporation satisfies all of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Criteria for exempt from filing status:

- a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
- b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);
- c) had no Ontario Corporations Tax payable for the taxation year;
- d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the *Income Tax Act*(Canada));
- e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
- f) is NOT subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed \$5 million or whose total revenues exceed \$10 million for the taxation year).

NOTE 1: Filing of this declaration and the Annual Return does NOT constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.

Signature	Title/Relationship to Corporation	Telephone number () -	Date
-----------	-----------------------------------	---------------------------	------

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

NOTE 2: EFF corporations filing losses to be carried back and applied to prior years or applied to future years, must file a tax return completed with all the related schedules for the taxation year of the loss and for the taxation year to which the loss is being applied.

The following 3 items **MUST** be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is **also** being filed, completion of these fields is NOT necessary

1. Corporation's Mailing Address

City	Province	Country	Postal code
------	----------	---------	-------------

**2. Ontario Corporation
No. (MCBS)**

**3. Canada Customs and Revenue Agency
Business No.**
 RC

A corporation must file an Exempt From Filing Corporations Tax Return Declaration form for each taxation year that the corporation is exempt from filing, within 6 months after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to ALL of the following criteria you are eligible to file the CT23 Short-Form Corporations Tax Return. To obtain a copy contact the Revenue Operations and Client Services Branch. (Refer to Guide)

Yes No
☒ ☐

- (a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year.
Indicate Share Capital with full
voting rights owned by Canadian Residents 100 % (nearest whole percent)

☐ ☒

- (b) The corporation's taxable income for the taxation year is \$200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (Refer to guide)

☒ ☐

- (c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.

☐ ☒

- (d) The corporation's taxation year ends on or after January 1, 2000 and its gross revenue and total assets are each \$1,000,000 or less and the corporation is not a financial institution; **OR** The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each \$1,500,000 or less and the corporation is not a financial institution.

☒ ☐

- (e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).

☒ ☐

- (f) The corporation's Ontario allocation factor is 100%.

CT23 Corporations Tax Return

Page 3 of 24

*Identification continued (for CT23 filers only)***Type of Corporation - Please check (✓) box(es) if applicable in sections 1 & 2**

- 1** ☒ 1 Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.)(fed.s.125(7)(b))
- ☐ 2 Other Private
- ☐ 3 Public
- ☐ 4 Non-share Capital
- ☐ 5 Other (specify)
- Share Capital with full voting rights owned by Canadian residents. (nearest %) 100 %

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)Ontario Employer Health Tax Account No.
(Use Head Office No.)

Specify major business activity

- 2** ☐ 1 Family Farm Corporation s.1(2) ☐ 14 Bare Trustee Corporation
- ☐ 2 Family Fishing Corporation s.1(2) ☐ 15 Branch of Non-resident s.63(1)
- ☐ 3 Mortgage Investment Corp s.47 ☐ 16 Financial institutions prescribed by Regulation only
- ☐ 4 Credit Union s.51 ☐ 17 Investment Dealer
- ☐ 5 Bank Mortgage Subsidiary s.61(4) ☐ 18 Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- ☐ 6 Bank s.1(2)
- ☐ 7 Loan and Trust Corporation s.61(4) ☒ 19 Hydro successor, Municipal Electrical Utility or subsidiary of either
- ☐ 8 Non-resident Corp s.2(2)(a) or (b) ☐ 20 Producer and seller of steam for uses other than for the generation of electricity
- ☐ 9 Non-resident Corporation s.2(2)(c) ☐ 21 Insurance Exchange s.74.4
- ☐ 10 Mutual Fund Corporation s.48 ☐ 22 Farm Feeder Finance Co-operative Corporation
- ☐ 11 Non-resident owned investment Corp s.49 ☐ 23 Professional Corporation (incorporated professionals only)
- ☐ 12 Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

Please check (✓) box(es) if applicable:

- ☐ First Year of Filing ☐ Final Taxation Year up to Dissolution (wind-up) ☐ Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- ☐ Amended Return ☐ Final Taxation Year before Amalgamation ☐ Acquisition of Control fed s.249(4)
- ☐ Taxation Year End has changed - Canada Customs and Revenue Agency approval required ☐ Floating Fiscal Year End Date control was acquired:

Was the corporation inactive throughout the taxation year?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Are you requesting a refund due to:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
the Carry-back of a Loss?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
an Overpayment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
a Specified Refundable Tax Credit?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Are you a Member of a Partnership or a Joint Venture?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Income Tax

Page 4 of 24

Allocation - If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Inter.Bulletin 2617). Attach a schedule (or a copy of federal T2 SCH 5) showing allocation of gross revenue, salaries and wages, including applicable percentages.

Net income (loss) for Ontario purposes (per reconciliation schedule, page 16)	From 690±	231,402
Subtract: Charitable donations	1 -	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (<i>Attach schedule</i>)	2 -	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	3 -	
Subtract: Ontario political contributions (<i>Attach schedule</i>)	4 -	
Subtract: Federal Part VI.1 tax	5 -	
Subtract: Prior years' losses applied - Non-capital losses	From 704±	4,476
	From 715	
Net capital losses (page 17)	X rate 50.000000 %	714±
Farm losses	From 724-	
Restricted farm losses	From 734-	
Limited partnership losses	From 754-	

Taxable income (Non-capital loss)

Addition to taxable income for unused foreign tax deduction for federal purposes	11 +	
Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)	20 =	226,926

Taxable Income**Number of days in Taxation Year**

		Days after May 1, 2000 and before Jan 1, 2001	Total days	
From 10 (or 20)	226,926 X30 100.0000 % X 14.5 % X 24	73	365 =	25 +
	Ontario Allocation	Days after Dec 31, 2000 and before Oct 1, 2001	Total days	
From 10 (or 20)	226,926 X30 100.0000 % X 14.0 % X 26	73	365 =	27 +
	Ontario Allocation	Days after Sept 30, 2001 and before Jan 1, 2003	Total days	
From 10 (or 20)	226,926 X30 100.0000 % X 12.5 % X 28	365 + 73	365 =	29 + 28,366
	Ontario Allocation	Days after Dec 31, 2002 and before Jan 1, 2004	Total days	
From 10 (or 20)	226,926 X30 100.0000 % X 11.0 % X 31	73	365 =	32 +
	Ontario Allocation			

Taxable Income Payable (before deduction of tax credits) **25 + 27 + 29 + 32** **40 = 28,366**

Incentive Deduction for Small Business Corporations (IDSBC)(s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (✓) ☒ Yes ☐ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	50	231,402
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	51 +	226,926
Add: Losses of other years deducted for federal purposes (fed.s.111)	52 +	4,476
Subtract: Losses of other years deducted for Ontario purposes (s.34)	53 -	4,476
	=	226,926
	54	226,926

Federal Business limit for the year before application of fed.s.125(5.1)
(not exceeding \$200,000) (*Attach T2 SCH 23 if associated*)

Income eligible for the IDSBC	From 30	100.0000 % X	56	226,926	60 =	226,926
		*Ontario Allocation		Least of 50, 54 or 45		

*Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

Add: Ontario enhancement of federal business limit

Number of days in Taxation Year

	Days from 26 above	Total Days	From	
40,000 X	_____ +	73 365	X 55	200,000 +200,000 42 +
80,000 X	365 +	73 365	X 55	200,000 +200,000 43 + 80,000
120,000 X	_____ +	73 365	X 55	200,000 +200,000 46 +
Ontario enhancement of federal business limit				42 + 43 + 46 = 80,000

Business Limit for Ontario purposes 55 + 44

44 + 80,000

= 280,000 ▶ 45 280,000

Number of Days in Taxation Year

Days after Dec 31,
1999 and before
Oct 1, 2001

Total Days

Calculation of IDSBC Rate

7.5% X 76	+	73	365	77	+	
6.5% X 28		365	+	73	365	79
						6.5000
5.5% X 31			+	73	365	89
IDSBC Rate for Taxation Year 77 + 79 + 89						78 = 6.5000
Claim	From 60	226,926	X	From 78	6.5000 %	70 = 14,750

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in 114 below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

**** Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

Associated corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

**** Taxable income of the corporation** From 10 (or 20 if applicable) 80 + 226,926

If you are a member of an associated group (✓) 81 ☒ (Yes)

Taxable income of associated corporations (Attach schedule) 82 +
Aggregate Taxable Income 85 = 226,926

Number of days in Taxation Year

Days before
Jan 1, 2001

Total Days

Subtract: 200,000 X 558	+	73	365	=	111	+	
240,000 X 26	+	73	365	=	112	+	
280,000 X 28	+	73	365	=	113	+	280,000
320,000 X 31	+	73	365	=	115	+	
111 + 112 + 113 + 115						=	280,000

(If negative, enter nil)

114 - 280,000
86 =

Number of Days in Taxation Year

Days after Dec 31,
1999 and before
Oct 1, 2001

Total Days

Calculation of Specified Rate for Surtax

5.0% X 76	+	73	365	93	+	
4.333% X 28		365	+	73	365	95
						4.3330
3.667% X 31			+	73	365	96
Specified rate of surtax for Taxation Year 93 + 95 + 96						94 = 4.3330
From 86	X	From 94	4.3330 % =			87 =
From 87	X	From 60	226,926	+	From 114	280,000
						88 =

Surtax: Lesser of 70 or 88

100 =

Additional Deduction for Credit Unions (s.51(4)) (Attach schedule)

110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is \$250,000 or less.

Eligible Canadian Profits

120

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From 56 - 226,926

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 + From 30 100.0000 % + From 78 6.5000 % =

121

*Ontario Allocation

Lesser of 56 or 121

122 +

120 - 56 + 122

130 =

Taxable income

From 10 +

226,926

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From 56 -

226,926

Add: Adjustments for Surtax on Canadian-controlled private corporations From 122 +

Subtract: Taxable income 10 X Allocation % to jurisdictions outside Canada 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses 141

10 - 56 + 122 - 140 - 141

142 =

Number of Days in Taxation Year

Claim 143 X From 30 100.0000 % 2.0% X 152 + 73 365 = 153 +
*Ontario Allocation

Claim 143 X From 30 100.0000 % 1.5% X 28 365 + 73 365 = 154 +
*Ontario Allocation

Claim 143 X From 30 100.0000 % 1.0% X 31 365 + 73 365 = 155 +
*Ontario Allocation

M&P claim for taxation year 153 + 154 + 155

160 =

*Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions.

See special rules (s.43(1)).

Manufacturing and Processing Profits Credit for Electrical Generating Corporations

161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity

162

Note: The M&P for corporations that generate electrical energy for sale, or produce steam for use in the generation of electrical energy for sale, or produce steam for uses other than the generation of electricity, has not yet received legislative authority at the time of printing. (Refer to Guide.)

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) (Attach schedule).

170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible credit 175

Credit claimed 180

Subtotal of Income Tax	40 - 70 + 100 - 110 - 160 - 161 - 162 -170 - 180	190 =	13,616
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Specified Tax Credits (Refer to Guide)**Ontario Innovation Tax Credit (OITC) (s.43.3)** Applies to research and development in Ontario.Eligible credit from **5620** OITC claim form (Attach original Claim Form)191 + **Co-operative Education Tax Credit (CETC) (s.43.4)** Applies to employment of eligible students.Eligible credit from **5798** Summary Schedule F192 + **Ontario Film and Television Tax Credit (OFTTC) (s.43.5)****Applies** to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.Eligible credit from **5899** Claim Form Certified by Ontario Film Development Corp.

(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

193 + **Graduate Transitions Tax Credit (GTTC) (s.43.6)****Applies** to employment of eligible unemployed graduate students.No. of Graduates from **6596**Eligible Credit from **6598** Summary Schedule G194 195 + **Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)****Applies** to qualifying expenditures in respect of eligible literary works by first-time Canadian authors.Eligible Credit from **6900** OBPTC Claim Form (Attach only the original Claim Form. Retain the Certification Form)196 + **Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)****Applies** to labour relating to computer animation and special effects on an eligible production.Eligible Credit from **6700** Claim Form certified by Ontario Film Development Corp.

(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

197 + **Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)****Applies** to qualifying R&D expenditures under an eligible research institute contract.Eligible Credit from **7100** OBRITC Claim Form (Attach original Claim Form)198 + **Ontario Production Services Tax credit (OPSTC) (s.43.10)****Applies** to qualifying Ontario labour expenditures for eligible non-Canadian content film and television productions.Eligible Credit from **7300** Claim Form certified by Ontario Film Development Corporation

(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

199 + **Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)****Applies** to qualifying labour expenditures of eligible products for the taxation year.Eligible Credit from **7400** Claim Form certified by Ontario Film Development Corporation

(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

200 + **Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)****Applies** to qualifying expenditures in respect to eligible Canadian sound recordings.Eligible Credit from **7500** OSRTC Claim Form (Attach only the original Claim Form. Retain the Certification Form)201 + **Total Specified Tax Credits:** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201220 + **Specified Tax Credits Applied to reduce Income Tax**225 + **Income Tax** 190 - 225 OR Enter NIL if reporting Non-Capital Loss230 +  13,616

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on **page 18**.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B on **Page 8**.

Corporate Minimum Tax (CMT)**Determination of Applicability**

Applies if **either** Total Assets **249** exceeds \$5,000,000 **or** Total Revenue **250** exceeds \$10,000,000.

* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

* Total Assets of the corporation	240 +	6,945,145		
* Total Revenue of the corporation			241 +	5,498,429

If you are a member of an associated group (✓) **242** ☐ (Yes)

Total Assets of associated corporations (Attach schedule)	243 +			
Total Revenue of associated corporations (Attach schedule)			244 +	
Aggregate Total Assets	249 =	6,945,145		
Aggregate Total Revenue			250 =	5,498,429

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedules A through E** on pages 19, 20 and 21 of CT23.

Calculation: CMT (Attach Schedule A: Calculation of CMT Base on page 19.)

Gross CMT Payable	CMT Base From	2135	X	From 30	100.0000	% X 4%	276 =
		If negative, enter zero			Ontario Allocation		
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)							277
Subtract: Income Tax						From 190 -	13,616
Net CMT Payable (if negative, enter Nil on page 18.)							280 =

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from **Page 7 to Income Tax Summary, on Page 18**.

If **280** is less than zero and you have a CMT credit carryover, complete A & B below.

If **280** is greater than or equal to zero, transfer **230** to **Page 18** and transfer **280** to **Page 18, and to Schedule D: Continuity of CMT Credit Carryovers, on Page 21**.

CMT Credit Carryover available	From 2307	
--------------------------------	-----------	--

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)	From 190 +	13,616
	Gross CMT payable	From 276 +	
	Subtract: Foreign Tax Credit for CMT purposes	From 277 -	
	If 276 - 277 is negative, enter NIL in 290	=	290 -
	Income Tax eligible for CMT Credit	300 =	13,616
B.	Income Tax (after deduction of specified credits)	From 230 +	13,616
	Subtract: CMT credit used to reduce income taxes	310 -	
	Income Tax	320 =	13,616

Transfer to Page 18

If A & B apply, 310 cannot exceed the lesser of 230, 300 and your CMT credit carryover available 2307.

If only B applies, 310 cannot exceed the lesser of 230 and your CMT credit carryover available 2307.

Capital Tax (Refer to Guide)

If your corporation is a Financial Institution (s.58(2)), proceed to page 14.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, it is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 13 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets

must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B.15-79, Int.B.L-12 and Int.B.L-16).

Any assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a).

Paid-up Capital

Paid-up capital stock	350 +	5,807,391
Retained earnings (if deficit, deduct)	351 ±	(11,662)
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	352 +	
Loans and advances (Attach schedule)	353 +	
Bank loans	354 +	
Bankers acceptances	355 +	
Bonds and debentures payable	356 +	
Mortgages payable	357 +	
Lien notes payable	358 +	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporation tax)	359 +	38,949
Contingent, investment, inventory and similar reserves	360 +	
Other reserves not allowed as deductions for income tax purposes (Attach schedule)	361 +	354,718
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s))	362 +	
Subtotal	370 =	6,189,396
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.)	371 -	
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	372 -	
Total Paid-up Capital	380 =	6,189,396
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	381 -	
Net Paid-up Capital	390 =	6,189,396

Eligible Investments (Refer to Guide)

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, term deposits, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Term deposits and investment certificates in foreign financial institutions for taxation years ending prior to December 15, 1999 (Refer to Guide)

	400 +	
Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	402 +	
Mortgages due from other corporations	403 +	
Shares in other corporations (certain restrictions apply) (Refer to Guide)	404 +	
Loans and advances to unrelated corporations	405 +	
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	406 +	
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	407 +	
Total Eligible Investments	410 =	

Total Assets

Total Assets per balance sheet	420 +	6,945,145
Mortgages or other liabilities deducted from assets	421 +	
Share of partnership(s)/joint venture(s) total assets (<i>Attach schedule</i>)	422 +	
Subtract: Investment in partnership(s)/joint venture(s)	423 -	
Total Assets as adjusted	430 =	6,945,145
Amounts in 360 and 361 (if deducted from assets)	440 +	354,718
Subtract: Amounts in 371, 372 and 381	441 -	
Subtract: Appraisal surplus if booked	442 -	
Add or Subtract: Other adjustments (specify on an attached schedule)	443 ±	
Total Assets	450 =	7,299,863

Investment Allowance (410 + 450) X 390

Not to exceed 410 460 =

Taxable Capital 390 - 460

470 = 6,189,396

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation 5,498,429

Corporation's Share of partnership(s)/joint venture(s) Gross Revenue (*Attach schedule*)

Aggregate of Gross Revenue 5,498,429 480 5,498,429

Total Assets (as adjusted) From 430 6,945,145**Calculation of Capital Tax for all corporations except Financial Institutions****Note:** This version (2001) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.*(Financial Institutions use calculations on page 14.)*

- Important:** If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.
- OR** If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B on pages 10 to 11 and select and complete the one specific subsection (e.g. B4) that applies to the corporation.
- OR** If the corporation IS a member of an associated group and/or partnership, complete Section C on page 12. Next review, and if applicable, complete Section D on page 12. If Section D is not applicable review Section E on page 13 and complete the applicable subsection: either E1 or E2. **Note:** if the corporation is a member of a connected partnership, please refer to the guide for additional instructions before completing the capital tax section.

SECTION A**This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution.**

Enter NIL in 550 on page 13 and complete the return from that point.

SECTION B**This section applies if the corporation is NOT a member of an associated group and/or partnership**

- B1.** If the taxation year ends before January 1, 2001 and 430 and 480 are both \$1,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B2.** If the taxation year end is after December 31, 2000 and 430 and 480 are both \$1,500,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B3.** If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 of the 2001 CT23 are both \$3,000,000 or less, enter NIL in 550 on page 13 of the 2001 CT23 and complete the return from that point.
- B4.** If taxable capital, 470 on page 10, is \$2,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B5. If taxable capital, **470** on page 10, exceeds **\$2,000,000** but is **\$5,000,000** or less, complete the following calculations and transfer the total from **508** to **543** on page 13 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(a) From **470** _____ x 0.3% = **490** + _____
Deduct:
 From **470** _____ Days in taxation year after Dec 31, 1999 and before Jan 1, 2001
 (\$2,800,000 - _____) x 0.75% = **493** - _____ (NIL if negative)
 (506 = 490 - 493) 506 = _____ x From 30 _____ % x **553** = **507** + _____
 Ontario Allocation **365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(b) From **470** _____ x 0.3% = **490** + _____
Deduct:
 From **470** _____ Days in taxation year after Dec 31, 2000 and before Oct 1, 2001
 (\$3,200,000 - _____) x 0.5% = **495** - _____ (NIL if negative)
 (509 = 490 - 495) 509 = _____ x From 30 _____ % x **558** = **522** + _____
 Ontario Allocation ** 365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(c) Capital Tax for that portion of a taxation year after September 30, 2001 for a corporation whose taxable capital is \$5,000,000 or less and that is not associated, is NIL. + 0

Total Capital Tax for the taxation year 507 + 522 508 =
 Transfer to 543 on Page 13 and complete the return from that point.

B6. If taxable capital, **470** on page 10 exceeds **\$5,000,000**, complete the following calculation and transfer the amount from **508** to **543** on page 13 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From **470** 6,189,396 x From 30 100.0000 x 0.3% x **559** = **502** + _____
 Ontario Allocation **365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) + From **470** 6,189,396
 - 5,000,000
 = **471** 1,189,396 x From 30 100.0000 x 0.3% x **560** = **523** + **3,568**
 Ontario Allocation **365/366

Total Capital Tax for the taxation year 502 + 523 508 = 3,568
 Transfer to 543 and complete the return from that point

** If floating taxation year, refer to Guide

SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following, and (✓) 510 ☐ (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation From 470 + 6,189,396

Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations (<i>Attach schedule</i>)	531 +	
Aggregate Taxable Capital 470 + 531	540 =	6,189,396

If 540 above is \$5,000,000 or less, the corporation's Capital Tax for the portion of the taxation year after September 30, 2001, is NIL. Enter NIL in 523 in E1(c) or E2(b) as applicable.

If 540 above is greater than \$5,000,000, the corporation must compute its share of the \$5,000,000 exemption below in order to calculate its Capital Tax for the portion of the taxation year after September 30, 2001.

From	470	6,189,396	+ From	540	6,189,396	X 5,000,000		
							541 =	5,000,000
								Transfer to Section E2(b)

Calculation 2

Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent establishment in Canada

Taxable Capital of associated corporations (<i>Attach schedule</i>)	514 +	
Total Aggregate Taxable Capital 540 + 514	520 =	6,189,396

If 520 above is greater than \$2,000,000, and less than \$3,200,000 and a portion of the taxation year is before October 1, 2001,

the corporation must compute the following ratio.

From	470		+ From	520		
					521 =	
						Transfer to section E1(a) and/or (b) as applicable
Note: 521 cannot exceed 1.00000						

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 is \$2,000,000 or less.

Enter NIL in 550 on page 13 and complete the return from that point.

SECTION E

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 on page 12, exceeds \$2,000,000.

E1. If aggregate taxable capital 520 exceeds \$2,000,000 but is \$3,200,000 or less, complete the following calculations and transfer the total from 508 to 543 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(a) From 470 _____ x 0.3% _____ = 490 + _____

Deduct:

From 520 _____ From 521 _____
 (\$2,800,000 - _____) x 0.75% x _____ = 493 - _____
 (506 = 490 - 493) 506 = _____
 x 30 _____ % x 553 _____ = 507 + _____
 Ontario Allocation **365/366

Days in taxation year
after Dec 31, 1999
and before Jan 1, 2001

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(b) From 470 _____ x 0.3% _____ = 490 + _____

Deduct:

From 520 _____ From 521 _____
 (\$3,200,000 - _____) x 0.5% x _____ = 495 - _____
 (509 = 490 - 495) 509 = _____
 x 30 _____ % x 557 _____ = 522 + _____
 Ontario Allocation **365/366

Days in taxation year
after Dec 31, 2000
and before Oct 1, 2001

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(c) Capital tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose total aggregate taxable capital at 540 is \$5,000,000 or less, is NIL. 523 + _____ 0

Total Capital Tax for the taxation year 507 + 522 + 523

508 = _____

Transfer to 543 and complete the return from that point

E2. If the aggregate taxable capital 520 on page 12, exceeds \$3,200,000 complete the following calculation and transfer the amount from 508 to 543 on this page, and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From 470 _____ x _____ From 30 _____ x 0.3% x 555 _____ = 502 + _____
 Ontario Allocation 365/366

Days in taxation year
before Oct. 1, 2001

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) + From 470 _____
 - From 541 _____
 471 _____ x _____ From 30 _____ x 0.3% x 560 _____ = 523 + _____
 Ontario Allocation 365/366

Days in taxation year
after September 30, 2001 =

Total Capital Tax for the taxation year 502 + 523

508 = _____

Transfer to 543 and complete the return from that point

** If floating taxation year, refer to Guide

Capital Tax before application of specified credits 543 = 3,568

Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide) 546 =

Capital Tax: 543 - 546 550 = 3,568

Transfer to Page 18

Calculation of Capital Tax for Financial Institutions**Page 14 of 24****I.1. Credit Unions Only**For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 13, and complete the return from that point.**I.2 Other than Credit Unions***(Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)*

565 x 0.6% x From 30 100.0000 % x 555 365 + **365/366 = 569 +
 Lesser of adjusted TPUC
 and Basic Capital Amount
 in accordance with
 Division B.1
 Ontario Allocation

570 x 571 x From 30 100.0000 % x 555 365 + **365/366 = 574 +
 Adjusted TPUC Capital Tax Rate
 in accordance with (Refer to Guide)
 Division B.1 in excess
 of Basic Capital Amount
 Ontario Allocation

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574 575 =

**** If floating taxation year, refer to Guide****II. Small Business Investment Tax Credit***(Retain details of eligible investment calculations and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)*

Allowable Credit for Eligible Investments 585 =

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? ☒ Yes

Capital Tax - Financial Institutions 575 - 585 586 =
 Transfer to **543** on Page 13

Premium Tax (s.74.2 & 74.3) (refer to Guide)

(1) Uninsured Benefits Arrangements 587 x 2% 588 =
Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to guide) 589 =

Premium Tax 588 - 589 590 =

Transfer to Page 18

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 600± 231,402
Transfer to Page 16

Add:

Federal capital cost allowance	601+	<u>206,580</u>
Federal cumulative eligible capital deduction	602+	<u>3,198</u>
Ontario taxable capital gain	603+	
Federal non-allowable reserves. Balance beginning of year	604+	
Federal allowable reserves. Balance end of year	605+	
Ontario non-allowable reserves. Balance end of year	606+	
Ontario allowable reserves. Balance beginning of year	607+	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608+	
Federal resource allowance	609+	
Federal depletion allowance	610+	
Federal foreign exploration and development expenses	611+	
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

Number of days in Taxation Year

Days after
May 1, 2000 and
before Jan 1, 2001 Total days
612 _____ X 5/14.5 X 24 _____ + 73 365 = + 631 _____

Days after Dec 31, 2000
and before Oct. 1, 2001 Total days
612 _____ X 5/14.0 X 26 _____ + 73 365 = + 632 _____

Days after Sept. 30, 2001
and before Jan. 1, 2003 Total days
612 _____ X 5/12.5 X 28 365 + 73 365 = + 633 _____

Days after Dec. 31, 2002
and before Jan. 1, 2004 Total days
612 _____ X 5/11.0 X 31 _____ + 73 365 = + 634 _____

Total add-back amount for Management fees, etc. **631 + 632 + 633 + 634 =** ▶ **613+** _____

Federal Scientific Research Expenses claimed in year from fed form T661 **615+** _____

Federal allowable business investment loss **620+** _____

Total of other items not allowed by Ontario but allowed federally (*Attach schedule*) **614+** _____

Sub Total of Additions 601 to 615 + 620 **=** 209,778 **640** 209,778
Transfer to Page 16

Reconcile net income (loss) for Federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net income (loss) for federal income tax purposes, per federal T2 SCH 1	From 600±	231,402
Sub Total of Additions	From 640=	209,778

Deduct:

Ontario capital cost allowance	650+	206,580
Ontario cumulative eligible capital deduction	651+	3,198
Federal taxable capital gain	652+	
Ontario non-allowable reserves. Balance beginning of year	653+	
Ontario allowable reserves. Balance end of year	654+	
Federal non-allowable reserves. Balance end of year	655+	
Federal allowable reserves. Balance beginning of year	656+	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	657+	
Ontario depletion allowance	658+	
Ontario resource allowance	659+	
Ontario research and development super allowance (Attach schedule)	660+	
Government Assistance relating to provincial deductions for scientific research and experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	674+	
Ontario current cost adjustment (Attach schedule)	661+	
Ontario Scientific Research Expenses claimed in year from Ont form CT161	679+	

Ontario New Technology Tax Incentive (ONTTI) Gross-up

Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year **662**

ONTTI Gross-up deduction calculation:

From Gross-up of CCA

662 x 100/ 30 **100.0000** - From **662** **663**
Ontario allocation

Workplace Child Care Tax Incentive: (Applies to qualifying expenditures incurred after May 5, 1998)

Qualifying expenditures **665** x 30% x 100/ 30 **100.0000** **666**
Ontario Allocation

Workplace Accessibility Tax Incentive: (Applies to qualifying expenditures incurred after July 1, 1998)

Qualifying expenditures: **667** x 100% x 100/ 30 **100.0000** **668**
Ontario Allocation

Number of Employees accommodated **669**

Ontario School Bus Safety Tax Incentive (OSBSTI): (Applies to the eligible acquisition of school buses made within the 3 year period commencing after May 4, 1999.) (Refer to Guide)

Qualifying expenditures **670** x 30% x 100/ 30 **100.0000** **671**
Ontario Allocation

Educational Technology Tax Incentive (Applies to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures **672** x 15% x 100/ 30 **100.0000** **673**
Ontario Allocation

Ontario allowable business investment loss **678+**

Total of other deductions allowed by Ontario (Attach schedule) **664+**

Sub Total of Deductions 650 to 660 + 674 + 661 + 679 + 663 + 666 + 668 + 671 + 673 + 678 + 664	=	209,778	680	209,778
Net income (loss) for Ontario purposes 600 + 640 - 680			690=	231,402

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 4,476	710 (2)	720 (2)	730	740	750
Add:	701	711	721	731	741	751
Current year's losses (7)		18,660				
Losses from predecessor corporations (3)	702	712	722	732		752
	703	713	723	733	743	753
Subtotal		18,660				
Subtract:	704	715 (4)	724	734 (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	705		725	735	745	
Expired during the year						
Carried back to prior years to reduce income (5)	706 (2) To Pg 18	716 (2) To Pg 18	726 (2) To Pg 18	736 (2) To Pg 18	746	
	707	717	727	737	747	757
Subtotal	4,476					
Balance at End of Year	709	719 18,660	729	739	749	759

Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.
- (3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amounts from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) In the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800				850	870
801				851	871
802				852	872
803	820	830	840	853	873
804	821	831	841	854	874
805	822	832	842	855	875
806	823	833	843	856	876
807 2000/12/31	824	834	844	857	877
808 2001/12/31	825	835	845	858	878
809 2002/12/31	826	836	846	859	879
Total	829	839	849	869	889

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Minister of Finance**.

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
 - the first day of the taxation year after the loss year,
 - the day on which the corporation's return for the loss year is delivered to the Minister, or
 - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910	920 18,660	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
Predecessor Corporation's Account No. (MOF) Taxation Year Ending	911	921	931	941
i) 3rd preceding 901	912	922	932	942
ii) 2nd preceding 902 2000/12/31	913	923	933	943
iii) 1st preceding 903 2001/12/31	From 706	From 716	From 726	From 736
Total loss to be carried back	919	929 18,660	939	949
Balance of loss available for carryforward				

Summary

Income Tax	From 230 or 320	13,616
Corporate Minimum Tax	From 280	
Capital Tax	From 550	3,568
Premium Tax	From 590	
Total Tax Payable	950	17,184
Subtract: Payments	960	
Capital Gains Refund (s.48)	965	
Qualifying Environmental Trust		
Tax Credit (Refer to Guide)	985	
Specified Tax Credits (Refer to Guide)	955	
Balance	970	17,184
If payment due	Enclosed * 990	
If overpayment: Refund	975	
Apply to	980	

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, **payable to the MINISTER OF FINANCE** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order.

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the **Corporations Tax Act**. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name		
Mark McCaig		
Title		
CEO		
Full Residence Address		
City		
Province	Country	Postal Code
Signature		Date
		2003/07/31

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

**Corporate Minimum Tax - Schedule A:
Calculation of CMT Base**

CT23 Schedule A

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**Banks** - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.Net income/(loss) (unconsolidated, determined in accordance with GAAP) 2100± 94,330**Subtract (to the extent reflected in net income/loss):**

Provision for recovery of income taxes	2101+
Provision for deferred income taxes (credits)	2102+
Equity income from corporations	2103+
Share of partnership(s)/joint venture(s) income	2104+
Dividends received/receivable deductible under fed.s.112	2105+
Dividends received/receivable deductible under fed.s.113	2106+
Dividends received/receivable deductible under fed.s.83(2)	2107+
Federal Part VI.1 tax on dividends declared and paid after May 5, 1997, under fed.s.191.1(1) x 9/4 =	2108+

Subtotal = 2109-**Add (to extent reflected in net income/loss):**

Provision for current taxes	2110+
Provision for deferred income taxes (debits)	2111+
Equity losses from corporations	2112+
Share of partnership(s)/joint venture(s) losses	2113+
Dividends that have been deducted to arrive at net income per Financial Statements. Applies to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	2114+

Subtotal = 2115+**Add/Subtract:**

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	2116+	or	2117-
** Fed.s.85.1	2118+	or	2119-
** Fed.s.97	2120+	or	2121-
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	2122+	or	2123-
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	2124+	or	2125-
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4) and 44 for current/prior years	2126+	or	2127-

Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income

2150-

Subtotal (Additions) = 2128+**Subtotal (Subtractions)** = 2129-**** Other adjustments** 2130±**Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130** 2131= 94,330**** Share of partnership(s)/joint venture(s) adjusted net income/loss (Attach schedule)** 2132±**Adjusted net income (loss) (if loss, transfer to 2202 in Schedule B)** 2133= 94,330

Deduct: CMT losses: pre-1994 Loss *	From 2210+	
CMT losses: other eligible losses *	2211+	94,330
	=	94,330

2134- 94,330

* CMT losses applied cannot exceed adjusted net income or increase a loss

** Retain calculations. Do not submit with this tax return.

CMT Base

2135=

Transfer to CMT Base on page 8

Schedule B: Continuity of CMT Losses Carried Forward

Year of origin	Beginning balance	Transfers on amalgamation	Transfers on wind-up	Adjustments	Current year loss	Applied	Ending balance
							Expired
2000/12/31							
2001/12/31	118,863					94,330	24,533
2002/12/31							
Totals	118,863					94,330	24,533

- | | |
|---|--|
| (1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss. | (3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9)) |
| (2) Where acquisitions of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7)) | (4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209 . |
| | (5) Amount in 2214 must equal sum of 2270 and 2290 . |

Year of Origin (oldest year first)	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	2260	2280
2241	2261	2281
2242	2262	2282
2243	2263	2283
2244	2264	2284
2245	2265	2285
2246	2266	2286
2247 2000/12/31	2267	2287
2248 2001/12/31	2268	2288
2249 2002/12/31	2269	2289
Totals	2270	2290

Corporate Minimum Tax (CMT)



Schedule D: Continuity of CMT Credit Carryovers

CMT credit continuity by year

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/12/31							
2002/12/31							
Totals							

Balance at Beginning of year (1) 2301 +

Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL) From 280 +
 CMT Credit Carryovers from predecessor corporations (2) 2302 +
 Amalgamation (✓) 2303 ☐ Yes Wind-up (✓) 2304 ☐ Yes

Subtotal = 2305 +

Adjustments (Attach schedule) 2306 ±

CMT credit carryover available 2301 + 2305 ± 2306 2307 =
 Transfer to Page 8

Subtract: CMT credit utilized during the year to reduce income tax (Page 8) From 310 +
 CMT credit expired during the year 2308 +

Subtotal = 2309 -

Balance at End of Year (3) 2307 - 2309 2310 =

Notes:

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (3) Amount in 2310 must equal the sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year-End Balance by Year of Origin

Year of Origin (oldest year first)	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporations
2340	2360	2380
2341	2361	2281
2342	2362	2382
2343	2363	2383
2344	2364	2384
2345	2365	2385
2346	2366	2386
2347	2367	2387
2348 2001/12/31	2368	2388
2349 2002/12/31	2369	2389
Totals	2370	2390

The sum of amounts 2370 and 2390 must equal the amount in 2310.

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 1: Non-capital loss**Non-capital loss continuity by year**

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31	4,476					4,476	
2002/12/31							
Totals	4,476					4,476	

Current year non-capital lossNet income (loss) for Ontario tax purposes 231,402**Deduct:**

Net capital losses deducted in the year

Taxable dividends deductible under sections 112, 113 or subsection 138(6)

Amount of Part VI.1 tax deductible

Subtotal - if positive, enter "0"

Deduct: Section 110.5 - addition for foreign tax credits**Add:** Current year farm loss**Current year non-capital loss** (if positive, enter "0")**Non-capital loss continuity and carry-back request**

Non-capital losses at end of preceding taxation year	4,476	
Losses expired after 7 years	-	
Non-capital losses - beginning balance	= 4,476	4,476
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year non-capital loss from above		
Deduct - Non-capital loss carry back to:		
1st preceding taxation year against taxable income		
2nd preceding taxation year against taxable income		
3rd preceding taxation year against taxable income		
Current year non-capital loss net of carryback		+
	Subtotal	= 4,476
Deduct:		
Amount applied against taxable income (enter on line 704 of the CT23)	4,476	
Section 80 adjustments		
Other adjustments		
	4,476	- 4,476
Non-capital losses - ending balance		=

Ontario non-capital loss continuity

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year		
Losses expired after 10 years	-	
Farm losses - beginning balance	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year farm loss		
Deduct - Farm loss carry back to:		
1st preceding taxation year against taxable income		
2nd preceding taxation year against taxable income		
3rd preceding taxation year against taxable income		
	Subtotal	
Current year farm loss net of carry-back		+
	Subtotal	=
Deduct:		
Amount applied against taxable income (enter on line 724 of the CT23)		
Section 80 adjustments		
Other adjustments		
		-
Farm losses - ending balance		=

Ontario non-capital loss continuity

Restricted farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Net loss from farming business		
Deductible farm loss:		
Net loss from above	A	
\$2,500 plus 1/2 (A - \$2,500)	B	2,500
Maximum deduction	C	8,750
Deductible farm loss (lesser of A, B, and C)		-
Current year restricted farm loss		

Restricted farm losses at end of preceding taxation year		
Losses expired after 10 years	-	
Restricted farm losses - beginning balance	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year restricted farm loss		
Deduct - Restricted farm loss carry back to:		
1st preceding taxation year against farming income		
2nd preceding taxation year against farming income		
3rd preceding taxation year against farming income		
Current year restricted farm loss net of carry-back		+
Deduct:		
Amount applied against taxable income (enter on line 734 of the CT23)		
Section 80 adjustments		
Other adjustments		
Restricted farm losses - ending balance		=

Part 1 - Capital loss

Part 2 - Listed personal property loss

Corporation's Legal Name FORT FRANCES POWER CORPORATION	Ontario Corporations Tax Account No. (MOF) 1424338	Taxation Year End 2002/12/31
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- For a corporation that has disposed of capital property or claimed an allowable business investment loss, or both, in the taxation year.
- This schedule may be used to make a designation under section 34(10) of the *Corporations Tax Act* provided the corporation has made a designation under paragraph 111(4) (e) of the *Income Tax Act* (Canada), if control of the corporation has been acquired by a person or group of persons.

Part A: Designation under section 34(10) of the *Corporations Tax Act*

Complete part A if there are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e) of the *Income Tax Act* (Canada) or section 34(10) of the *Corporations Tax Act*.

Property	Class #	Date of disposition	Proceeds of disposition	Adjusted cost base	Other adjustments	Designated amount	Gain or loss

Part B: Inter-provincial asset transfers

Complete part B if there was any disposition shown on the schedule as a result of a federal election under section 85 of the *Income Tax Act* (Canada) that transferred assets to a non-arm's length corporation with a permanent establishment in another Canadian jurisdiction.

Property	Class #	Corporation name of transferee/or	Date of disposition	Cost of asset in other jurisd.	Name of other jurisdiction	Allocation ratio to other jurisdictions	Ontario elected amount	Gain or loss

1 Types of capital property	2 Date of acquisition	3 Date of disposition	4 Proceeds of disposition	5 Ontario adjusted cost base (ACB)	6 Outlays and expenses	7 Ontario gain (or loss) (4 - (5 + 6))
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Part 1: Shares

No. of shares	Name of corporation	Class of shares	2	3	4	5	6	7
	ONE MONEY MARKE				70,740	70,858		(118)
	ONE BOND FUND				435,452	453,994		(18,542)

Totals	(18,660)	A
Before February 28, 2000		A1
After February 27, 2000 and before October 18, 2000		A2
After October 17, 2000	(18,660)	A3

Part 2: Real estate (Do not include losses on depreciable property.)

Municipal address	2	3	4	5	6	7
Address: _____						
City: _____						
Province _____ Country _____ Postal code _____						

Totals		B
Before February 28, 2000		B1
After February 27, 2000 and before October 18, 2000		B2
After October 17, 2000		B3

1 Types of capital property	2 Date of acquisition	3 Date of disposition	4 Proceeds of disposition	5 Ontario adjusted cost base (ACB)	6 Outlays and expenses	7 Ontario gain (or loss) (4 - (5 + 6))
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Part 3: Bonds

Face value	Maturity date	Name of issuer	2	3	4	5	6	7

Totals		C
Before February 28, 2000		C1
After February 27, 2000 and before October 18, 2000		C2
After October 17, 2000		C3

Part 4: Other properties (Do not include losses on depreciable property)

Description	2	3	4	5	6	7

Totals		D
Before February 28, 2000		D1
After February 27, 2000 and before October 18, 2000		D2
After October 17, 2000		D3

Part 5: Personal-use property

Description of capital property	2	3	4	5	6	7

Note: Losses are not deductible.

Net gain or (loss)		E
Before February 28, 2000		E1
After February 27, 2000 and before October 18, 2000		E2
After October 17, 2000		E3

Part 6: Listed personal property

Description	2	3	4	5	6	7

Totals		
Net gain (or loss)		F

Deduct: Unapplied listed personal property losses from other years

Note: Net listed personal property losses may only be applied against listed personal property gains.

LPP gains or losses realized before February 28, 2000

Gain or loss on dispositions before February 28, 2000		
Less: Portion of unapplied LPP losses from the other years applicable to gain before February 28, 2000		
Net gain (loss) on dispositions before February 28, 2000		F1

LPP gains or losses realized after February 27, 2000 and before October 18, 2000

Gain or loss on dispositions after February 27, 2000 and before October 18, 2000		
Less: Portion of unapplied LPP losses from the other years applicable to gain after February 27, 2000 and before October 18, 2000		
Net gain (loss) on dispositions after February 27, 2000 and before October 18, 2000		F2

LPP gains or losses realized after October 17, 2000

Gain or loss on dispositions after October 17, 2000		
Less: Portion of unapplied LPP losses from the other years applicable to gain after October 17, 2000		
Net gain (loss) on dispositions after October 17, 2000		F3

Corporation's Legal Name FORT FRANCES POWER CORPORATION	Ontario Corporations Tax Account No. (MOF) 1424338	Taxation Year End 2002/12/31
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Part 7 - Property qualifying for and resulting in an allowable business investment loss

Name of small business corporation	Shares or debt	Date of acquisition	Date of disposition	Proceeds of disposition	Ontario adjusted cost base (ACB)	Outlays and expenses	Ontario loss
	N/A						

Note: Properties listed in part 7 should not be included in any other Part of Schedule 6.

Net Loss		G
Before February 28, 2000		G1
After February 27, 2000 and before October 18, 2000		G2
After October 17, 2000		G3

Determining capital gains or losses

Total of A to F (Do not include F if it is a loss)		(18,660)	
Add: Amount (if any) of capital gain reserve opening balance from Schedule 13	+		
Capital gain dividend received in the year	+		
Subtotal	=	(18,660)	
Deduct: Amount (if any) of capital gain reserve closing balance from Schedule 13	-		
Gain or Loss (excluding Allowable Business Investment Losses)	=	(18,660)	Z

Determining the inclusion rate

Gains or losses realized before February 28, 2000

Total of A1 to G1			
Add: Capital gains dividend attributable to period before February 28, 2000	+		
Capital gain reserve opening balance (only if taxation year commenced before February 28, 2000)	+		
Subtotal	=		
Deduct: Portion of capital gains reserve closing balance applicable to dispositions before February 28, 2000	-		
Gains or Losses	=		H

Gains or losses realized after February 27, 2000 and before October 18, 2000

Total of A2 to G2			
Add: Capital gains dividend attributable to period after February 27, 2000 and before October 18, 2000	+		
Capital gain reserve opening balance (only if taxation year commenced after February 27, 2000 and before October 18, 2000)	+		
Subtotal	=		
Deduct: Portion of capital gains reserve closing balance applicable to dispositions after February 28, 2000 and before October 18, 2000	-		
Gains or Losses	=		I

Gains or losses realized after October 17, 2000

Total of A3 to G3		(18,660)	
Add: Capital gains dividend attributable to period after October 17, 2000	+		
Capital gain reserve opening balance (only if taxation year commenced after October 17, 2000)	+		
Subtotal	=	(18,660)	
Deduct: Portion of capital gains reserve closing balance applicable to dispositions after October 17, 2000	-		
Gains or Losses	=	(18,660)	J

Calculate Inclusion rate

	Gains or losses	Inclusion rate		Net capital gain / capital loss
	H X	75.000000 %	=	K
	I X	66.666667 %	=	L
Subtotal	M X		=	AA
	(18,660) J X	50.000000 %	=	(9,330) N
Total	(18,660) O X	50.000000 %	=	(9,330) P
Inclusion rate P + O (expressed as a percentage)				50.000000 % Q

Note: (1) Mutual fund corporations may treat their capital gains and losses as if they were earned on an equal basis throughout the year for the purposes of determining net capital gains or losses to a particular period within the year.

(2) If either lines H or I are positive and the other is negative, enter the difference on the subtotal line M. Use the inclusion rate from which the larger amount originates and calculate the net gain or net loss based on that rate. If either line J or M are positive and the other is negative enter the difference on line O and use the inclusion rate where the higher amount originated.

Allowable business investment loss _____ X Inclusion Rate 50.000000 % Q = _____ G4
Transfer to 678 of the CT23

Determining taxable capital gains

Gain or Loss (excluding Allowable Business Investment Losses) _____ (18,660) Z

Deduct: Gain on donations (made to charities other than private foundations)
 of securities listed on a prescribed stock exchange divided by 2
 (for donations made after February 18, 1997 and before the year 2002.) _____ x 50% - _____

Gain on donations of ecologically sensitive land after October 17, 2000 _____ x 50% - _____

Gains or Loss _____ (18,660) R

Include 100% of the losses in box 711 of the CT23.

Taxable capital gains _____ R X Inclusion Rate 50.000000 % Q = _____ S
Transfer to 603 of the CT23



Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Ontario Capital Cost Allowance Schedule 8

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name FORT FRANCES POWER CORPORATION				Ontario Corporations Tax Account No. (MOF) 1424338		Taxation Year End 2002/12/31	
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Is the corporation electing under regulation 1101(5q)? 101 1 ☒ Yes ☐ 2 ☐ No ☐

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	205,746				205,746		205,746	4			8,230	197,516
1	3,804,366	84,219			3,888,585	42,110	3,846,475	4			153,859	3,734,726
8	15,567	2,197			17,764	1,099	16,665	20			3,333	14,431
8	10,394	1,110			11,504	555	10,949	20			2,190	9,314
10	105,335	25,082			130,417	12,541	117,876	30			35,363	95,054
10	11,231	1,297			12,528	649	11,879	30			3,564	8,964
12		83			83	42	41	100			41	42
Totals	4,152,639	113,988				56,996	4,209,631				206,580	4,060,047

Enter in box 650 on the C123

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Corporation's Legal Name FORT FRANCES POWER CORPORATION	Ontario Corporations Tax Account No. (MOF) 1424338	Taxation Year End 2002/12/31
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- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at beginning of taxation year (if negative, enter zero)				45,687	A
Add: Cost of eligible capital property acquired during the taxation year	+		B		
Amount transferred on amalgamation or wind-up of subsidiary	+		C		
Other adjustments	+		D		
Total of B + C + D	=			x 3/4 =	E
Subtotal A + E					45,687 F

Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	+		G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the <i>Income Tax Act</i> (Canada)	+		H		
Other adjustments	+		I		
Total of G + H + I	=			x 3/4 =	J
Ontario cumulative eligible capital balance F - J					45,687 K

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction	45,687 K x 7%*	=	3,198 L
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*The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.

Enter amount in box 651 of the CT23

Ontario cumulative eligible capital - closing balance K - L (if negative, enter zero)	=	42,489 M
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Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition

Complete this part only if the amount at line K is negative

Amount from line K above show as a positive amount					N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988				1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)				2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988			3		
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988			4		
Line 3 deduct line 4				5	
Total lines 1 + 2 + 5				6	
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000				7	
Deduct line 7 from line 6					O
N - O (cannot be negative)					P
Amount on line 5	x 1/2				Q
P - Q					R
Amount on line R	x 66.6667				S
Lesser of line N or line O					T
Amount to be included in income S + T					

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

O Instalments

Ontario tax instalments

Instalment base

Year-end	Estimate for current year 2003/12/31	First instalment base 2002/12/31	Second instalment base 2001/12/31
Taxable income		226,926	
Base amount of tax		28,366	
Small business tax credit		14,750	
Surtax on CCPCs			
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits			
Income tax payable		13,616	
Corporate minimum tax payable			
Capital tax payable		3,568	634
Premium tax payable			
Total tax payable		17,184	634
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years		17,184	634
Estimated tax credits for the current year			
Instalment base		17,184	634
Monthly payment		1,432	53
Quarterly payment		4,296	159

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
 ☒ 3. based on the first and second instalment base
- ☐ 2. based on the first instalment base
 ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2003/01/31	53		
2003/02/28	53		
2003/03/31	1,708		
2003/04/30	1,708		
2003/05/31	1,708		
2003/06/30	1,708		
2003/07/31	1,708		8,646
2003/08/31	1,708		1,708
2003/09/30	1,708		1,708
2003/10/31	1,708		1,708
2003/11/30	1,708		1,708
2003/12/31	1,708		1,708
Total	17,186		17,186