

## Business Consent form

Complete this form to consent to the release of confidential information about your program account(s) to the representative named below, or to cancel consent for an existing representative. **Send this completed form to your tax centre (see Instructions).** Make sure you complete this form correctly, since we cannot change the information that you provided. You can also give or cancel consent by providing the requested information online through My Business Account at [www.cra.gc.ca/mybusinessaccount](http://www.cra.gc.ca/mybusinessaccount).

**Note: Read all the instructions before completing this form.**

### Part 1 – Business information

Complete this part to identify your business (all fields have to be completed)

**Business name:** CHAPLEAU PUBLIC UTILITIES CORPORATION

**BN:**  Telephone number: (705) 864-0111

### Part 2 – Authorize a representative – Complete either part a) or b)

#### a) Authorize access by telephone, fax, mail or in person by appointment

If you are giving consent for an individual, enter that person's full name. If you are giving consent to a firm, enter the name and BN of the firm. If you want us to deal with a specific individual in that firm, enter **both** the individual's name and the firm's name and BN. If you do not identify an individual of the firm, then you are giving us consent to deal with anyone from that firm.

**Note: If you are authorizing a representative (individual or firm) who is not registered with the Represent a client service, the phone number is required.**

Name of Individual: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Telephone number: \_\_\_\_\_ Extension: \_\_\_\_\_ **BN:**

OR

#### b) Authorize online access (includes access by telephone, fax, mail or by appointment)

You can authorize your representative to deal with us through our online service for representatives. The Business Number must be registered with the "Represent a Client" service to be an online representative. **Our online service does not have a year-specific option, so your representative will have access to all years.** Please enter the name and RepID of the individual **or** GroupID and name of the group **or** name and BN of the firm.

Name of individual: \_\_\_\_\_ **and RepID:**

**OR**

Name of group: \_\_\_\_\_ **and GroupID:**

**OR**

Name of firm: KPMG LLP **and BN:**

Telephone number: (705) 675-8500 Extension: \_\_\_\_\_

### Part 3 – Select the program accounts, years and authorization level

#### a) Program Accounts – Select the program accounts the above individual or firm is authorized to access (tick only box A or B).

A.  This authorization applies to all program accounts and all years.

Expiry date:

**AND**

**Authorization level (tick level 1 or 2)**

Level 1 lets CRA disclose information only on your program account(s); **or**

Level 2 lets CRA disclose information **and** accept changes to your program account(s).

**OR**

B.  This authorization applies only to program accounts and periods listed in Part 3b). If you ticked this option, you must complete 3b).

**Business Consent form (RC59 continued)**

**Part 3 – Select the program accounts, years and authorization level (continued)**

**b) Details of program accounts and fiscal periods** – Complete this area only if you ticked box B in Part 3a) on page 1.

If you ticked box B in part 3a), you have to provide at least one program identifier. You can then tick the "All program accounts" box for that program identifier **or** enter a reference number. Provide the authorization level (tick **either** box 1 to disclose information or box 2 to disclose information **and** accept changes to your program account).

You can also tick the "All years" box to allow unlimited tax year access **or** enter a specific fiscal period (specific period authorization **is not available** for online access). You can also enter an expiry date to automatically cancel authorization. If more authorizations or more than four program identifiers are needed, complete another Form RC59.

Program identifier	All program accounts	Reference number	Authorization level		All years	or	Specific fiscal period (not available for online access)	Expiry date
			1	2				
<input type="text"/>	<input type="checkbox"/> <b>or</b> <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>or</b>	<b>Year-end</b> <input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="checkbox"/> <b>or</b> <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>or</b>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="checkbox"/> <b>or</b> <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>or</b>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="checkbox"/> <b>or</b> <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>or</b>	<input type="text"/>	<input type="text"/>

**Part 4 – Cancel one or more authorizations**

Complete this part **only** to cancel authorization(s)

- A.** Cancel **all** authorizations.
- B.** Cancel authorization for the individual, group, or firm identified below.
- C.** Cancel authorization for specific program account(s) \_\_\_\_\_.

Name of Individual: \_\_\_\_\_ **and** RepID:

**OR**

Name of Group: \_\_\_\_\_ **and** GroupID:

**OR**

Name of Firm: \_\_\_\_\_ **and** BN:

**Part 5 – Certification**

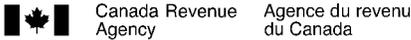
This form has to be signed by an authorized person of the business such as an owner, a partner of a partnership, a director of a corporation, an officer of a non-profit organization or a trustee of an estate. By signing and dating this form, you authorize the CRA to deal with the individual, group, or firm listed in Part 2 of this form or cancel the authorizations listed in Part 4.

First name: MARITA Last name: MORIN

Sign here  \_\_\_\_\_ Date

We will not process this form unless it is **signed** and **dated** by an authorized person of the business.

The *Privacy Act* protects information given on this form, which is kept in personal information bank numbers CRA PPU-175 and 223.



**NON-PROFIT ORGANIZATION (NPO) INFORMATION RETURN**

This return is for:

- non-profit organizations (NPOs) described in paragraph 149(1)(l) of the *Income Tax Act*, and
- organizations described in paragraph 149(1)(e) of the Act (agricultural organizations, boards of trade or chambers of commerce).

An organization has to file this return if:

- it received or is entitled to receive taxable dividends, interest, rentals or royalties totalling more than \$10,000 in the fiscal period;
- it owned assets valued at more than \$200,000 at the end of the immediately preceding fiscal period; or
- it had to file a NPO return for a previous fiscal period.

To determine if the organization you represent has to complete this return, please see the T4117, *Income Tax Guide to the Non-Profit Organization (NPO) Information Return*.

Send your completed return to: Ottawa Technology Centre, 875 Heron Road, Ottawa ON K1A 1A2

**Do not use this area**

**Part 1 – Identification**

Fiscal period From	Year Month Day 2010-01-01	to	Year Month Day 2010-12-31	Business Number, if any 89149 3322 RC0001
Name of organization CHAPLEAU PUBLIC UTILITIES CORPORATION				Trust (T3) number, if any
Mailing address P.O. BOX 670				Is this the final return to be filed by this organization? If yes, attach an explanation. <span style="float: right;">1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/></span>
City CHAPLEAU	Province ON	Postal code POM 1K0	Type of organization (see Guide T4117) <span style="float: right;">30</span>	
Name and title of person to contact MARITA MORIN SECRETARY-TRESURER				Telephone number (705) 864-0111

**Part 2 – Amounts received during the fiscal period**

Membership dues, fees, and assessments	<b>100</b>		
Federal, provincial, and/or municipal grants and payments	<b>101</b>		
Interest, taxable dividends, rentals, and royalties	<b>102</b>		
Proceeds of disposition of capital property	<b>103</b>		
Gross sales and revenues from organizational activities	<b>104</b>	2,777,426	
Gifts	<b>105</b>		
Other receipts (specify)	<b>106</b>		
<b>Total receipts</b> (add lines 100 to 106)	<b>107</b>	2,777,426	2,777,426

**Part 3 – Statement of assets and liabilities at the end of the fiscal period**

<b>Assets</b>			
Method used to record assets	accrual		
Cash and short-term investments	<b>108</b>	426,052	
Amounts receivable from members	<b>109</b>		
Amounts receivable from all others (not included on line 109)	<b>110</b>	638,592	
Prepaid expenses	<b>111</b>	8,581	
Inventory	<b>112</b>	46,011	
Long-term investments	<b>113</b>		
Fixed assets	<b>114</b>		
Other assets (specify)	<b>115</b>		
<b>Total assets</b> (add lines 108 to 115)	<b>116</b>	1,119,236	1,119,236
<b>Liabilities</b>			
Amounts owing to members	<b>117</b>		
Amounts owing to all others (specify) AP, regulatory liabi	<b>118</b>	710,061	
<b>Total liabilities</b> (add lines 117 and 118)	<b>119</b>	710,061	710,061



# Attached Schedule with Total

Total remuneration and benefits paid to all employees and officers

Title Total remuneration and benefits paid to all employees and officers

Explanatory note

Salary related expenses from the heading "Operations and maintenance"

Description	Amount
5016	4,834 22
5020	123,771 69
5020.006	16,702 14
5610.003	3,822 77
5610.005	2,776 33
2615.001	8,643 32
5615.002	16,862 10
5645.100	37,843 59
<b>Total</b>	<b>215,256 16</b>

T2 CORPORATION INCOME TAX RETURN

EXEMPT FROM TAX

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

Parts, sections, subsections, paragraphs, and subparagraphs mentioned on this return refer to the federal *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax centre or tax services office. You have to file the return within six months after the end of the corporation's tax year.

For more information see [www.cra.gc.ca](http://www.cra.gc.ca) or Guide T4012, *T2 Corporation – Income Tax Guide*.

**055** Do not use this area

**Identification**  
**Business Number (BN)** . . . . . **001** 89149 3322 RC0001

**Corporation's name**  
**002** CHAPLEAU PUBLIC UTILITIES CORPORATION

**Address of head office**  
Has this address changed since the last time you filed your T2 return? . . . . . **010** 1 Yes  2 No   
(If **yes**, complete lines 011 to 018.)  
**011** P.O. BOX 670  
**012**

**015** CHAPLEAU **016** ON  
City Province, territory, or state  
**017** Country (other than Canada) **018** POM 1K0  
Postal code/Zip code

**Mailing address** (if different from head office address)  
Has this address changed since the last time you filed your T2 return? . . . . . **020** 1 Yes  2 No   
(If **yes**, complete lines 021 to 028.)  
**021** c/o  
**022**  
**023**

**025** CHAPLEAU **026** ON  
City Province, territory, or state  
**027** Country (other than Canada) **028** POM 1K0  
Postal code/Zip code

**Location of books and records**  
Has the location of books and records changed since the last time you filed your T2 return? . . . . . **030** 1 Yes  2 No   
(If **yes**, complete lines 031 to 038.)  
**031** 110 LORNE STREET SOUTH  
**032**

**035** CHAPLEAU **036** ON  
City Province, territory, or state  
**037** Country (other than Canada) **038** POM 1K0  
Postal code/Zip code

**040** Type of corporation at the end of the tax year  
1  Canadian-controlled private corporation (CCPC) 4  Corporation controlled by a public corporation  
2  Other private corporation 5  Other corporation (specify, below)  
3  Public corporation  
If the type of corporation changed during the tax year, provide the effective date of the change. **043** \_\_\_\_\_  
YYYY MM DD

**To which tax year does this return apply?**  
Tax year start **060** 2010-01-01 Tax year-end **061** 2010-12-31  
YYYY MM DD YYYY MM DD  
Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? . . . . . **063** 1 Yes  2 No   
If **yes**, provide the date control was acquired . . . . . **065** \_\_\_\_\_  
YYYY MM DD

**Is the date on line 061 a deemed tax year-end in accordance with subsection 249(3.1)?** . . . . . **066** 1 Yes  2 No

**Is the corporation a professional corporation that is a member of a partnership?** . . . . . **067** 1 Yes  2 No

**Is this the first year of filing after:**  
Incorporation? . . . . . **070** 1 Yes  2 No   
Amalgamation? . . . . . **071** 1 Yes  2 No   
If **yes**, complete lines 030 to 038 and attach Schedule 24.

**Has there been a wind-up of a subsidiary under section 88 during the current tax year?** . . . . . **072** 1 Yes  2 No   
If **yes**, complete and attach Schedule 24.

**Is this the final tax year before amalgamation?** . . . . . **076** 1 Yes  2 No

**Is this the final return up to dissolution?** . . . . . **078** 1 Yes  2 No

**If an election was made under section 261, state the functional currency used** . . . . . **079** \_\_\_\_\_

**Is the corporation a resident of Canada?**  
**080** 1 Yes  2 No  If **no**, give the country of residence on line 081 and complete and attach Schedule 97.  
**081** \_\_\_\_\_

**Is the non-resident corporation claiming an exemption under an income tax treaty?** . . . . . **082** 1 Yes  2 No   
If **yes**, complete and attach Schedule 91.

**If the corporation is exempt from tax under section 149, tick one of the following boxes:**  
**085** 1  Exempt under paragraph 149(1)(e) or (l)  
2  Exempt under paragraph 149(1)(j)  
3  Exempt under paragraph 149(1)(t)  
4  Exempt under other paragraphs of section 149

**Do not use this area**  
**091** **092** **093** **094** **095** **096**  
**100**

**Attachments**

**Financial statement information:** Use GIF1 schedules 100, 125, and 141.

**Schedules** – Answer the following questions. For each **Yes** response, **attach** to the T2 return the schedule that applies.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input type="checkbox"/>	49
Does the corporation have any non-resident shareholders?	<input type="checkbox"/>	19
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	<input type="checkbox"/>	11
If you answered <b>yes</b> 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?	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	<input type="checkbox"/>	T5013
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?	<input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ?	<input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident?	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	<input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	6
i) Is the corporation (or its associated corporations) claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) does the corporation have aggregate investment income at line 440?	<input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	<input type="checkbox"/>	10
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	<input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input type="checkbox"/>	
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input type="checkbox"/>	
Is the corporation claiming a surtax credit?	<input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	<input type="checkbox"/>	46
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?	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92

**Attachments – continued from page 2**

	Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<b>256</b> <input type="checkbox"/>	T1134-A
Did the corporation have any controlled foreign affiliates?	<b>258</b> <input type="checkbox"/>	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<b>259</b> <input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	<b>260</b> <input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<b>261</b> <input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<b>262</b> <input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<b>263</b> <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?	<b>264</b> <input type="checkbox"/>	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<b>265</b> <input type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<b>266</b> <input type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<b>267</b> <input type="checkbox"/>	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	<b>268</b> <input type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	<b>269</b> <input type="checkbox"/>	54

**Additional information**

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	<b>270</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Is the corporation inactive?	<b>280</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter <b>yes</b> for first-time filers)	<b>281</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (only complete if <b>yes</b> was entered at line 281)	<b>282</b>		
If the major business activity involves the resale of goods, show whether it is wholesale or retail	<b>283</b>	1 Wholesale <input checked="" type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	<b>284</b>	ELECTRICITY DISTN	<b>285</b> 95.000 %
	<b>286</b>	SERVICE WORK	<b>287</b> 5.000 %
	<b>288</b>		<b>289</b> %
Did the corporation immigrate to Canada during the tax year?	<b>291</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	<b>292</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	<b>293</b>	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	<b>294</b>	YYYY MM DD	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	<b>295</b>	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL.	<b>300</b>	65,805	A
<b>Deduct:</b> Charitable donations from Schedule 2	<b>311</b>		
Gifts to Canada, a province, or a territory from Schedule 2	<b>312</b>		
Cultural gifts from Schedule 2	<b>313</b>		
Ecological gifts from Schedule 2	<b>314</b>		
Gifts of medicine from Schedule 2	<b>315</b>		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	<b>320</b>		
Part VI.1 tax deduction*	<b>325</b>		
Non-capital losses of previous tax years from Schedule 4	<b>331</b>	65,805	
Net capital losses of previous tax years from Schedule 4	<b>332</b>		
Restricted farm losses of previous tax years from Schedule 4	<b>333</b>		
Farm losses of previous tax years from Schedule 4	<b>334</b>		
Limited partnership losses of previous tax years from Schedule 4	<b>335</b>		
Taxable capital gains or taxable dividends allocated from a central credit union	<b>340</b>		
Prospector's and grubstaker's shares	<b>350</b>		
Subtotal		65,805	B
Subtotal (amount A minus amount B) (if negative, enter "0")			C
<b>Add:</b> Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	<b>355</b>		D
<b>Taxable income</b> (amount C plus amount D)	<b>360</b>		
Income exempt under paragraph 149(1)(t)	<b>370</b>		
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			Z

\* This amount is equal to 3.2 times the Part VI.1 tax payable at line 724.

**Small business deduction**

**Canadian-controlled private corporations (CCPCs) throughout the tax year**

Income from active business carried on in Canada from Schedule 7	400	65,805	A
Taxable income from line 360, <b>minus</b> 10/3 of the amount on line 632*, <b>minus</b> 1/(0.38 - X**) 3.57143 times the amount on line 636***, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax	405		B

**Calculation of the business limit:**

For all CCPCs, calculate the amount at line 4 below.

400,000	x	Number of days in the tax year before 2009	=	.....	1
		Number of days in the tax year		365	
500,000	x	Number of days in the tax year after 2008	=	.....	2
		Number of days in the tax year		365	
<b>Add amounts at lines 1 and 2</b>					<u>500,000</u>
					4

Business limit (see notes 1 and 2 below)	410	500,000	C
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- Notes:**
- For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.
  - For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

**Business limit reduction:**

Amount C	500,000	x	415 ****	D	=	.....	E
							11,250

Reduced business limit (amount C <b>minus</b> amount E) (if negative, enter "0")	425	500,000	F
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**Small business deduction**

Amount A, B, C, or F, whichever is the least	x	17 %	=	.....	430	G
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Enter amount G on line 1.

- \* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
- \*\* General rate reduction percentage for the tax year. It has to be pro-rated.
- \*\*\* Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporate tax reductions under section 123.4.

**\*\*\*\* Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (Total taxable capital employed in Canada for the **prior year** minus \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (Total taxable capital employed in Canada for the **current year** minus \$10,000,000) x 0.225%
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**General tax reduction for Canadian-controlled private corporations**

**Canadian-controlled private corporations throughout the tax year**

Taxable income from line 360	.....	_____	A
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27	.....	_____ B	
Amount QQ from Part 13 of Schedule 27	.....	_____ C	
Amount used to calculate the credit union deduction from Schedule 17	.....	_____ D	
Amount from line 400, 405, 410, or 425, whichever is the least	.....	_____ E	
Aggregate investment income from line 440*	.....	_____ F	
Total of amounts B to F	.....	_____ <b>▶</b>	G
Amount A <b>minus</b> amount G (if negative, enter "0")	.....	_____	H
Amount H	_____ x	$\frac{\text{Number of days in the tax year after December 31, 2007, and before January 1, 2009}}{\text{Number of days in the tax year}} \times 8.5\% =$	I
Amount H	_____ x	$\frac{\text{Number of days in the tax year after December 31, 2008, and before January 1, 2010}}{\text{Number of days in the tax year}} \times 9\% =$	J
Amount H	_____ x	$\frac{\text{Number of days in the tax year after December 31, 2009, and before January 1, 2011}}{\text{Number of days in the tax year}} \times 10\% =$	K
Amount H	_____ x	$\frac{\text{Number of days in the tax year after December 31, 2010, and before January 1, 2012}}{\text{Number of days in the tax year}} \times 11.5\% =$	L
Amount H	_____ x	$\frac{\text{Number of days in the tax year after 2011}}{\text{Number of days in the tax year}} \times 13\% =$	L.1

**General tax reduction for Canadian-controlled private corporations – Total of amounts I to L.1** ..... **\_\_\_\_\_ M**

Enter amount M on line 638.

\* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

**General tax reduction**

**Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.**

Taxable income from page 3 (line 360 or amount Z, whichever applies)	.....	_____	N
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27	.....	_____ O	
Amount QQ from Part 13 of Schedule 27	.....	_____ P	
Amount used to calculate the credit union deduction from Schedule 17	.....	_____ Q	
Total of amounts O to Q	.....	_____ <b>▶</b>	R
Amount N <b>minus</b> amount R (if negative, enter "0")	.....	_____	S
Amount S	_____ x	$\frac{\text{Number of days in the tax year after December 31, 2007, and before January 1, 2009}}{\text{Number of days in the tax year}} \times 8.5\% =$	T
Amount S	_____ x	$\frac{\text{Number of days in the tax year after December 31, 2008, and before January 1, 2010}}{\text{Number of days in the tax year}} \times 9\% =$	U
Amount S	_____ x	$\frac{\text{Number of days in the tax year after December 31, 2009, and before January 1, 2011}}{\text{Number of days in the tax year}} \times 10\% =$	V
Amount S	_____ x	$\frac{\text{Number of days in the tax year after December 31, 2010, and before January 2012}}{\text{Number of days in the tax year}} \times 11.5\% =$	W
Amount S	_____ x	$\frac{\text{Number of days in the tax year after 2011}}{\text{Number of days in the tax year}} \times 13\% =$	W.1

**General tax reduction – Total of amounts T to W.1** ..... **\_\_\_\_\_ X**

Enter amount X on line 639.

**Refundable portion of Part I tax**

**Canadian-controlled private corporations throughout the tax year**

Aggregate investment income from Schedule 7 . . . . . **440** x 26 2 / 3 % = . . . . .                      A

Foreign non-business income tax credit from line 632 . . . . .                     

**Deduct:**

Foreign investment income from Schedule 7 . . . . . **445** x 9 1 / 3 % =                       
(if negative, enter "0")                      ▶                      B

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

Taxable income from line 360 . . . . .                     

**Deduct:**

Amount from line 400, 405, 410, or 425, whichever is the least . . . . .                     

Foreign non-business income tax credit from line 632 . . . . . x 25 / 9 =                     

Foreign business income tax credit from line 636 . . . . . x 1(0.38 - X\*) 3.57143 =                     

                     x 26 2 / 3 % =                      D

Part I tax payable minus investment tax credit refund (line 700 minus line 780) . . . . .                      E

**Refundable portion of Part I tax** – Amount C, D, or E, whichever is the least . . . . . **450**                      F

\* General rate reduction percentage for the tax year. It has to be pro-rated.

**Refundable dividend tax on hand**

Refundable dividend tax on hand at the end of the previous tax year . . . . . **460**                     

**Deduct:** Dividend refund for the previous tax year . . . . . **465**                       
                     ▶                      G

**Add the total of:**

Refundable portion of Part I tax from line 450 above . . . . .                     

Total Part IV tax payable from Schedule 3 . . . . .                     

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation . . . . . **480**                       
                     ▶                      H

**Refundable dividend tax on hand at the end of the tax year** – Amount G plus amount H . . . . . **485**                     

**Dividend refund**

**Private and subject corporations at the time taxable dividends were paid in the tax year**

Taxable dividends paid in the tax year from line 460 of Schedule 3 . . . . . x 1 / 3                      I

Refundable dividend tax on hand at the end of the tax year from line 485 above . . . . .                      J

**Dividend refund** – Amount I or J, whichever is less (enter this amount on line 784) . . . . .

**Part I tax**

<b>Base amount of Part I tax</b> – Taxable income (line 360 or amount Z, whichever applies) multiplied by 38 %	550		A
Recapture of investment tax credit from Schedule 31	602		B
<b>Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income</b> (if it was a CCPC throughout the tax year)			
Aggregate investment income from line 440		i	
Taxable income from line 360			
<b>Deduct:</b>			
Amount from line 400, 405, 410, or 425, whichever is the least			
Net amount		ii	
<b>Refundable tax on CCPC's investment income</b> – 6 2 / 3 % of whichever is less: amount i or ii		604	C
Subtotal (add lines A to C)			D
<b>Deduct:</b>			
Small business deduction from line 430		1	
Federal tax abatement	608		
Manufacturing and processing profits deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains 624			
Additional deduction – credit unions from Schedule 17	628		
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount M	638		
General tax reduction from amount X	639		
Federal logging tax credit from Schedule 21	640		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652		
Subtotal			E
<b>Part I tax payable</b> – Line D minus line E			F
Enter amount F on line 700.			

**Summary of tax and credits**

**Federal tax**

Part I tax payable	700
Part II surtax payable from Schedule 46	708
Part III.1 tax payable from Schedule 55	710
Part IV tax payable from Schedule 3	712
Part IV.1 tax payable from Schedule 43	716
Part VI tax payable from Schedule 38	720
Part VI.1 tax payable from Schedule 43	724
Part XIII.1 tax payable from Schedule 92	727
Part XIV tax payable from Schedule 20	728

Total federal tax \_\_\_\_\_

**Add provincial or territorial tax:**

Provincial or territorial jurisdiction . . . **750** ON  
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta)	760
Provincial tax on large corporations (New Brunswick* and Nova Scotia)	765

Total tax payable **770** \_\_\_\_\_ A

**Deduct other credits:**

Investment tax credit refund from Schedule 31	780
Dividend refund	784
Federal capital gains refund from Schedule 18	788
Federal qualifying environmental trust tax credit refund	792
Canadian film or video production tax credit refund (Form T1131)	796
Film or video production services tax credit refund (Form T1177)	797
Tax withheld at source	800

Total payments on which tax has been withheld **801**

Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	840

Total credits **890** \_\_\_\_\_ B

Refund code **894** \_\_\_\_\_ Overpayment \_\_\_\_\_

Balance (line A minus line B) \_\_\_\_\_



**Direct deposit request**

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.

Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid \_\_\_\_\_

Enclosed payment **898** \_\_\_\_\_

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

**896** 1 Yes  2 No

\* The New Brunswick tax on large corporations is eliminated effective January 1, 2009.

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

**Certification**

I, **950** MORIN **951** MARITA **954** SECRETARY-TRESURER  
Last name in block letters First name in block letters Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this tax year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

**955** \_\_\_\_\_ **956** (705) 864-0111  
Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 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** \_\_\_\_\_ **959** \_\_\_\_\_  
Name in block letters Telephone number

**Language of correspondence – Langue de correspondance**

Indicate your language of correspondence by entering **1** for English or **2** for French.  
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.

**990**  1

Form identifier 100

**GENERAL INDEX OF FINANCIAL INFORMATION – GIF1**

Name of corporation	Business Number	Tax year end Year Month Day
CHAPLEAU PUBLIC UTILITIES CORPORATION	89149 3322 RC0001	2010-12-31

**Balance sheet information**

Account	Description	GIF1	Current year	Prior year
<b>Assets</b>				
	Total current assets	<b>1599</b> +	1,119,236	1,110,324
	Total tangible capital assets	<b>2008</b> +	2,236,084	2,226,567
	Total accumulated amortization of tangible capital assets	<b>2009</b> -	1,426,415	1,386,047
	Total intangible capital assets	<b>2178</b> +		
	Total accumulated amortization of intangible capital assets	<b>2179</b> -		
	Total long-term assets	<b>2589</b> +	487,582	545,646
	* Assets held in trust	<b>2590</b> +		
	<b>Total assets</b> (mandatory field)	<b>2599</b> =	<u>2,416,487</u>	<u>2,496,490</u>
<b>Liabilities</b>				
	Total current liabilities	<b>3139</b> +	461,224	457,737
	Total long-term liabilities	<b>3450</b> +	248,837	394,962
	* Subordinated debt	<b>3460</b> +		
	* Amounts held in trust	<b>3470</b> +		
	<b>Total liabilities</b> (mandatory field)	<b>3499</b> =	<u>710,061</u>	<u>852,699</u>
<b>Shareholder equity</b>				
	<b>Total shareholder equity</b> (mandatory field)	<b>3620</b> +	1,706,426	1,643,791
	<b>Total liabilities and shareholder equity</b>	<b>3640</b> =	<u>2,416,487</u>	<u>2,496,490</u>
<b>Retained earnings</b>				
	<b>Retained earnings/deficit – end</b> (mandatory field)	<b>3849</b> =	<u>-536,632</u>	<u>-599,267</u>

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Form identifier 125

**GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

Name of corporation CHAPLEAU PUBLIC UTILITIES CORPORATION	Business Number 89149 3322 RC0001	Tax year end Year Month Day 2010-12-31
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**Income statement information**

Description	GIFI	
Operating name	<b>0001</b>	CHAPLEAU PUBLIC UTILITES CORPORATION
Description of the operation	<b>0002</b>	ELECTRICITY DISTRIBUTION COMPANY
Sequence Number	<b>0003</b>	01

Account	Description	GIFI	Current year	Prior year
---------	-------------	------	--------------	------------

**Income statement information**

Total sales of goods and services	<b>8089</b>	+	2,777,426	2,830,279
Cost of sales	<b>8518</b>	-	2,155,984	2,160,787
<b>Gross profit/loss</b>	<b>8519</b>	=	621,442	669,492
Cost of sales	<b>8518</b>	+	2,155,984	2,160,787
Total operating expenses	<b>9367</b>	+	600,499	566,284
<b>Total expenses (mandatory field)</b>	<b>9368</b>	=	2,756,483	2,727,071
Total revenue (mandatory field)	<b>8299</b>	+	2,819,118	2,868,850
Total expenses (mandatory field)	<b>9368</b>	-	2,756,483	2,727,071
<b>Net non-farming income</b>	<b>9369</b>	=	62,635	141,779

**Farming income statement information**

Total farm revenue (mandatory field)	<b>9659</b>	+		
Total farm expenses (mandatory field)	<b>9898</b>	-		
<b>Net farm income</b>	<b>9899</b>	=		

<b>Net income/loss before taxes and extraordinary items</b>	<b>9970</b>	=	62,635	141,779
---	-------------	---	--------	---------

<b>Total other comprehensive income</b>	<b>9998</b>	=		
---	-------------	---	--	--

**Extraordinary items and income (linked to Schedule 140)**

Extraordinary item(s)	<b>9975</b>	-		
Legal settlements	<b>9976</b>	-		
Unrealized gains/losses	<b>9980</b>	+		
Unusual items	<b>9985</b>	-		
Current income taxes	<b>9990</b>	-		
Deferred income tax provision	<b>9995</b>	-		
Total – Other comprehensive income	<b>9998</b>	+		
<b>Net income/loss after taxes and extraordinary items (mandatory field)</b>	<b>9999</b>	=	62,635	141,779

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

**NOTES CHECKLIST**

Corporation's name  CHAPLEAU PUBLIC UTILITIES CORPORATION	Business Number  89149 3322 RC0001	Tax year-end Year Month Day 2010-12-31
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- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the "accountant") who prepared or reported on the financial statements.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI) for Corporations* and Guide T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule, and include it with your T2 return along with the other GIFI schedules.

If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.

**Part 1 – Information on the accountant preparing or reporting on the financial statements**

Does the accountant have a professional designation? **095** 1 Yes  2 No

Is the accountant connected\* with the corporation? **097** 1 Yes  2 No

\* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

**Note:** If the accountant does not have a professional designation or is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4, as applicable.

**Part 2 – Type of involvement with the financial statements**

Choose the option that represents the highest level of involvement of the accountant: **198**

Completed an auditor's report 1

Completed a review engagement report 2

Conducted a compilation engagement 3

**Part 3 – Reservations**

If you selected option "1" or "2" under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation? **099** 1 Yes  2 No

**Part 4 – Other information**

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options: **110**

Prepared the tax return (financial statements prepared by client) 1

Prepared the tax return and the financial information contained therein (financial statements have not been prepared) 2

Were notes to the financial statements prepared? **101** 1 Yes  2 No

If **yes**, complete lines 102 to 107 below:

Are any values presented at other than cost? **102** 1 Yes  2 No

Has there been a change in accounting policies since the last return? **103** 1 Yes  2 No

Are subsequent events mentioned in the notes? **104** 1 Yes  2 No

Is re-evaluation of asset information mentioned in the notes? **105** 1 Yes  2 No

Is contingent liability information mentioned in the notes? **106** 1 Yes  2 No

Is information regarding commitments mentioned in the notes? **107** 1 Yes  2 No

Does the corporation have investments in joint venture(s) or partnership(s)? **108** 1 Yes  2 No

If **yes**, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)? **109** 1 Yes  2 No

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

**Tax Year End: 2010-12-31**

CHAPLEAU PUBLIC UTILITIES CORPORATION

Notes to Financial Statements

Year ended December 31, 2010

Chapleau Public Utilities Corporation (the "Corporation") was incorporated August 18, 1999 to operate as an electricity distribution company.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") including accounting principles prescribed by the Ontario Energy Board (the "OEB") in the Accounting Procedures Handbook (the "AP Handbook") for Electric Distribution Utilities, and reflect the significant accounting policies as summarized below:

(a) Change in accounting policies:

Effective January 1, 2009, the Corporation adopted the amended sections of CICA

Handbook Section 1100, Generally Accepted Accounting Principles and Accounting Guideline

19 Disclosures by Entities Subject to Rate Regulation .

The amendment to CICA Handbook Section 1100 removed the temporary exemption pertaining to the application of that section to the recognition and measurement of assets and liabilities arising from rate regulation. In response to the removal of the exemption, the Corporation established accounting policies for the recognition and measurement of assets

and liabilities arising from rate regulation. In accordance with the Canadian GAAP hierarchy

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

**Tax Year End: 2010-12-31**

guidance framework outlined in CICA Handbook Section 1100, the Corporation has determined that its assets and liabilities arising from rate regulation qualify for recognition under Canadian GAAP and this recognition is consistent with U.S. Statement of Financial Accounting Standards No. 71, Accounting for the Effects of Certain Types of Regulation ( FAS71 ). The Corporation concluded that its policies for assets and liabilities arising from rate regulation were consistent with the primary sources of Canadian GAAP and were developed through the exercise of professional judgement.

(b) Regulation:

The Ontario Energy Board Act, 1998 (Ontario) ("OEBA") conferred on the Ontario Energy Board ("OEB") increased powers and responsibilities to regulate the electricity industry in Ontario. These powers and responsibilities include approving or fixing rates for the transmission and distribution of electricity, providing continued rate protection for rural and remote electricity consumers, and ensuring that distribution companies fulfil obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to electricity distributors which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes. In its capacity to

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

approve or set **Tax Year End: 2010-12-31**

rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian generally accepted accounting principles ("GAAP") for enterprises operating in a non-rate regulated environment.

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CHAPLEAU PUBLIC UTILITIES CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2010

1. Significant accounting policies (continued):

(b) Regulation (continued):

The following regulatory treatments have resulted in accounting treatments that differ from

GAAP for enterprises operating in a non-regulated environment:

i) Regulatory assets and liabilities:

Regulatory assets represent costs that have been deferred because it is probable that

they will be recovered from customers in future periods through the rate-making process.

Regulatory liabilities represent future reduction in revenues or limitations of increase in

revenues associated with amounts that are expected to refunded to customers through

the rate-making process.

ii) Payment in lieu of corporate income taxes and capital taxes:

The current tax-exempt status of the Corporation under the Income Tax Act (Canada) and

the Corporations Tax Act (Ontario) reflects the fact that the Corporation is wholly owned

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

**Tax Year End: 2010-12-31**

by municipalities. This tax-exempt status might be lost in a number of circumstances,

including if the municipality ceases to own 90% or more of the shares or capital of the

Corporation, or if a non-government entity has rights immediately or in the future, either

absolutely or contingently, to acquire more than 10% of the shares of the Corporation.

Commencing October 1, 2001, the Corporation is required, under the Electricity Act 1998,

to make payments-in-lieu of corporate income taxes ( PILs ) to Ontario Electricity

Financial Corporation, which will be used to repay the stranded debt incurred by the

former Ontario Hydro. These payments are calculated in accordance with the rules for

computing income and taxable capital and other relevant amounts contained in the

Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the

Electricity Act 1998 and related regulations.

As a result of becoming subject to PILs, the Corporation s taxation year was deemed to

have ended immediately beforehand and a new taxation year was deemed to have commenced immediately thereafter. The Corporation was therefore deemed to have

disposed of each of its assets at their then fair market value and to have reacquired such

assets at that same amount for purposes of computing its future income subject to PILs.

For purposes of certain provisions, the Corporation was deemed to have a new

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

company **Tax Year End: 2010-12-31**

and, as a result, tax credits or tax losses not previously utilized by the

Corporation would

not be available to it after the change in tax status. Essentially, the

Corporation was taxed

as though it had a fresh start at the time of its change in tax status.

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CHAPLEAU PUBLIC UTILITIES CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2010

1. Significant accounting policies (continued):

(c) Revenue recognition and power purchased:

Revenue is recorded in the accounts to various dates on the basis of monthly

or bi-monthly

meter readings. At the end of an accounting cycle, there is energy used by

consumers for

which meter readings are not available. The unbilled revenue is estimated and

recorded in

the accounts at the end of each fiscal year. The related cost of energy is

recorded on the

basis of energy used.

(d) Property, plant and equipment:

Property, plant and equipment are recorded at cost. Amortization is charged to

operations

using the following methods and annual rates:

Asset Rate

Computer equipment and software Declining-balance 55%

Meters Declining-balance 10%

Transmission and distribution systems Declining-balance 4%

Amortization is taken at 50% of the above rate in the year of acquisition.

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

**Tax Year End: 2010-12-31**

Property, plant and equipment are reviewed for impairment whenever events or changes in

circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of assets to be held and used is measured by a comparison of the carrying

amount of an asset to estimated undiscounted future cash flows expected to be generated by

the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an

impairment charge is recognized for the amount by which the carrying amount of the asset

exceeds the fair value of the asset.

(e) Asset retirement obligations:

The Corporation recognizes the fair value of a future asset retirement obligation as a liability

in the period in which it incurs a legal obligation associated with the retirement of tangible

long lived assets that results from the acquisition, construction, development, and/or normal

use of the assets. The Corporation concurrently recognizes a corresponding increase in the

carrying amount of the related long-lived asset that is amortized over the life of the asset.

The fair value of the asset retirement obligation is estimated using the expected cash flow

approach that reflects a range of possible outcomes discounted at a credit adjusted risk free

interest rate. Subsequent to the initial measurement, the asset retirement obligation is

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

adjusted at the end of each period to reflect the passage of time and changes

**Tax Year End: 2010-12-31**

in the

estimated future cash flows underlying the obligation. Changes in the

obligation due to the

passage of time are recognized in income as an operating expense using the

interest

method. Changes in the obligation due to changes in estimated cash flows are

recognized

as an adjustment of the carrying amount of the related long lived asset that

is amortized over

the remaining life of the asset.

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CHAPLEAU PUBLIC UTILITIES CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2010

1. Significant accounting policies (continued):

(e) Asset retirement obligations (continued):

Some of the Corporation's transmission and distribution assets may have asset retirement

obligations. As the Corporation expects to use the majority of its installed assets for an

indefinite period, no removal date can be determined and consequently a reasonable

estimate of the fair value of any related asset retirement obligations cannot be made at this

time. If, at some future date, it becomes possible to estimate the fair value cost of removing

assets that the Corporation is legally required to remove, an asset retirement obligation will

be recognized at that time.

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

(f) Use of estimates: **Tax Year End: 2010-12-31**

The preparation of financial statements in conformity with Canadian generally accepted

accounting principles requires management to make estimates and assumptions that affect

the reported amounts of assets and liabilities and disclosure of contingent assets and

liabilities at the date of the financial statements and the reported amounts of revenues and

expenses during the year. Actual results could differ from those estimates including changes

as a result of future decisions made by the OEB, Minister of Energy, or the Minister of

Finance.

(g) Customer deposits:

Customers may be required to post security to obtain electricity or other services. Where the

security posted is in the form of cash or cash equivalents, these amounts are recorded in the

accounts as customer deposits which are held in trust by the Corporation.

(h) Pension plan:

The Corporation provides a pension plan for its employees through the Ontario Municipal

Employees Retirement System ( OMERS ). OMERS is a multi-employer pension plan, which

operates as the Ontario Municipal Employees Retirement Fund (the Fund ) and provides

pensions for employees of Ontario municipalities, local boards, public utilities, and school

boards. The Fund is a contributory defined benefit pension plan, which is

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

financed by equal **Tax Year End: 2010-12-31**

contributions from participating employers and employees, and by the investment earnings of the Fund. The Corporation recognizes the expense related to this plan as contributions are made.

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CHAPLEAU PUBLIC UTILITIES CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2010

1. Significant accounting policies (continued):

(i) International Financial Reporting Standards "IFRS":

On February 13, 2008, The Accounting Standards Board of Canada ("AcSB") announced that publicly accountable enterprises will be required to change over to IFRS effective January 1, 2011.

In 2010, the change-over date was deferred to January 1, 2012 for regulated entities, at which time, the Corporation will be IFRS compliant.

Some of the converged standards will be implemented in Canada during the transition period

with the remaining standards adopted at the change-over date. The Corporation has

launched an internal initiative to govern the conversion process and is currently in the

process of evaluating the potential impact of the conversion to IFRS on its financial statements.

(j) Financial instruments - recognition and measurement:

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

**Tax Year End: 2010-12-31**

The Corporation accounts for its financial assets and liabilities in

accordance with Canadian

generally accepted accounting principles.

The financial instruments are classified into one of five categories: held-for-trading, held-to-maturity,

loans and receivables, available-for-sale financial assets or other financial liabilities.

All financial instruments, including derivatives, are measured in the balance sheet at fair

value except for loans and receivables, held-to-maturity investments and other financial

liabilities which are measured at amortized cost. Held-for-trading financial assets are

measured at fair value and changes in fair value are recognized in net earnings.

The Corporation continues to disclose under CICA Handbook Section 3861 - Financial

Instruments - Disclosure and Presentation.

(k) Comprehensive income:

In the event that the Corporation has any financial instruments that would impact other

comprehensive earnings, a statement of comprehensive earnings would be included in the

financial statements displaying the effects of the current period net income plus the impact

on other comprehensive earnings resulting from these financial instruments.

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CHAPLEAU PUBLIC UTILITIES CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2010

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

**Tax Year End: 2010-12-31**

2. Trade receivables:

2010 2009

Electrical \$ 71,383 \$ 69,312

Provision for doubtful accounts (14,006) (13,863)

\$ 57,377 \$ 55,449

3. Advances to/from related company:

The amounts advanced to/from related company are non-interest bearing, unsecured and will be

collected/paid within the next twelve months. The Corporation is related by virtue of common

ownership.

4. Property, plant and equipment:

2010 2009

Accumulated Net book Net book

Cost amortization value value

Land \$ 141 \$ - \$ 141 \$ 141

Computer equipment

and software 11,847 9,989 1,858 4,128

Meters 174,647 105,015 69,632 71,563

Transmission and

distribution systems 2,049,449 1,311,411 738,038 764,688

\$ 2,236,084 \$ 1,426,415 \$ 809,669 \$ 840,520

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CHAPLEAU PUBLIC UTILITIES CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2010

5. Regulatory assets and liabilities:

2010 2009

(i) Regulatory assets consist of the following:

Long-term portion of regulatory assets:

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

Smart meter funding and cost recovery \$ 396,334 \$ 333,099

**Tax Year End: 2010-12-31**

Recovery of regulatory asset balance - principal 23,069 -

Retail settlement variance - connection charges 22,008 -

Retail settlement variance - network charges 20,744 149

IFRS transition and carrying costs 15,104 15,000

Special purpose voltage assessment 7,131 -

Retail settlement variance - retail services 3,192 2,456

Pension carrying costs - 448

Retail settlement variance - power charges - 89,413

Retail settlement variance - low voltage charges - 93,946

Recovery of regulatory asset balance - interest - 954

Hydro One OMERS - 8,320

OEB carrying charges - 961

Total regulatory assets \$ 487,582 \$ 545,646

(ii) Regulatory liabilities consist of the following:

Current portion of regulatory liabilities:

Recovery of regulatory asset balance - principal \$ 35,167 \$ 72,645

Hydro One - other regulatory - 15,246

Other regulatory liabilities - 2,377

35,167 90,268

Long-term portion of regulatory liabilities:

Recovery of regulatory asset balance - principal 63,222 85,417

Retail settlement variance - power charges 90,388 -

Retail settlement variance - wholesale market charge 41,539 67,948

Retail settlement variance - low voltage charges 24,813 -

Conversion and demand management 4,731 12,090

Retail settlement variance - connection charges - 206,488

224,693 371,943

Total regulatory liabilities \$ 259,860 \$ 462,211

6. Accounts payable and accrued liabilities:

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

2010 2009 **Tax Year End: 2010-12-31**

Independent Electricity System Operator \$ 287,491 \$ 251,282

Miscellaneous 113,467 116,187

\$ 400,958 \$ 367,469

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CHAPLEAU PUBLIC UTILITIES CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2010

7. Share capital:

2010 2009

Authorized:

Unlimited common shares

Unlimited class B special shares

Issued:

1,121,529 class B special shares \$ 1,121,529 \$ 1,121,529

1,121,529 common shares 1,121,529 1,121,529

\$ 2,243,058 \$ 2,243,058

8. Payment in lieu of taxes:

For payment in lieu of tax purposes, the Corporation has losses of \$475,717

(2009 - \$498,146)

carried forward which can be applied to reduce future years' taxable income.

These losses will

expire as follows:

2014 \$ 137,203

2015 338,514

9. Related party transactions:

The Corporation is related to the Township by virtue of the fact that the

Township is the sole

shareholder of the Corporation. The Corporation is related to Chapleau Energy

Services

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

Corporation by virtue of common ownership  
**Tax Year End: 2010-12-31**

During the year, the Corporation billed the Township \$293,549 (2009 - \$300,708) for power purchased.

Also, the Corporation was charged \$390,680 (2009 - \$381,430) by Chapleau Energy Services

Corporation, for the Corporation's portion of certain shared costs.

These transactions are in the normal course of operations and are measured at the exchange

amount which is the amount of consideration agreed to by the related parties.

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CHAPLEAU PUBLIC UTILITIES CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2010

10. Contingency:

Purchasers of electricity in Ontario are required to provide security to the IESO to mitigate the risk

of their default based on their expected activity in the market. The IESO could draw on these

guarantees if the Corporation fails to make a payment required by default notice issued by the

IESO. At December 31, 2010, no amounts have been drawn on this letter of credit in the amount

of \$209,813.

11. Credit risk and financial instruments:

(a) Fair value of financial assets and financial liabilities

The carrying value of cash, investments, trade receivables, unbilled revenue, accounts

payable and accrued liabilities, advances to/from related company and customer deposits

# T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

approximate their fair value due to the relatively short periods to maturity

**Tax Year End: 2010-12-31**

of these items or

because they are receivable or payable on demand.

(b) Credit risk

For distribution retail customers, credit losses are generally low across the sector. The

Corporation provides for an allowance for doubtful accounts to absorb credit losses.

At December 31, 2010, there are no significant concentrations of credit risk with respect to

any class of financial assets.

(c) Interest rate risk

Cash balances not required to meet day-to-day obligations of the Corporation are invested in

Canadian money market instruments, with terms not more than one year or 365 days,

exposing the Corporation to fluctuations in short-term interest rates. These fluctuations could

affect the level of interest income earned by the Corporation.

12. Electric energy services:

2010 2009

Revenue:

Electricity \$ 1,838,302 \$ 1,820,231

Transmission services 317,682 340,556

\$ 2,155,984 \$ 2,160,787

Costs:

Electricity \$ 1,838,302 \$ 1,820,231

Transmission services 317,682 340,556

\$ 2,155,984 \$ 2,160,787

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## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

CHAPLEAU PUBLIC UTILITIES CORPORATION  
**Tax Year End: 2010-12-31**

Notes to Financial Statements (continued)

Year ended December 31, 2010

### 13. General liability insurance:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance

Exchange ("MEARIE"), which is a pooling of general liability insurance risks.

Members of

MEARIE would be assessed on a pro-rata basis should losses be experienced by MEARIE, for

the years in which the Corporation was a member. To December 31, 2010, the Corporation has

not been made aware of any additional assessments.

### 14. Commitment:

In support of the Province of Ontario's decision to install smart meters throughout Ontario by 2010

and pursuant to Ontario Regulation 427/06, the Corporation launched its smart meter initiative in

2009. The Corporation has committed to install 1,253 smart meters and supporting infrastructure

by the end of 2010. Approximately 1,239 smart meters or 97% deployment was completed in

2010.

The OEB adopted the policy that specific funding for the capital cost of smart meters should be

included in distribution rates by all Ontario electric distribution companies.

The Board decided that

seed funding equivalent to \$0.27 per customer per month be included in the Corporation's

distribution rates commencing May 1, 2006. This funding was increased to \$1.00

## T2 BAR CODE RETURN

**Name: CHAPLEAU PUBLIC UTILITIES CORPORATION**

**BN: 89149 3322 RC 0001**

**Tax Year Start: 2010-01-01**

per customer **Tax Year End: 2010-12-31**

per month effective May 1, 2009 pursuant to OEB Decision and Order of March 10, 2009.

Revenue has been reduced by the amount funded in rates, and have been deferred and netted

against smart metering capital costs incurred in accordance with the AP Handbook. Unfunded

costs including financing expense, are expected to be recovered through future distribution rates

once the project is completed, pursuant to the Ontario Energy Board s guidelines.

15. Corporate income and capital taxes:

2010 2009

Rate reconciliation:

Income from continuing operations before income taxes \$ 62,635 \$ 141,779

Statutory Canadian Federal and Provincial income tax rate 31.00% 33.00%

Expected taxes on income 19,420 46,787

Decrease in income taxes resulting from:

Loss carry forwards applied 19,420 46,787

Income tax expense - -

Effective tax rate 0% 0%

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

**SCHEDULE 1**

Corporation's name <b>CHAPLEAU PUBLIC UTILITIES CORPORATION</b>	Business Number 89149 3322 RC0001	Tax year end Year Month Day 2010-12-31
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- 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. For more information, see the T2 *Corporation Income Tax Guide*.
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Amount calculated on line 9999 from Schedule 125			62,635	A
<b>Add:</b>				
Amortization of tangible assets		<b>104</b>	40,368	
	Subtotal of additions		40,368	▶
<b>Other additions:</b>				
<b>Miscellaneous other additions:</b>				
<b>604</b>				
	Total	<b>294</b>		
	Subtotal of other additions	<b>199</b>		▶
	<b>Total additions</b>	<b>500</b>	40,368	▶
<b>Deduct:</b>				
Capital cost allowance from Schedule 8		<b>403</b>	37,198	
	Subtotal of deductions		37,198	▶
<b>Other deductions:</b>				
<b>Miscellaneous other deductions:</b>				
<b>704</b>				
	Total	<b>394</b>		
	Subtotal of other deductions	<b>499</b>	0	▶
	<b>Total deductions</b>	<b>510</b>	37,198	▶
<b>Net income (loss) for income tax purposes</b> – enter on line 300 of the T2 return			65,805	

**CORPORATION LOSS CONTINUITY AND APPLICATION**

Name of corporation CHAPLEAU PUBLIC UTILITIES CORPORATION	Business Number 89149 3322 RC0001	Tax year-end Year Month Day 2010-12-31
--	--------------------------------------	--

- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending (TYE) before that time is deductible in computing taxable income in a TYE after that time. Also, no amount of capital loss incurred in a TYE after that time is deductible in computing taxable income of a TYE before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the *T2 Corporation – Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send the schedule by itself to the tax centre where the return is filed.
- Parts, sections, subsections, paragraphs, and subparagraphs mentioned in this schedule refer to the *Act*.

**Part 1 – Non-capital losses**

**Determination of current-year non-capital loss**

Net income (loss) for income tax purposes ..... 65,805

**Deduct:** (increase a loss)

Net capital losses deducted in the year (enter as a positive amount) .....

Taxable dividends deductible under sections 112, 113(1), 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:** (increase a loss)

Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions .....

Subtotal .....

**Add:** (decrease a loss)

Current-year farm loss .....  
(whichever is less: the net loss from farming or fishing included in the income, or the non-capital loss before deducting the farm loss. Enter this amount on line 310.)

Current-year non-capital loss .....  
(if positive, enter "0"; if negative, enter this amount on line 110 as a positive)

**Continuity of non-capital losses and request for a carryback**

Non-capital loss at the end of the previous tax year ..... 541,522

**Deduct:** Non-capital loss expired\* ..... **100** .....

Non-capital losses at the beginning of the tax year ..... **102** 541,522 ▶ 541,522

**Add:**

Non-capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation ..... **105** .....

Current-year non-capital loss (from calculation above) ..... **110** .....

Subtotal ..... 541,522

**Part 1 – Non-capital losses (continued)**

Subtotal from page 1 541,522

<b>Deduct:</b>	
Other adjustments (includes adjustments for an acquisition of control) . . . . .	<b>150</b> _____
Section 80 – Adjustments for forgiven amounts . . . . .	<b>140</b> _____
Subsection 111(10) – Adjustments for fuel tax rebate . . . . .	_____
Non-capital losses of previous tax years applied in the current tax year (enter on line 331 of the T2 return) . . . . .	<b>130</b> _____ 65,805
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (enter on lines 330 and 335 of Schedule 3, <i>Dividends Received</i> , <i>Taxable Dividends Paid</i> , and <i>Part IV Tax Calculation</i> , respectively) . . . . .	<b>135</b> _____ 65,805 ▶ _____ 65,805
Amount of non-capital losses available to carry back or carry forward to other years	<u>475,717</u>

**Deduct – Request to carry back non-capital loss to:**

First previous tax year to reduce taxable income . . . . .	<b>901</b> _____
Second previous tax year to reduce taxable income . . . . .	<b>902</b> _____
Third previous tax year to reduce taxable income . . . . .	<b>903</b> _____
First previous tax year to reduce taxable dividends subject to Part IV tax . . . . .	<b>911</b> _____
Second previous tax year to reduce taxable dividends subject to Part IV tax . . . . .	<b>912</b> _____
Third previous tax year to reduce taxable dividends subject to Part IV tax . . . . .	<b>913</b> _____
Closing balance of non-capital losses to be carried forward to future tax years . . . . .	<b>180</b> _____ <u>475,717</u>

\* A non-capital loss expires as follows:

- after **7** tax years if it arose in a tax year ending before March 23, 2004;
- after **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss as follows:

- after **7** tax years if it arose in a tax year ending before March 23, 2004; and
- after **10** tax years if it arose in a tax year ending after March 22, 2004.

**Part 2 – Capital losses**

**Continuity of capital losses and request for a carryback**

Capital losses at the end of the previous tax year . . . . .	<b>200</b> _____
Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation . . . . .	<b>205</b> _____
	_____ ▶ _____
<b>Deduct:</b>	
Other adjustments (includes adjustments for an acquisition of control) . . . . .	<b>250</b> _____
Section 80 – Adjustments for forgiven amounts . . . . .	<b>240</b> _____
	_____ ▶ _____
	Subtotal _____
<b>Add:</b> Current-year capital loss (from the calculation on Schedule 6) . . . . .	<b>210</b> _____
Unused non-capital losses that expired in the tax year* . . . . .	_____ <b>A</b>
Allowable business investment losses (ABIL) that expired as non-capital losses in the tax year** . . . . .	_____ <b>B</b>
Enter amount from line A or B, whichever is less . . . . .	<b>215</b> _____
ABILs expired as non-capital loss: line 215 <b>divided</b> by the inclusion rate*** 50.0000 % . . . . .	<b>220</b> _____
	Subtotal _____

**Part 2 – Capital losses (continued)**

Subtotal from page 2 \_\_\_\_\_

**Note**

If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary. Add all these amounts, and enter the total at line 220 above.

**Deduct:** Capital losses from previous tax years applied against the current-year net capital gain (see Note 1) . . . . . **225** \_\_\_\_\_  
 Amount of capital losses available to carry back or carry forward to other years \_\_\_\_\_

**Deduct – Request to carry back capital loss to** (see Note 2):

	Capital gain (100%)	Amount carried back (100%)	
First previous tax year . . . . .	<b>951</b>	_____	
Second previous tax year . . . . .	<b>952</b>	_____	
Third previous tax year . . . . .	<b>953</b>	_____	
		_____	▶ _____
Capital losses – Closing balance . . . . .			<b>280</b> _____

**Note 1**

To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the purpose of current-year tax, enter the amount from line 225 **multiplied** by 50% on line 332 of the T2 return.

**Note 2**

On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, **multiply** this amount by the 50% inclusion rate.

\* If the losses were incurred in a tax year ending before March 23, 2004, enter the losses from the 8th previous tax year. If the losses were incurred in a tax year ending after March 22, 2004, and before 2006, enter the losses from the 11th previous tax year. Enter the losses from the 21st previous tax year if the losses were incurred in a tax year ending after 2005. Enter the part that was not used in previous years and the current year on line A.

\*\* If the losses were incurred in a tax year ending before March 23, 2004, enter the losses from the 8th previous tax year. If the losses were incurred in a tax year ending after March 22, 2004, enter the losses from the 11th previous tax year. Enter the full amount on line B.

\*\*\* This inclusion rate is the rate used to calculate your ABIL referred to at line B. Therefore, use one of the following inclusion rates, whichever applies:

- For ABILs incurred in the 1999 and previous tax years, use 0.75.
- For ABILs incurred in the 2000 and 2001 tax years, the inclusion rate is equal to amount M on Schedule 6 – Version T2SCH6(01)
- For ABILs incurred in the 2002 and later tax years, use 0.50.

**Part 3 – Farm losses**

**Continuity of farm losses and request for a carryback**

Farm losses at the end of the previous tax year . . . . .	_____		
<b>Deduct:</b> Farm loss expired* . . . . .	<b>300</b>	_____	
Farm losses at the beginning of the tax year . . . . .	<b>302</b>	_____	▶ _____
<b>Add:</b>			
Farm losses transferred on the amalgamation or the windup of a subsidiary corporation . . . . .	<b>305</b>	_____	
Current-year farm loss . . . . .	<b>310</b>	_____	▶ _____
			Subtotal _____

**Part 3 – Farm losses (continued)**

Subtotal from page 3 \_\_\_\_\_

**Deduct:**

Other adjustments (includes adjustments for an acquisition of control) .....	<b>350</b>	_____
Section 80 – Adjustments for forgiven amounts .....	<b>340</b>	_____
Amount applied against taxable income (enter on line 334 of the T2 return) .....	<b>330</b>	_____
Amount applied against taxable dividends subject to Part IV tax .....	<b>335</b>	_____
		<u>                    </u> ▶ _____
Amount of farm losses available to carry back or carry forward to other years _____		

**Deduct – Request to carry back farm loss to:**

First previous tax year to reduce taxable income .....	<b>921</b>	_____
Second previous tax year to reduce taxable income .....	<b>922</b>	_____
Third previous tax year to reduce taxable income .....	<b>923</b>	_____
First previous tax year to reduce taxable dividends subject to Part IV tax .....	<b>931</b>	_____
Second previous tax year to reduce taxable dividends subject to Part IV tax .....	<b>932</b>	_____
Third previous tax year to reduce taxable dividends subject to Part IV tax .....	<b>933</b>	_____
		<u>                    </u> ▶ _____
Farm losses – Closing balance .....	<b>380</b>	<u>                    </u>

\* A farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

**Part 4 – Restricted farm losses**

**Current-year restricted farm loss**

Total losses for the year from farming business .....	<b>485</b>	_____	<b>C</b>
<b>Minus</b> the deductible farm loss:			
\$2,500 plus D or E, whichever is less .....		2,500	
(amount C above _____ – \$2,500) <b>divided</b> by 2 = _____	<b>D</b>		
		<u>                    </u>	
	<b>E</b>	6,250	
		<u>                    </u>	
		2,500	
		<u>                    </u> ▶ _____	<b>F</b>
Current-year restricted farm loss (amount C <b>minus</b> amount F) (enter this amount on line 410) .....			_____

**Continuity of restricted farm losses and request for a carryback**

Restricted farm losses at the end of the previous tax year .....		_____
<b>Deduct:</b> Restricted farm loss expired* .....	<b>400</b>	_____
Restricted farm losses at the beginning of the tax year .....	<b>402</b>	<u>                    </u> ▶ _____
<b>Add:</b>		
Restricted farm losses transferred on the amalgamation or the wind-up of a subsidiary corporation .....	<b>405</b>	_____
Current-year restricted farm loss (enter on line 233 of Schedule 1) .....	<b>410</b>	_____
		<u>                    </u> ▶ _____
		Subtotal _____

**Part 4 – Restricted farm losses (continued)**

Subtotal from page 4 \_\_\_\_\_

**Deduct:**

Amount applied against farming income (enter on line 333 of the T2 return)	430	_____
Section 80 – Adjustments for forgiven amounts	440	_____
Other adjustments	450	_____
		▶ _____
Amount of restricted farm losses available to carry back or carry forward to other years		_____

**Deduct – Request to carry back restricted farm loss to:**

First previous tax year to reduce farming income	941	_____
Second previous tax year to reduce farming income	942	_____
Third previous tax year to reduce farming income	943	_____
		▶ _____
Restricted farm losses – Closing balance	480	_____

**Note**  
The total losses for the year from all farming businesses are calculated without including scientific research expenses.

- \* A restricted farm loss expires as follows:
- after 10 tax years if it arose in a tax year ending before 2006; and
  - after 20 tax years if it arose in a tax year ending after 2005.

**Part 5 – Listed personal property losses**

**Continuity of listed personal property loss and request for a carryback**

Listed personal property losses at the end of the previous tax year	_____
<b>Deduct:</b> Listed personal property loss expired after seven tax years	500
Listed personal property losses at the beginning of the tax year	502
	▶ _____
<b>Add:</b> Current-year listed personal property loss (from Schedule 6)	510
	Subtotal _____

**Deduct:**

Previous year personal property losses applied in the current tax year against listed personal property gains (enter on line 655 of Schedule 6)	530	_____
Other adjustments	550	_____
		▶ _____
Amount of listed personal property losses available to carry back or carry forward to other years		_____

**Deduct – Request to carry back listed personal property loss to:**

First previous tax year to reduce listed personal property gains	961	_____
Second previous tax year to reduce listed personal property gains	962	_____
Third previous tax year to reduce listed personal property gains	963	_____
		▶ _____
Listed personal property losses – Closing balance	580	_____

**Part 7 – Limited partnership losses**

**Current-year limited partnership losses**

1	2	3	4	5	6	7
Partnership identifier	Tax year ending YYYY/MM/DD	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 <b>minus</b> column 5 (if negative, enter "0")	Current-year limited partnership losses (column 3 <b>minus</b> 6)
<b>600</b>	<b>602</b>	<b>604</b>	<b>606</b>	<b>608</b>		<b>620</b>

Total  
(enter this amount on line 222 of Schedule 1)

**Limited partnership losses from previous tax years that may be applied in the current year**

1	2	3	4	5	6	7
Partnership identifier	Tax year ending YYYY/MM/DD	Limited partnership losses at the end of the previous tax year	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 <b>minus</b> column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
<b>630</b>	<b>632</b>	<b>634</b>	<b>636</b>	<b>638</b>		<b>650</b>

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

1	2	3	4	5	6
Partnership identifier	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred on an amalgamation or the windup of a subsidiary	Current-year limited partnership losses (from column 620)	Limited partnership losses applied in the current year (cannot be more than column 650)	Current year limited partnership losses closing balance to be carried forward to future years (662 + 664 + 670 – 675)
<b>660</b>	<b>662</b>	<b>664</b>	<b>670</b>	<b>675</b>	<b>680</b>

Total  
(enter this amount on line 335 of the T2 return)

**Note**  
If you have any current–or previous–year losses, please enter your partnership identifier on line 600, 630, or 660.

**Part 8 – Election under paragraph 88(1.1)(f)**

If you are making an election under paragraph 88(1.1)(f), check the box  **190** Yes

Further to a winding-up of a subsidiary, the portion of a non-capital loss, restricted farm loss, farm loss, or limited partnership loss from a wholly-owned subsidiary is deemed to be the loss of a parent from its tax year starting after the commencement of the winding-up.

**Note**  
This election is only applicable for wind-ups under 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*, and the deemed provision is only for the tax years that start after the commencement of the wind-up.

# Non-Capital Loss Continuity Workchart

## Part 6 – Analysis of balance of losses by year of origin

### Non-capital losses – losses that can be carried forward over 10 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	N/A		N/A	N/A	N/A	N/A
1st preceding taxation year 2009-12-31		N/A		N/A			
2nd preceding taxation year 2008-12-31		N/A		N/A			
3rd preceding taxation year 2007-12-31		N/A		N/A			
4th preceding taxation year 2006-12-31		N/A		N/A			
5th preceding taxation year 2005-12-31	338,514	N/A		N/A			338,514
6th preceding taxation year 2004-12-31	203,008	N/A		N/A	65,805		137,203
7th preceding taxation year 2003-12-31		N/A		N/A			
8th preceding taxation year 2002-12-31		N/A		N/A			
9th preceding taxation year 2001-12-31		N/A		N/A			
10th preceding taxation year 2001-09-30		N/A		N/A			*
<b>Total</b>	541,522	N/A		N/A	65,805		475,717

\* This balance expires this year and will not be available next year.



## CAPITAL COST ALLOWANCE (CCA)

Name of corporation CHAPLEAU PUBLIC UTILITIES CORPORATION	Business Number 89149 3322 RC0001	Tax year end Year Month Day 2010-12-31
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For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

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

1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Net adjustments**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate %	9 Recapture of capital cost allowance (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (column 7 multiplied by column 8; or a lower amount) (line 403 of Schedule 1)****	12 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
<b>200</b>		<b>201</b>	<b>203</b>	<b>205</b>	<b>207</b>	<b>211</b>		<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
1.	1	BUILDING	902		0		902	4	0	0	36	866
2.	1	ELECT DIST EQUIPMENT	924,297	9,518	0	4,759	929,056	4	0	0	37,162	896,653
		<b>Total</b>	925,199	9,518		4,759	929,958				37,198	897,519

**Note:** Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.  
Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

- \* 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).
- \*\* Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.
- \*\*\* The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.
- \*\*\*\* If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

**SCHEDULE 9**

**RELATED AND ASSOCIATED CORPORATIONS**

Name of corporation CHAPLEAU PUBLIC UTILITIES CORPORATION	Business Number 89149 3322 RC0001	Tax year end Year Month Day 2010-12-31
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This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporations(s)

Name	Country of residence (if other than Canada)	Business Number (Canadian corporation only) (see note 1)	Relationship code (see note 2)	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of preferred shares owned	Book value of capital stock
<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>	<b>550</b>	<b>600</b>	<b>650</b>	<b>700</b>
1. Chapleau Energy Services Corporati	CA	86191 8134 RC0001	3					

Note 1: Enter "NR" if a corporation is not registered.

Note 2: Enter the code number of the relationship that applies from the following order: 1 – Parent 2 – Subsidiary 3 – Associated 4 – Related, but not associated.

**AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT**

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

**Column 1:** Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

**Column 2:** Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

**Column 3:** Enter the association code that applies to each corporation:

- 1 – Associated for purposes of allocating the business limit (unless code 5 applies)
- 2 – CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
- 3 – Non-CCPC that is a "third corporation" as defined in subsection 256(2)
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

**Column 4:** Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

**Column 5:** Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

**Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range
2006	maximum \$300,000
2007	\$300,001 to \$400,000

Calendar year	Acceptable range
2008	maximum \$400,000
2009	\$400,001 to \$500,000

If the calendar year to which this agreement applies is after 2009, ensure that the total at line A does not exceed \$500,000.

**Allocating the business limit**

Date filed (do not use this area) .....	<b>025</b>	Year Month Day
Enter the calendar year to which the agreement applies .....	<b>050</b>	Year 2010
Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? .....	<b>075</b>	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>

	1 Names of associated corporations	2 Business Number of associated corporations	3 Association code	4 Business limit for the year (before the allocation) \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	<b>100</b>	<b>200</b>	<b>300</b>		<b>350</b>	<b>400</b>
1	CHAPLEAU PUBLIC UTILITIES CORPORATION	89149 3322 RC0001	1	500,000	100.0000	500,000
2	Chapleau Energy Services Corporation	86191 8134 RC0001	1	500,000		
	<b>Total</b>				100.0000	500,000 <b>A</b>

**Business limit reduction under subsection 125(5.1) of the ITA**

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group\*\* of corporations in the current tax year, the amount at line 415 of the T2 return is equal to  $0.225\% \times (A - \$10,000,000)$  where, "A" is the total of taxable capital employed in Canada\*\*\* of each corporation in the associated group for its last tax year ending in the preceding calendar year.

\* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if \$500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

\*\* The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

\*\*\* "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

**SHAREHOLDER INFORMATION**

Name of corporation CHAPLEAU PUBLIC UTILITIES CORPORATION	Business Number 89149 3322 RC0001	Tax year end Year Month Day 2010-12-31
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All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

		Provide only one number per shareholder					
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)		Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares	
		100	200	300	350	400	500
1	CORPORATION OF THE TOWNSHIP OF CHAPLEAU	10808 9400 RC0001				100.000	
2							
3							
4							
5							
6							
7							
8							
9							
10							