



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

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 Do not use this area

Identification

Business number (BN) 001 86778 0041 RC 0001

Corporation's name
002 Tay Hydro Electric Distribution Company Inc.

PLEASE RETAIN THIS COPY FOR YOUR FILES

CEB Copy

Has the corporation changed its name since the last time we were notified? 003 ☐ Yes ☒ No

If Yes, do you have a copy of the articles of amendment? 004 ☐ Yes ☐ No

Address of head office

Has the address changed since the last time we were notified? 010 ☐ Yes ☒ No

011 489 Finlayson St
012 PO Box 160
City Province, territory, or state
015 Port McNicoll 016 ON
Country (other than Canada) Postal code/Zip code
017 018 LOK 1R0

To which taxation year does this return apply?

From 060 2005/01/01 to 061 2005/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 ☐ Yes ☒ No

If Yes, give the date control was acquired 065

Is the corporation a professional corporation that is a member of a partnership? 067 ☐ Yes ☒ No

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 Yes ☐ No ☒

021 C/o

022 489 Finlayson St

023 PO Box 160

City Province, territory, or state
025 Port McNicoll 026 ON
Country (other than Canada) Postal code/Zip code
027 028 LOK 1R0

Is this the first year of filing after:

Incorporation? 070 ☐ Yes ☒ No

Amalgamation? 071 ☐ Yes ☒ 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 taxation year?

If Yes, complete and attach Schedule 24 072 ☐ Yes ☒ No

Is this the final taxation year before amalgamation? 076 ☐ Yes ☒ No

Is this the final return up to dissolution? 078 ☐ Yes ☒ No

Is the corporation a resident of Canada? 080 ☒ Yes ☐ 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 ☐ Yes ☒ No

If Yes, complete and attach Schedule 91

Location of books and records

Has the location of books and records changed since the last time we were notified? 030 ☐ Yes ☒ No

031 489 Finlayson St
032 PO Box 160
City Province, territory, or state
035 Port McNicoll 036 ON
Country (other than Canada) Postal code/Zip code
037 038 LOK 1R0

040 Type of corporation at end of taxation 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 taxation year, provide the effective date of the change 043

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

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

* We do not print these schedules.

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?	150 <input checked="" type="checkbox"/>	9
Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160 <input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	11
If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which an identification number has been assigned?	167 <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?	168 <input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year?	169 <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> ?	170 <input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	---
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
Is the net income/loss shown on financial statements different from the net income/loss for income tax purposes?	201 <input type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202 <input type="checkbox"/>	2
Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input 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?	205 <input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	6
i) Is the corporation 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) Is the corporation claiming the refundable portion of Part I tax?	207 <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208 <input type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	210 <input type="checkbox"/>	10
Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221 <input type="checkbox"/>	21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232 <input type="checkbox"/>	T661
Is the corporation subject to Part 1.3 tax?	233 <input type="checkbox"/>	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236 <input type="checkbox"/>	36
Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242 <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?	243 <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249 <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?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax?	255 <input type="checkbox"/>	92 *

Attachments - Continued from page 2

	Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256 <input type="checkbox"/>	T1134-A
Did the corporation have any controlled foreign affiliates?	258 <input type="checkbox"/>	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	259 <input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	260 <input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261 <input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262 <input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263 <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?	264 <input type="checkbox"/>	T1174

Additional information

Is the corporation inactive?	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter Yes for first time-filers)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (Only complete if Yes was entered at line 281)	282		
If the major activity involves the resale of goods, indicate whether it is wholesale or retail	283	1 Wholesale <input type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents.	284 Electricity	285	100.000 %
	286	287	%
	288	289	%
Did the corporation immigrate to Canada during the taxation year?	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF1	300	0	A
Deduct: Charitable donations from Schedule 2	311		
Gifts to Canada or a province, or a territory from Schedule 2	312		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction from Schedule 43 *	325		
Non-capital losses of preceding taxation years from Schedule 4	331		
Net capital losses of preceding taxation years from Schedule 4	332		
Restricted farm losses of preceding taxation years from Schedule 4	333		
Farm losses of preceding taxation years from Schedule 4	334		
Limited partnership losses of preceding taxation years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")			C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	0	
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

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

Income from active business carried on in Canada from Schedule 7

400 A

Taxable income from line 360 on page 3, minus 10/3 of the amount on line 632* on page 7, minus 3 times the amount on line 636** on page 7, and minus 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

\$225,000 x	Number of days in the taxation year in 2003	=	1
	Number of days in the taxation year	365	

\$250,000 x	Number of days in the taxation year in 2004	=	2
	Number of days in the taxation year	365	

\$300,000 x	Number of days in the taxation year after 2004	=	300,000 3
	Number of days in the taxation year	365	

Add amounts at line 1, 2, and 3 300,000 4

Business limit (see notes 1 and 2 below)

410 300,000 C

Notes: 1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C	300,000	X	415 ***	D	=		E
				11,250			

Reduced business limit (amount C minus amount E) (if negative, enter "0") 425 300,000 F

Small business deduction - 16% of whichever amount is the least: A, B, C, or F. 430 0 G
(enter amount G of line 9 on page 7)**Accelerated tax reduction****Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**

Reduced business limit (amount from line 425) x = a

Net active business income (amount from line 400)* b

Taxable income from line 360 on page 3 minus 3 times the amount at line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax c

Deduct:

Aggregate investment income (amount from line 440 of page 6) d

Amount c minus amount d (if negative, enter "0") e

Amount a, b, or e above, whichever is less f

Amount Z from Part 9 of Schedule 27 x 100 / 7 = g

Amount QQ from Part 13 of Schedule 27 h

Taxable resource income from line 435 on page 5 i

Amount used to calculate the credit union deduction (amount e in Part 3 of Schedule 17) j

Amount on line 400, 405, 410 or 425 of the small business deduction, whichever is less k

Total of amounts g, h, i, j, and k l

Amount f minus amount l (if negative, enter "0") m

Accelerated tax reduction - 7% of amount m n

(enter amount n on line 637 of page 7)

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

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

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)]		435	H
Amount H _____ x	Number of days in the taxation year in 2003		
	Number of days in the taxation year	365 x 1% =	I
Amount H _____ x	Number of days in the taxation year in 2004		
	Number of days in the taxation year	365 x 2% =	J
Amount H _____ x	Number of days in the taxation year in 2005		
	Number of days in the taxation year	365 x 3% =	K
Amount H _____ x	Number of days in the taxation year in 2006		
	Number of days in the taxation year	365 x 5% =	L
Amount H _____ x	Number of days in the taxation year after 2006		
	Number of days in the taxation year	365 x 7% =	M
Resource deduction – total of amounts I, J, K, L, and M		438	N
(enter amount N on line 10 of page 7)			

General tax reduction for Canadian-controlled private corporations**Canadian-controlled private corporations throughout the taxation year**

Taxable income from line 360 page 3		A
Amount Z from Part 9 of Schedule 27	x 100 / 7 =	B
Amount QQ from Part 13 of Schedule 27		C
Taxable resource income from line 435 above		D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		E
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less		F
Aggregate investment income from line 440 of page 6		G
Amount used to calculate the accelerated tax reduction (amount m of page 4)		
Subtotal		H
Amount A minus amount H (if negative, enter "0")		I
Amount I _____ x	Number of days in the taxation year in 2003	
	Number of days in the taxation year	365 x 5% =
Amount I _____ x	Number of days in the taxation year after 2003	
	Number of days in the taxation year	365 x 7% =
General tax reduction for Canadian-controlled private corporations - total of amounts J and K		L
(enter amount L on line 638 of page 7)		

General tax reduction**Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation**

Taxable income from line 360 on page 3		M
Amount Z from Part 9 of Schedule 27	x 100 / 7 =	N
Amount QQ from Part 13 of Schedule 27		O
Taxable resource income from line 435 above		P
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		Q
Total of amounts N, O, P, and Q		R
Amount M minus amount R (if negative, enter "0")		S
Amount S _____ x	Number of days in the taxation year in 2003	
	Number of days in the taxation year	x 5% =
Amount S _____ x	Number of days in the taxation year after 2003	
	Number of days in the taxation year	x 7% =
General tax reduction - total of amounts T and U		V
(enter amount V on line 639 of page 7)		

Refundable portion of Part I tax**Canadian-controlled private corporations throughout the taxation year**Aggregate investment income 440 X 26 2/3 % = **A**

(Amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 **Deduct:**Foreign investment income 445 X 9 1/3 % = **B**
(Amount O from Part 1 of Schedule 7) (if negative, enter "0")Amount A minus amount B (if negative, enter "0") **C**Taxable income from line 360 on page 3 **Deduct:**Amount on line 400, 405, 410, or 425 on page 4,
whichever is the least Foreign non-business income tax credit
from line 632 of page 7 x 25/9 = Foreign business income tax credit from
line 636 of page 7 x 3 = X 26 2/3 % = **D**

Part I tax payable minus investment tax credit refund

(line 700 minus line 780 on page 8) **Deduct:** Corporate surtax from line 600 of page 7 Net amount **E****Refundable portion of Part I tax** – Amount C, D, or E, whichever is the least 450 **0 F****Refundable dividend tax on hand**Refundable dividend tax on hand at the end of the preceding tax year 460**Deduct:** Dividend refund for the previous taxation year 465 **G****Add the total of:**Refundable portion of Part I tax from line 450 above Total Part IV tax payable from line 360 on page 2 of Schedule 3 Net refundable dividend tax on hand transferred from a predecessor
corporation on amalgamation, or from a wound-up subsidiary
corporation 480 **H****Refundable dividend tax on hand at the end of the taxation year** - Amount G plus amount H 485 **0****Dividend refund****Private and subject corporations at the time taxable dividends were paid in the taxation year**

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

Schedule 3 X 1/3 **I**Refundable dividend tax on hand at the end of the taxation year from line 485 above **J****Dividend refund** – Amount I or J, whichever is less (enter this amount on line 784 of page 8) 0

Part I tax**Base amount of Part I tax** - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3

550 0 A

Corporate surtax calculation

Base amount from line A above 1

Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 2

Investment corporation deduction from line 620 below 3

Federal logging tax credit from line 640 below 4

Federal qualifying environment trust tax credit from line 648 below 5

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

28% of taxable income from line 360 on page 3 a

28% of taxed capital gains b 6

Part I tax otherwise payable

(line A plus line C and D minus line F) c

Total of lines 2 to 6 7

Net amount (line 1 minus line 7) 8

Corporate surtax - 4% of the amount on line 8 600 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 602 C

Calculation for the refundable tax on Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6 i

Taxable income from line 360 on page 3

Deduct:

Amount on line 400, 405, 410, or 425 of page 4, whichever is the least

Net amount ii

Refundable tax on CCPC's investment income - 6 2/3% of whichever is less: amount i or ii 604 D

Subtotal (add lines A, B, C, and D) E

Deduct:

Small business deduction from line 430 on page 4 9

Federal tax abatement 608

Manufacturing and processing profits deduction from amount BB or amount RR of 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

Accelerated tax reduction from amount n of page 4 637

Resource deduction from line 438 of page 5 10

General tax reduction for CCPCs from amount L on page 5 638

General tax reduction from amount V on page 5 639

Federal logging tax credit from Schedule 21 640

Federal political contribution tax credit 644

Federal political contributions 646

Federal qualifying environmental trust tax credit 648

Investment tax credit from Schedule 31 652

Subtotal F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) 0 G

Summary of tax and credits**Federal tax**

Part I tax payable from page 7	700
Part I.3 tax payable from Schedule 33, 34, or 35	704
Part II surtax tax payable from Schedule 46	708
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	0

Add provincial and territorial tax:

Provincial or territorial jurisdiction	750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)	
Net provincial and territorial tax payable (except Quebec, Ontario and Alberta)	760
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765
Total tax payable	770

Deduct other credits:

Investment tax credit refund from Schedule 31	780
Dividend refund from page 6	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
Allowable refund for non-resident-owned investment corporations - Schedule 26	804
Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Royalties deductible under Syncrude Remission Order	815
Tax remitted under Syncrude Remission Order	816
Tax instalments paid	840
Total credits	890

Refund Code **894** OverpaymentBalance (line A minus line B) **0****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 Institution number **918** Account number

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

Enter the amount on whichever line applies.

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

Balance unpaid

Enclosed payment **898**

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

896 1 Yes ☐ 2 No ☒ NA ☐**Certification**

950 King Surname **951** Lillian First name **954** Vice president Position, office or rank

955 2006/05/25 Date **956** (705) 534-7281 Telephone number

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

958 Name **959** () Telephone number

Language of correspondence - Langue de correspondance**990** Language of choice/Langue de choix **1** English / Anglais ☒ **2** Français / French ☐



Canada Revenue
Agency

Agence du revenu
du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

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

Net income (loss) after taxes and extraordinary items per financial statements			A	128,608
Add:				
Provision for income taxes - current	101	(80,700)		
Amortization of tangible assets	104	267,847		
Amortization of intangible assets	106	10,738		
Income/loss for tax purposes - joint ventures/partnerships	109	(335)		
Non-deductible meals and entertainment expenses	242 X 50% 121	121		
Total of fields 101 to 199	500	197,671	▶	197,671
Deduct:				
Capital cost allowance - Schedule 8	403	212,175		
Cumulative eligible capital deduction - Schedule 10	405	7,710		
Tax reserves claimed in current year - Schedule 13	413	581,195		
Total of fields 401 to 499	510	801,080	▶	801,080
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)				(474,801)

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**CORPORATION LOSS CONTINUITY AND APPLICATION**
(2000 and later taxation years)

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- 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 it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.

Part 1 – Non-capital losses**Determination of current-year non-capital loss**

Net income (loss) for income tax purposes		(474,801)
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)		
	Subtotal (if positive, enter "0")	(474,801)
Deduct: (increase a loss)		
Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions		
Add: (decrease a loss)	Subtotal	(474,801)
Current-year farm loss		
Current-year non-capital loss (if positive, enter "0")		(474,801)

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year			
Deduct: Non-capital loss expired *	100		
Non-capital losses at beginning of taxation year	102		
Add: Non-capital losses transferred on an amalgamation or the windup of a subsidiary corporation	105		
Current-year non-capital loss (from calculation above)	110	474,801	
		474,801	474,801
Deduct:			
Amount applied against taxable income (enter on line 331 of the T2 return)	130		
Amount applied against taxable dividends subject to Part IV tax	135		
Section 80 - Adjustments for forgiven amounts	140		
Other adjustments	150		
Deduct - Request to carry back non-capital loss to:			
First preceding taxation year to reduce taxable income	901	86,891	
Second preceding taxation year to reduce taxable income	902	269,049	
Third preceding taxation year to reduce taxable income	903	118,861	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911		
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912		
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913		
		474,801	474,801
Non-capital losses - Closing balance		180	

* A non-capital loss expires as follows:

- After 7 taxation years if it arose in a taxation year ending before March 23, 2004; or
- After 10 taxation years if it arose in a taxation year ending after March 22, 2004.

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 ☐ Yes
 Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Corporation loss continuity and application**Part 2 – Capital losses****Continuity of capital losses and request for a carryback**

Capital losses at end of preceding taxation year	200	
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation	205	
Current-year capital loss (from Schedule 6 calculation)	210	
Add:		
Allowable business investment loss expired as a non-capital loss	x 4/3	220
		Subtotal
Deduct:		
Amount applied against current-year capital gain (see Note 1)	225	
Section 80 - Adjustments for forgiven amounts	240	
Other adjustments	250	
Deduct - Request to carry back capital loss to: (see Note 2)		
First preceding taxation year	951	
Second preceding taxation year	952	
Third preceding taxation year	953	
Capital losses - Closing balance		280

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by 50%.

Note 2

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

Part 3 – Farm losses**Continuity of farm losses and request for a carryback**

Farm losses at end of preceding taxation year		
Deduct: Farm loss expired after 10 taxation years	300	
Farm losses at beginning of taxation year	302	
Add: Farm losses transferred on an amalgamation or the windup of a subsidiary corporation	305	
Current-year farm loss	310	
Deduct:		
Amount applied against taxable income (enter on line 334 of T2 return)	330	
Amount applied against taxable dividends subject to Part IV tax	335	
Section 80 - Adjustments for forgiven amounts	340	
Other adjustments	350	
Deduct - Request to carry back farm loss to:		
First preceding taxation year to reduce taxable income	921	
Second preceding taxation year to reduce taxable income	922	
Third preceding taxation year to reduce taxable income	923	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	
Farm losses - Closing balance		380

Corporation loss continuity and application**Part 4 – Restricted farm losses****Current-year restricted farm loss**

Total losses for the year from farming business	485	A
Minus the deductible farm loss:		
\$2,500 plus B or C, whichever is less		
(Amount A above – \$2,500) divided by 2	B	
Maximum	6,250	C
Deductible farm loss		
Current-year restricted farm loss (enter this amount on line 410)		

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		
Deduct: Restricted farm loss expired after 10 taxation years	400	
Restricted farm losses at beginning of taxation year	402	
Add: Restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation	405	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	
Deduct:		
Amount applied against farming income (enter on line 333 of T2 return)	430	
Section 80 – Adjustments for forgiven amounts	440	
Other adjustments	450	
Deduct – Request to carry back restricted farm loss to:		
First preceding taxation year to reduce farming income	941	
Second preceding taxation year to reduce farming income	942	
Third preceding taxation 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.		

Part 5 – Listed personal property losses**Continuity of listed personal property loss and request for a carryback**

Listed personal property losses at end of preceding taxation year		
Deduct: Listed personal property losses expired after seven taxation years	500	
Listed personal property losses at beginning of taxation year	502	
Add: Current-year listed personal property loss (from Schedule 6)	510	
	Subtotal	
Deduct:		
Amount applied against listed personal property gain (enter on line 655 of Schedule 6)	530	
Other adjustments	550	
Deduct – Request to carry back listed personal property loss to:		
First preceding taxation year to reduce listed personal property gains	961	
Second preceding taxation year to reduce listed personal property gains	962	
Third preceding taxation year to reduce listed personal property gains	963	
Listed personal property losses - Closing balance	580	

Corporation loss continuity and application**Part 6 – Analysis of balance of losses by year of origin**

Year of origin	Non-capital losses *	Farm losses	Restricted farm losses	Listed personal property losses
2000/12/31				
2001/12/31				
2002/12/31				
2003/12/31				
2004/12/31				
2005/12/31				
Total				

* The carryforward period for non-capital losses arising in a taxation year ending after March 22, 2004, is changed from 7 to 10 taxation years.

Part 7 – Limited partnership losses

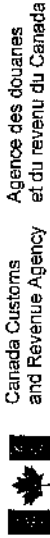
Current-year limited partnership losses						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at risk amount	Corp's share of partnership ITC, farming losses and resource expenses	Column 4 - 5 If negative, enter "0"	Current-year limited partnership losses Column 3 - 6
600	602	604	606	608		620
Total (enter this amount on line 222 of Schedule 1)						

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

Continuity of limited partnership losses that can be carried forward to future taxation years					
Partnership identifier	Losses at end of preceding taxation year	Losses transferred from amalgamation or windup of subsidiary	Current year limited partnership losses (from column 620)	Limited partnership losses applied (cannot exceed 650)	Limited partnership losses closing balance (662+664+670-675)
660	662	664	670	675	680
Total (enter this amount on line 335 of the T2 return)					

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**CAPITAL COST ALLOWANCE****Schedule 8**Is the corporation electing under regulation 1101(5q)? **101** 1 ☐ Yes ☒ No **2**

1 Class	2 UCC at start of year	3 Cost of additions in the year	4 Net adjustments	5 Proceeds of dispositions in the year	7 Adjustment for additions (1/2 x (col 3 - 5))	8 Base amount for CCA	9 Rate %	10 CCA for the year (col 8 x 9 or a lower amount)	11 Recapture of CCA	12 Terminal loss	13 UCC at the end of the year
200	201	203	205	207	211		212	217	213	215	220
1	4,304,958	70,652			35,326	4,340,284	4	173,611			4,201,999
8	29,753	2,380			1,190	30,943	20	6,189			25,944
10	40,501	4,744			2,372	42,873	30	12,862			32,383
45	29,513	27,699			13,850	43,362	45	19,513			37,699
Totals	4,404,725	105,475			52,738	4,457,462		212,175			4,298,025



RELATED AND ASSOCIATED CORPORATIONS

This form is to be completed by a corporation having one or more of the following:

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

Name	Country (if not Canada)	Business # (Canadian corporation only)	Code note 1	Common shares		Preferred shares		Book value of capital stock
				# owned	% owned	# owned	% owned	
Tay Utility Contracting Inc.	100	86777 9449 RC 0001	3	500	550	600	650	700
Tay Hydro Inc.		86863 4528 RC 0001	1	1,000	100.000			1,742,821
Township of Tay		NR	3					
Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated								

**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION****Schedule 10****Part 1 - Calculation of current year deduction and carry-forward**

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")	200	110,142	A
Add: Cost of eligible capital property acquired during the taxation year	222		
Other adjustments	226		
Subtotal (line 222 plus line 226)		x 3/4 =	B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228	x 1/2 =	C
amount B minus amount C (if negative, enter "0")			D
Amount transferred on amalgamation or wind-up of subsidiary	224		E
Subtotal (add amounts A, D, and E)	230	110,142	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H
Other adjustments	246		I
(add amounts G, H, and I)		x 3/4 =	248 J
Cumulative eligible capital balance (amount F minus amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)		110,142	K
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249		
amount K	110,142		
less amount from line 249			
Current year deduction	110,142	x 7% =	250 7,710 *
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		7,710	7,710 L
Cumulative eligible capital - Closing balance (amount K minus amount L) (if negative, enter "0")	300	102,432	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

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

Amount from line K (show as positive amount)			N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988	400	1	
Total of all amounts which reduced CEC in the current or prior years under subsection 80 (7)	401	2	
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402	3	
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408	4	
Line 3 minus line 4 (if negative, enter "0")			5
Total of lines 1, 2, and 5			6
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400		7	
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000		8	
Subtotal (line 7 plus line 8)	409		9
Line 6 minus line 9 (if negative, enter "0")			O
Line N minus line O (if negative, enter "0")			P
Line 5		x 1/2 =	Q
Line P minus line Q (if negative, enter "0")			R
Amount R		x 66.6667	S
Amount N or amount O, whichever is less			T
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)	410		



CONTINUITY OF RESERVES

Schedule 13

For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.

Part 1 - Capital gains reserves

Description of property	Balance at the beginning of the year 002	Transfer on wind-up or amalgamation 003	Balance at the end of the year 004
001			
Totals	008	009	010

The total capital gains reserve at the beginning of the taxation year plus the total transfer on wind-up or amalgamation should be entered on line 880, and the total capital gains reserve at the end of the taxation year should be entered on line 885 of Schedule 6.

Part 2 - Other reserves not deducted for accounting purposes

Description of property	Balance at the beginning of the year	Transfer on wind-up or amalgamation	Balance at the end of the year
Reserve for doubtful debt	110	115	120
Reserve for undelivered goods and services not rendered	130	135	140
Reserve for prepaid rent	150	155	160
Reserve for December 31, 1995 income	170	175	180
Reserve for returnable containers	190	195	200
Reserve for unpaid amounts	210	215	220
Other tax reserves	230	235	240
Totals	270	275	280

The amount from line 270 plus the amount from line 275 should be included on line 125 of Schedule 1 as an addition.

The amount from line 280 should be included on line 413 of Schedule 1 as a deduction.

Part 3 - Accounting reserves not deductible for tax purposes

Description of property	Balance at the beginning of the year	Balance at the end of the year
Totals	A	B

Enter amount A on line 414 of Schedule 1 as a deduction.

Enter amount B on line 126 of Schedule 1 as an addition.

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO
ALLOCATE THE BUSINESS LIMIT (2003 and later taxation years)**

- 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 taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Allocation of the business limitDate filed (for departmental use only) **025**Enter the calendar year to which the agreement applies **050** 2005Is 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? **075** ☐ 1 Yes ☒ 2 No

1 Names of associated corporations		2 Business Number of associated corporations 200	3 Association code 300
100			
1	Tay Hydro Electric Distribution Company Inc.	86778 0041 RC 0001	1
2	Tay Utility Contracting Inc.	86777 9449 RC 0001	1
3	Tay Hydro Inc.	86863 4528 RC 0001	1
4	Township of Tay	NR	4

Allocate business limit using: ☒ % ☐ \$

Taxation year			4 Business limit for the year (before allocation) \$	Allocating business limit		
				5 Percentage of the business limit (%)	6 Business limit allocated \$	7 Gross Part 1.3 tax for business limit reduction
Start End				350	400	
1	2005/01/01	2005/12/31	300,000	85.000	255,000	
2	2005/01/01	2005/12/31	300,000			
3	2005/01/01	2005/12/31	300,000	15.000	45,000	
4	2005/01/01	2005/12/31	300,000			
TOTALS				100.000	A 300,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box.

\$ 255,000

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

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

Name of shareholder (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") 200	Social Insurance Number *	Percentage common shares	Percentage preferred shares
100		300	400	500
Tay Hydro Inc.	86863 4528 RC 0001		100.000	
	RC			

* If the shareholder is a trust, enter NR at field 200 or NA at field 300.

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

Assets	Code	Current year	Prior year
Cash and deposits	1000	1,474,591	901,774
Accounts Receivable	1060	874,676	836,637
Taxes receivable	1066	139,696	28,186
Inventories	1120	104,857	99,821
Prepaid expenses	1484	25,638	16,188
Machinery, equipment, furniture and fixtures	1740	6,927,688	6,823,050
Accumulated amortization of machinery, equipment, furniture and fixtures	1741	(4,195,035)	(3,923,117)
Other tangible capital assets	1900	118,678	115,755
Due from / investment in related parties	2240	61,012	47,423
Other long term assets	2420	628,764	595,090
Total assets	2599	6,160,565	5,540,807

Liabilities	Code	Current year	Prior year
Bank overdraft	2600		
Amounts payable and accrued liabilities	2620	1,064,982	624,340
Current portion of long term liability	2920	1,939,821	1,928,820
Deposits received	2961	116,367	118,399
Long term debt	3140	633,000	830,000
Other long term liabilities	3320	399,308	160,769
Total liabilities	3499	4,153,478	3,662,328

Equity	Code	Current year	Prior year
Common shares	3500	1,742,821	1,742,821
Retained earnings / deficit	3600	264,266	135,658
Total equity	3620	2,007,087	1,878,479
Total liabilities and equity	3640	6,160,565	5,540,807

Retained earnings	Code	Current year	Prior year
Retained earnings/deficit-start	3660	135,658	28,638
Net income / loss	3680	128,608	107,020
Total retained earnings	3849	264,266	135,658



INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name

0001

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Current year	Prior year
Trade sales of goods and services	8000	4,542,060	4,071,279
Total sales of goods and services	8089	4,542,060	4,071,279
Investment revenue	8090	35,224	51,075
Other revenue	8230	132,258	91,259
Total revenue	8299	4,709,542	4,213,613

Cost of sales	Code	Current year	Prior year
Opening inventory	8300		
Purchases / cost of materials	8320	3,218,877	2,863,192
Cost of sales	8518	3,218,877	2,863,192
Gross profit / loss (item 8089 - item 8518)	8519	1,323,183	1,208,087

Operating expenses	Code	Current year	Prior year
Amortization of tangible assets	8670	278,585	262,255
Interest on long term debt	8714	181,158	191,920
Collection and credit costs	8717	221,416	208,451
Other repairs and maintenance	9010	210,836	182,885
Other expenses	9270	45,014	
Selling expenses	9273	505,748	384,692
Total operating expenses	9367	1,442,757	1,230,203
Total expenses	9368	4,661,634	4,093,395
Net non-farming income	9369	47,908	120,218

Farming revenue	Code	Current year	Prior year
Grains and oilseeds	9370		
Total farm revenue	9659		

Farming expenses	Code	Current year	Prior year
Crop expenses	9660		
Total farm expenses	9898		
Net farm income	9899		
Net income / loss before taxes and extraordinary items	9970	47,908	120,218

Summary

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

Extraordinary items	9975-	-	
Legal settlements	9976-	-	
Unrealized gains / losses	9980+	+	
Unusual items	9985-	-	
Current income taxes	9990-	(80,700)	13,198
Future income tax provision	9995-	-	
Net income / loss after taxes and extraordinary items	9999=	128,608	107,020

**NOTES CHECKLIST****Schedule 141**

- This schedule should be completed from the perspective of the person who prepared or reported on the financial statements. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations and T4012, T2 Corporation – Income Tax Guide*.
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

Part 1 – Accounting practitioner informationDoes the accounting practitioner have a professional designation? 095 ☒ Yes ☐ NoIs the accounting practitioner connected* with the corporation? 097 ☐ Yes ☒ 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 accounting practitioner does not have a professional designation or is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: 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** above, answer the following question:Has the accounting practitioner expressed a reservation? 099 ☐ Yes ☒ No**Part 4 – Other information**Were notes to the financial statements prepared? 101 ☒ Yes ☐ No

If Yes, complete lines 102 to 107 below:

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

If Yes, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)? 109 ☐ Yes ☒ No



Ministry of Finance

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

2004/
2005CT23 Corporations Tax and
Annual Return

For taxation years commencing
after December 31, 2002

Corporations Tax Act - Ministry of Finance (MOF)

Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

This form is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide) ☒ Yes ☐ No **Page 1 of 20**

Corporation's Legal Name (including punctuation) Tay Hydro Electric Distribution Company Inc.		Ontario Corporations Tax Account No. (MOF) 1800201	
Mailing address 489 Finlayson St PO Box 160 City Port McNicoll Province ON Country CA Postal code L0K 1R0		This Return covers the Taxation Year Start 2005/01/01 End 2005/12/31	
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date of change year month day		Date of Incorporation or Amalgamation 2000/04/28	
Registered/Head Office Address 489 Finlayson St PO Box 160 City Port McNicoll Province ON Country CA Postal code L0K 1R0		Ontario Corporation No. (MCBS) 1402981	
Location of Books and Records 489 Finlayson St PO Box 160 City Port McNicoll Province ON Country CA Postal code L0K 1R0		Canada Customs and Revenue Agency Business No. 867780041R00001	
Name of person to contact regarding this CT23 Return Lillian King		Telephone No. (705) 534-7281	Fax No. () -
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS) City Province Country Postal code		Jurisdiction Incorporated Ontario	
Former Corporation Name (Extra-Provincial Corporations only) <input type="checkbox"/> Not Applicable (MCBS)		If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced Ceased <input checked="" type="checkbox"/> Not Applicable	
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please check <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). <input checked="" type="checkbox"/> No Change		No. of Schedule(s) 0	Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français
		Ministry Use 	

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person
Lillian King

Title: ☐ Director ☐ Officer ☐ Other individual having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Taxation Year End

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

Page 2 of 20

Corporation's Legal Name

Ontario
Corporations Tax
Account No. (MOF)**This EFF Declaration must be filed for each taxation year that the corporation is exempt from filing and must be filed within 6 months after the corporation's taxation year end.****Criteria for exempt from filing status:**

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

Note 1: Filing of this declaration and the Annual Return does not constitute the filing of a Corporations Tax Return under section 75 of the Corporations Tax Act.**Note 2:** The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

- If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.

- If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.

- If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items **MUST** be completed for EFF declarations only. In cases where the Annual Return, which includes page 1, is also being filed, completion of these fields is not required.

1. Corporation's Mailing Address

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

2. Ontario Corporation
No. (MCBS)3. Canada Customs and Revenue Agency
Business No. RC

I, _____ declare that:

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

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

Please note that making a false statement to avoid compliance with the Corporations Tax Act is an offence which can result in a penalty and/or fine.**If you check "Yes" to ALL of the following criteria you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.**

Yes	No		Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. (nearest whole percentage) Indicate Share Capital with full voting rights owned by Canadian Residents <u>100</u> %	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(d) The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each \$1,500,000 or less and the corporation is not a financial institution; or The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each \$3,000,000 or less and the corporation is not a financial institution.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(b) The corporation's taxable income for the taxation year is \$200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (Refer to Guide)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(e) The corporation is not claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC), Graduate Transitions Tax Credit (GTTTC) or Apprenticeship Training Tax Credit (ATTC).
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(c) The corporation is not a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(f) The corporation's Ontario allocation factor is 100%.

Note: Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are **not** subject to the Corporate Minimum Tax, may also use the CT23 Short-Form Corporations Tax Return if the corporation checks "Yes" to a), b), c), e) and f) above.

CT23 Corporations Tax Return

CT23 Page 3 of 20

Identification continued (for CT23 filers only)

Type of Corporation - Please check (✓) box(es) if applicable in sections 1 & 2

1	<input checked="" type="checkbox"/> 1	Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))		
	<input type="checkbox"/> 2	Other Private		
	<input type="checkbox"/> 3	Public	Share Capital with full voting rights owned by	(nearest %)
	<input type="checkbox"/> 4	Non-share Capital	Canadian Residents.	<u>100</u> %
	<input type="checkbox"/> 5	Other (specify)		

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

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

Specify major business activity

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

<input type="checkbox"/> First Year of Filing	<input type="checkbox"/> Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)	<input type="checkbox"/> Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
<input type="checkbox"/> Amended Return	<input type="checkbox"/> Final Taxation Year before Amalgamation	<input type="checkbox"/> Acquisition of Control fed s.249(4) Date control was acquired:
<input type="checkbox"/> Taxation Year End has changed - Canada Customs and Revenue Agency approval required	<input type="checkbox"/> Floating Fiscal Year End	

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

Income Tax**CT23 Page 4 of 20**

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From 690 ±	(474,801)
Subtract: Charitable donations	1 -	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	2 -	
Subtract: Taxable dividends deductible, per federal Schedule 3	3 -	
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002R)	4 -	
Subtract: Federal Part VI.1 tax X 3	5 -	
Subtract: Prior years' losses applied - Non-capital losses	From 704	

	From 715	inclusion	
Net capital losses (page 16)	X rate	50.000000	% = 714
Farm losses	From 724		
Restricted farm losses	From 734		
Limited partnership losses	From 754		

Taxable income (Non-capital loss) 10 = (474,801)

Addition to taxable income for unused foreign tax deduction for federal purposes 11 =

Adjusted taxable income 10 + 11 (if 10 is negative, enter 11) 20 =

Taxable Income

		Number of days in Taxation Year			
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
From 10 (or 20)	X 30	100.0000	% X 12.5 % X 33	÷ 73	365 = 29+
		Ontario Allocation	Days after Dec. 31, 2003	Total Days	
From 10 (or 20)	X 30	100.0000	% X 14.0 % X 34	365 ÷ 73	365 = 32+
		Ontario Allocation			

Income Tax Payable (before deduction of tax credits) 29 + 32 40 =

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

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

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

* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a)) 50 =

Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) 51 +

Add: Losses of other years deducted for federal purposes (fed.s.111) 52 +

Subtract: Losses of other years deducted for Ontario purposes (s.34) 53 -

= 54 =

Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1) 55 + 255,000

Ontario Business Limit Calculation

Days after Dec. 31, 2002 and before Jan. 1, 2004
320,000 X 31 ÷ ** 365 =+ 46

Days after Dec. 31, 2003
400,000 X 34 365 ÷ ** 365 =+ 47 400,000

Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated

Business limit for Ontario purposes 46 + 47 = 44 400,000 X 48 85.0000 % = 45 340,000

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

* Note: Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

** Note: Adjust accordingly for a floating taxation year and use 366 for a leap year.

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

continued on Page 5

Income Tax *continued from Page 4***Number of Days in Taxation Year**Days after Dec. 31, 2002
and before Jan. 1, 2004

Total Days

Calculation of IDSBC Rate	7.0 % X 31	+ 73	Total Days 365	= 89 +
	8.5 % X 34	Days after Dec. 31, 2003 365	Total Days 365	= 90 + 8.5000
IDSBC Rate for Taxation Year	89 + 90			78 = 8.5000
Claim	From 60	X From 78	8.5000 %	70

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

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

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

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

* Taxable Income of the corporation From 10 (or 20 if applicable) 80 +

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

Taxable income of associated corporations (Attach schedule) 82 +

Aggregate Taxable Income 85 =

Number of days in Taxation YearDays after Dec. 31, 2002
and before Jan. 1, 2004

Total Days

320,000 X 31	+ 73	Total Days 365	= 115 +
400,000 X 34	Days after Dec. 31, 2003 365	Total Days 365	= 116 + 400,000
	115 + 116	=	400,000
			114 - 400,000

(If negative, enter nil) 86 =

Number of Days in Taxation Year

Days after Dec. 31, 2002

Total Days

Calculation of Specified Rate for Surtax	4.667% X 38	Days after Dec. 31, 2002 365	+ 73	Total Days 365	= 97 + 4.6670
From 86	X From 97	4.6670 %	=		87 =
From 87	X From 60	+ From 114	400,000		88 =

Surtax: Lesser of 70 or 88 100 =

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

continued on Page 6

Income Tax continued from Page 5

CT23 Page 6 of 20

Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17)

110

Manufacturing and Processing Profits Credit (M&P) (s.43)**Applies** to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

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

Eligible Canadian Profits

120

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

From 56 -

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 + From 30 100.0000 % + From 78 8.5000 % = 121

*Ontario Allocation

Lesser of 56 or 121

122 +

120 - 56 + 122

130 =

Taxable income

From 10 + (474,801)

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

From 56 -

Add: Adjustments for Surtax on Canadian-controlled private corporations

From 122 +

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

140

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

141

10 - 56 + 122 - 140 - 141

142

Claim**Number of Days in Taxation Year**Days after Dec. 31, 2002
and before Jan. 1, 2004

Total Days

143 X From 30 100.0000 % X 1.5% X 33 + 73 365 = 154 +

Lesser of 130 or 142

*Ontario Allocation

Days after Dec. 31, 2003

Total Days

143 X From 30 100.0000 % X 2.0% X 34 365 + 73 365 = 156 +

Lesser of 130 or 142

*Ontario Allocation

M&P claim for taxation year 154 + 156

160

***Note:** Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))**Manufacturing and Processing Profits Credit for Electrical Generating Corporations**

161

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

162

Credit for Foreign Taxes Paid (s.40)**Applies** if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R) (Attach schedule)

170

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

Eligible Credit 175

Credit Claimed 180

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180

190

continued on Page 7

Income Tax *continued from Page 6***Specified Tax Credits** *(Refer to Guide)***Ontario Innovation Tax Credit (OITC) (s.43.3)** *Applies to scientific research and experimental development in Ontario.*Eligible Credit from **5620** OITC Claim Form *(Attach original Claim Form)***191****Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies to employment of eligible students.*Eligible Credit from **5798** CT23 Schedule 113 *(Attach Schedule 113)***192 +****Ontario Film & Television Tax Credit (OFTTC) (s.43.5)***Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.***204**Eligible Credit from **5850** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)***193 +****Graduate Transitions Tax Credit (GTTC) (s.43.6)***Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005.*No. of Graduates From **6596****194**Eligible Credit from **6598** CT23 Schedule 115 *(Attach Schedule 115)***195 +****Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)***Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.*Eligible Credit from **6900** OBPTC Claim Form*(Attach both the original Claim Form and the Certificate of Eligibility)***196 +****Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)***Applies to labour relating to computer animation and special effects on an eligible production.*Eligible Credit from **6700** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)*(Attach the original Certificate of Eligibility)***197 +****Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)***Applies to qualifying R&D expenditures under an eligible research institute contract.*Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)***198 +****Ontario Production Services Tax Credit (OPSTC) (s.43.10)***Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.*Eligible Credit from **7300** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)***199 +****Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)***Applies to qualifying labour expenditures of eligible products for the taxation year.*Eligible Credit from **7400** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)***200 +****Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)***Applies to qualifying expenditures in respect of eligible Canadian sound recordings.*Eligible Credit from **7500** OSRTC Claim Form*(Attach both the original Claim Form and the Certificate of Eligibility)***201 +****Apprenticeship Training Tax Credit (ATTC) (s.43.13)***Applies to employment of eligible apprentices.*No. of Apprentices From **5896****202**Eligible Credit from **5898** CT23 Schedule 114 *(Attach Schedule 114)***203 +****Total Specified Tax Credits:** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203**220 +****Specified Tax Credits Applied to reduce Income Tax****225 +****Income Tax** 190 - 225 OR Enter NIL if reporting Non-Capital Loss *(amount cannot be negative)***230 +**To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on **Page 17**.

OR

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

Corporate Minimum Tax (CMT)

CT23 Page 8 of 20

Total Assets of the corporation	240 +	6,160,565	
Total Revenue of the corporation			241 + 4,709,542
<i>The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.</i>			
<i>If you are a member of an associated group (✓) 242 <input checked="" type="checkbox"/> (Yes)</i>			
Total Assets of associated corporations (Attach schedule)	243 +	2,729,827	
Total Revenue of associated corporations (Attach schedule)			244 + 121,550
Aggregate Total Assets	249 =	8,890,392	
Aggregate Total Revenue			250 = 4,831,092

Determination of Applicability

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

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

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

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

Calculation: CMT (Attach Schedule 101.)

Gross CMT Payable - CMT Base From Schedule 101 2136	47,908 X	From 30	100.0000 % X 4%	276 =	1,916
If negative, enter zero Ontario Allocation					
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)				277	
Subtract: Income Tax				From 190 -	
Net CMT Payable (if negative, enter Nil on page 17.)				280	1,916

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from Page 7 to Income Tax Summary, on Page 17.

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

If 280 is greater than or equal to zero, transfer 230 to Page 17 and transfer 280 to Page 17, and to Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.

CMT Credit Carryover available From Schedule 101		From 2333	1,916
--	--	-----------	-------

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)		From 190 +
	Gross CMT Payable	From 276 +	1,916
	Subtract: Foreign Tax Credit for CMT purposes	From 277 -	
	If 276 - 277 is negative, enter Nil in 290	=	1,916 ▶
	Income Tax eligible for CMT Credit		290 - 1,916
			300
B.	Income Tax (after deduction of specified credits)		From 230 +
	Subtract: CMT credit used to reduce income taxes		310
	Income Tax		320

Transfer to Page 17

If A & B apply, 310 cannot exceed the lesser of 230, 300 and your CMT credit carryover available 2333.

If only B applies, 310 cannot exceed the lesser of 230 and your CMT credit carryover available 2333.

Capital Tax (Refer to Guide and Int.B. 3011R)

CT23 Page 9 of 20

If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in 480 and 430 are both \$3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation.

If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital. Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)	350 +	1,742,821
Retained earnings (if deficit, deduct) (Int.B. 3012R)	351 ±	264,266
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012R)	352 +	
Loans and advances (Attach schedule)(Int.B. 3013R)	353 +	2,807,866
Bank loans (Int.B. 3013R)	354 +	
Bankers acceptances (Int.B. 3013R)	355 +	
Bonds and debentures payable (Int.B. 3013R)	356 +	
Mortgages payable (Int.B. 3013R)	357 +	
Lien notes payable (Int.B. 3013R)	358 +	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	359 +	
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	360 +	
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)	361 +	347,063
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	362 +	
Subtotal	370 =	5,162,016
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)	371 -	
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	372 -	
Total Paid-up Capital	380 =	5,162,016
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381 -	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382	
Net Paid-up Capital	390 =	5,162,016

Eligible Investments (Refer to Guide and Int.B. 3015R)

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

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

continued on Page 10

Capital Tax continued from Page 9

CT23 Page 10 of 20

Total Assets (Int.B. 3015R)

Total Assets per balance sheet	420 +	6,160,565
Mortgages or other liabilities deducted from assets	421 +	
Share of partnership(s)/joint venture(s) total assets (Attach schedule)	422 +	
Subtract: Investment in partnership(s)/joint venture(s)	423 -	
Total Assets as adjusted	430 =	6,160,565
Amounts in 360 and 361 (if deducted from assets)	440 +	
Subtract: Amounts in 371, 372 and 381	441 -	
Subtract: Appraisal surplus if booked	442 -	
Add or Subtract: Other adjustments (specify on an attached schedule)	443 ±	
Total Assets	450 =	6,160,565

Investment Allowance $(410 \div 450) \times 390$

Not to exceed 410 460 =

Taxable Capital 390 - 460

470 = 5,162,016

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

Gross Revenue of the corporation 4,709,542

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

Aggregate of Gross Revenue

4,709,542 480 = 4,709,542

Total Assets (as adjusted)

From 430 = 6,160,565

Calculation of Capital Tax for all Corporations except Financial Institutions**Note:** This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002.

Financial Institutions use calculations on page 13.

- Important:** If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.
- OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.
- OR If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

		Number of Days in Taxation Year			
		Days before Jan. 1, 2005	Total Days		
5,000,000	X 35	÷ 73	365	= 500 +	
		Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days		
7,500,000	X 36	365 ÷ 73	365	= 501 +	7,500,000
		Days after Dec. 31, 2005 and before Jan. 1, 2007	Total Days		
10,000,000	X 37	÷ 73	365	= 502 +	
Taxable Capital Deduction (TCD)				500 + 501 + 502	503 = 7,500,000

SECTION CThis section applies if the corporation is **not** a member of an associated group and/or partnership

- C1.** If 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.
- C2.** If Taxable Capital in 470 is equal to or less than the TCD in 503, enter NIL in 550 on page 12 and complete the return from that point.
- C3.** If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.

+ From 470		Days in taxation year			
- From 503					
= 471	x From 30	Ontario Allocation	x 0.3% x 555	= 523 +	
			365 (366 if leap year)		
			If floating taxation year, refer to Guide.		
					Transfer to 543 on page 12 and complete the return from that point

continued on Page 11

Capital Tax Calculation *continued from Page 10*

CT23 Page 11 of 20

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either **509** or **524** and complete this section before you can calculate your Capital Tax calculation under either Section E or Section F.

D1. ☒ **509** (✓ if applicable) All corporations that you are associated with do **not** have a permanent establishment in Canada.
If Taxable Capital **470** on page 10 is equal to or less than the TCD **503** on page 10, enter NIL in **550** on page 12 and complete the return from that point.
If Taxable Capital **470** on page 10 exceeds the TCD **503** on page 10, proceed to **Section E**, enter the TCD amount in **542** in Section E, and complete Section E and the return from that point.

D2. ☒ **524** (✓ if applicable) One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.
You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group may file an election under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.
The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.
In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do not complete this calculation if ss.69(2.1) election is filed

Taxable Capital form 470 on page 10	From 470 +	5,162,016
--	-------------------	-----------

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations (Attach schedule)	531 +	104,359
Aggregate Taxable Capital 470 + 531	540 =	5,266,375

If **540** above is equal to or less than the TCD **503** on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in **523** in section E on page 12, as applicable.

If **540** above is greater than the TCD **503** on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From 470	÷	From 540	X	From 503	541 =	
						Transfer to 542 in Section E
						on page 12

Ss.69(2.1) Election Filed

☒ **591** (✓ if applicable) **Election filed. Attach a copy of Schedule 591 with this CT23 Return.**
Proceed to **Section F** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

CT23 Page 12 of 20

SECTION E

This section applies if the corporation is a member of an associated group and/or partnership whose total aggregate Taxable Capital 540 on page 11 exceeds the TCD 503 on page 10.

Complete the following calculation and transfer the amount from **523** to **543**, and complete the return from that point.

+ From 470 - 542 = 471	x	From 30 Ontario Allocation	%	x	0.3%	x	555 Days in the taxation year *365 (366 if leap year)	=	523 + <i>Transfer to 543 and complete the return from that point</i>	Total Capital Tax for the taxation year
---	---	--------------------------------------	---	---	------	---	--	---	--	--

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From 470	X From 30	x 0.3%	= 561 +
Ontario Allocation			
- Capital tax deduction from 995 relating to your corporation's Capital Tax deduction, on Schedule 591			From 995 -
			562 =

$$\text{Capital Tax} \quad \underline{\quad 562 \quad} \times \frac{\text{Days in taxation year} \quad \underline{555}}{*365 \text{ (366 if leap year)}} = 563 + \frac{\text{Transfer to } \underline{543} \text{ and complete the return from that point}}$$

* If floating taxation year, refer to Guide

Capital Tax before application of specified credits	543
Subtract: Specified Tax Credits applied to reduce capital tax payable <i>(Refer to Guide)</i>	546
Capital Tax 543 - 546 <i>(amount cannot be negative)</i>	550

Transfer to Page 17

continued on Page 13

Capital Tax continued from Page 12

CT23 Page 13 of 20

Calculation of Capital Tax for Financial Institutions**1.1. Credit Unions Only**

For taxation years commencing after May 4, 1999 enter NIL in 550 on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)

565 x 0.6% x From 30 % x 555 Days in taxation year + *365 = 569 +
 Lesser of adjusted Ontario Allocation (366 if leap year)
 Taxable Paid Up Capital
 and Basic Capital Amount
 in accordance with
 Division B.1

570 x 571 x From 30 % x 555 Days in taxation year + *365 = 574 +
 Adjusted Taxable Capital Tax Rate Ontario Allocation (366 if leap year)
 Paid Up Capital (Refer to Guide)
 in accordance with
 Division B.1 in excess
 of Basic Capital Amount

Capital Tax for Financial Institutions - other than Credit Unions (before Section 2) 569 + 574**575 =**

* If floating taxation year, refer to Guide.

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments

585 = Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? ☒ Yes ☐ No**Capital Tax - Financial Institutions 575 - 585****586 =**

Transfer to 543 on Page 12

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

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

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

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)**589 =** **Premium Tax 588 - 589****590 =**

Transfer to Page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ**Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1****600± (474,801)***Transfer to Page 15***Add:**

Federal capital cost allowance	601+	212,175
Federal cumulative eligible capital deduction	602+	7,710
Ontario taxable capital gain	603+	
Federal non-allowable reserves. Balance beginning of year	604+	
Federal allowable reserves. Balance end of year	605+	581,195
Ontario non-allowable reserves. Balance end of year	606+	
Ontario allowable reserves. Balance beginning of year	607+	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608+	
Federal resource allowance (Refer to Guide)	609+	
Federal depletion allowance	610+	
Federal foreign exploration and development expenses	611+	
Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide)	617+	
Management fees, rents, royalties and similar payments to non-arms' length non-residents		

Number of Days in Taxation YearDays after Dec. 31, 2002
and before Jan. 1, 2004

Total Days

612 X 5/12.5 X 33 + 73 365 = 633+

Days after Dec. 31, 2003

Total Days

612 X 5/14.0 X 34 365 + 73 365 = 634+

Total add-back amount for Management fees, etc. 633 + 634 =

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 Schedule 161

Add any negative amount in 473 from Ont. CT23 Schedule 161

Federal allowable business investment loss

Total of other items not allowed by Ontario but allowed federally (Attach schedule)

Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614

613+

615+

616+

620+

614+

= 801,080 640

801,080

*Transfer to Page 15***Deduct:**

Ontario capital cost allowance (excludes amounts deducted under 675)	650	212,175
Ontario cumulative eligible capital deduction	651	7,710
Federal taxable capital gain	652+	
Ontario non-allowable reserves. Balance beginning of year	653+	
Ontario allowable reserves. Balance end of year	654+	581,195
Federal non-allowable reserves. Balance end of year	655+	
Federal allowable reserves. Balance beginning of year	656+	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	657+	
Ontario depletion allowance	658+	
Ontario resource allowance (Refer to Guide)	659+	
Ontario current cost adjustment (Attach schedule)	661	
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	675	
Subtotal of deductions for this page 650 to 659 + 661 + 675	681	801,080

*Transfer to Page 15**continued on Page 15*

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ*continued from Page 14*

Net income (loss) for federal income tax purposes, per federal Schedule 1	From 600±	(474,801)
Total of Additions on page 14	From 640=	801,080

Sub Total of deductions on page 14	From 681=	801,080
------------------------------------	-----------	---------

Deduct:**Ontario New Technology Tax Incentive (ONTTI) Gross-up***(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)*

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

662

ONTTI Gross-up deduction calculation:

From Gross-up of CCA

662	x 100/ 30	100.0000	- From 662	663=
Ontario Allocation				

Workplace Child Care Tax Incentive (WCCT)*(Applies to eligible expenditures incurred prior to January 1, 2005.)*

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

Workplace Accessibility Tax Incentive (WATI)*(Applies to eligible expenditures incurred prior to January 1, 2005.)*

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

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI)*(Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)*

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

Educational Technology Tax Incentive (ETTI)*(Applies to eligible expenditures incurred prior to January 1, 2005.)*

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

Ontario allowable business investment loss 678+

Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161

679

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003)

677+

Total of other deductions allowed by Ontario (Attach schedule) 684+

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664	=	801,080	680	801,080
---	---	---------	-----	---------

Net income (loss) for Ontario Purposes 600 + 640 - 680	690=	(474,801)
Transfer to Page 4		

Continuity of Losses Carried Forward**CT23 Page 16 of 20**

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2)	710 (2)	720 (2)	730	740	750
Add:	701	711	721	731	741	751
Current year's losses (7)	474,801					
702	712	722	732			752
Losses from predecessor corporations (3)						
703	713	723	733	743		753
Subtotal	474,801					
Subtract:	704 (2)	715 (2)(4)	724 (2)	734 (2)(4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	705		725	735	745	
Expired during the year						
Carried back to prior years to reduce taxable income (5)	706 (2) To Pg 17	716 (2) To Pg 17	726 (2) To Pg 17	736 (2) To Pg 17	746	
	474,801					
Subtotal	707	717	727	737	747	757
	474,801					
Balance at End of Year	709 (8)	719	729	739	749	759

Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceeding taxation year	817 (6)	860 (6)		850	870
801 8th preceeding taxation year	818 (6)	861 (6)		851	871
802 7th preceeding taxation year	819 (6)	862 (6)		852	872
803 6th preceeding taxation year	820	830	840	853	873
804 5th preceeding taxation year	821	831	841	854	874
805 4th preceeding taxation year	822	832	842	855	875
806 3rd preceeding taxation year	823	833	843	856	876
807 2nd preceeding taxation year	824	834	844	857	877
808 1st preceeding taxation year	825	835	845	858	878
809 Current taxation year	826	836	846	859	879
Total	829	839	849	869	889

Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.
- (3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amounts from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

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

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

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

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

Application of Losses			Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910 474,801	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.						
	Predecessor Corporation's Account No. (MOF)	Taxation Year Ending	911	921	931	941
i) 3rd preceding	901	2002/12/31	118,861			
ii) 2nd preceding	902	2003/12/31	269,049			
iii) 1st preceding	903	2004/12/31	86,891			
Total loss to be carried back			From 706 474,801	From 716	From 726	From 736
Balance of loss available for carry-forward			919	929	939	949

Summary

Income Tax	From 230 or 320+	
Corporate Minimum Tax	From 280+	1,916
Capital Tax	From 550+	
Premium Tax	From 590+	
Total Tax Payable	950	1,916
Subtract: Payments	960	30,810
Capital Gains Refund (s.48)	965	
Qualifying Environmental Trust Tax Credit (Refer to Guide)	985	
Specified Tax Credits (Refer to Guide)	955	
Balance	970 =	(28,894)
If payment due	Enclosed * 990	
If overpayment: Refund (Refer to Guide)	975 =	28,894
Apply to	980	

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order. (Refer to Guide for other payment methods.)

Certification

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

Name

Lillian King

Title

Vice president

Full Residence Address

489 Finlayson St

City

Port McNicoll

Province

ON

Country

Postal Code

L0K 1R0

Signature

Date

2006/05/25

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



Ministry of Finance

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

Corporate Minimum Tax (CMT)

CT23 Schedule 101

Corporation's Legal Name Tay Hydro Electric Distribution Company Inc.	Ontario Corporations Tax Account No. (MOF) 1800201	Taxation Year End 2005/12/31
--	---	---------------------------------

Part 1: Calculation of CMT Base

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Life Insurance corporations - Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net income/(loss) (unconsolidated, determined in accordance with GAAP)

2100± 128,608

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes 2101+ 80,700

Provision for deferred income taxes (credits) / benefit of future income taxes 2102+

Equity income from corporations 2103+

Share of partnership(s)/joint venture(s) income 2104+

Dividends received/receivable deductible under fed.s.112 2105+

Dividends received/receivable deductible under fed.s.113 2106+

Dividends received/receivable deductible under fed.s.83(2) 2107+

Dividends received/receivable deductible under fed.s.138(6) 2108+

Federal Part VI.1 tax on dividends declared and

paid, under fed.s.191.1(1) x 3 = 2109+

Subtotal = 80,700 ▶ 2110- 80,700

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes 2111+

Provision for deferred income taxes (debits) / cost of future income taxes 2112+

Equity losses from corporations 2113+

Share of partnership(s)/joint venture(s) losses 2114+

Dividends that have been deducted to arrive at net income per

Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) 2115+

Subtotal = ▶ 2116+

Add/Subtract:

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

Fed.s.85 2117+ or 2118-

Fed.s.85.1 2119+ or 2120-

Fed.s.97 2121+ or 2122-

Amounts relating to amalgamations

(fed.s.87) as prescribed in regulations for

current/prior years 2123+ or 2124-

Amounts relating to wind-ups (fed.s.88)

as prescribed in regulations for current/prior

years 2125+ or 2126-

Amounts relating to s.57.10 election/

regulations for replacement re fed.s.13(4),

14(6) and 44 for current/prior years 2127+ or 2128-

Interest allowable under ss. 20(1)(c) or (d)

of ITA to the extent not otherwise deducted

in determining CMT adjusted net income 2150-

Subtotal (Additions) = ▶ 2129+

Subtotal (Subtractions) = ▶ 2130-

Other adjustments 2131±

Subtotal ± 2100 - 2110 + 2116 + 2129 - 2130 ± 2131 2132= 47,908

Share of partnership(s)/joint venture(s) adjusted net income/loss 2133±

Adjusted net income (loss) (If loss, transfer to 2202 in **Part 2: Continuity of CMT Losses Carried Forward.**) 2134= 47,908

Deduct: CMT losses: pre-1994 Loss From 2210+

CMT losses: other eligible losses 2211+

= ▶ 2135-

CMT Base 2136= 47,908

Transfer to CMT Base on page 8 of the CT23
or Page 6 of the CT8

Corporate Minimum Tax (CMT)**Part 2: Continuity of CMT Losses Carried Forward****CMT loss continuity by year**

Year of origin	Beginning balance	Transfers on amalgamation	Transfers on wind-up	Adjustments	Current year loss	Applied	Ending balance
							Expired
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
2005/12/31							
Totals							

Balance at Beginning of year Notes (1), (2)**2201 +****Add:** Current year's losses**2202 +**

Losses from predecessor corporations on amalgamation Note (3)

2203 +

Losses from predecessor corporations on wind-up Note (3)

2204 +Amalgamation (✓) **2205** ☐ Yes Wind-up (✓) **2206** ☐ Yes**Subtotal****=****▶ 2207 +**

Adjustments (attach schedule)

2208 ±**CMT losses available 2201 + 2207 ± 2208****2209 =****Subtract:** Pre-1994 loss utilized during the year to reduce adjusted net income**2210 +**

Other eligible losses utilized during the year to reduce adjusted net income Note (4)

2211 +

Losses expired during the year

2212 +**Subtotal****=****▶ 2213 -****Balances at End of Year** Note (5) **2209 - 2213****2214 =****Notes:**

- (1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.
- (2) Where acquisitions of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

- (3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))
- (4) CMT losses must be used to the extent of the lesser of the adjusted net income **2134** and CMT losses available **2209**.
- (5) Amount in **2214** must equal sum of **2270 + 2290**.

Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year-end before your corporation's first taxation year commencing after 1993.

Year of Origin (oldest year first)	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	2260	2280
2241	2261	2281
2242	2262	2282
2243	2263	2283
2244 2000/12/31	2264	2284
2245 2001/12/31	2265	2285
2246 2002/12/31	2266	2286
2247 2003/12/31	2267	2287
2248 2004/12/31	2268	2288
2249 2005/12/31	2269	2289
Totals	2270	2290

The sum of amounts 2270 + 2290 must equal amount in 2214.

Corporate Minimum Tax (CMT)**Part 4: Continuity of CMT Credit Carryovers****CMT credit continuity by year**

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
2005/12/31				1,916			1,916
Totals				1,916			1,916

Balance at Beginning of year Note (1)

2301

Add: Current year's CMT Credit (280 on page 8 of the CT23 or 347 on page 6 of the CT8. If negative, enter NIL)

From 280 or 347 +

1,916

Gross Special Additional Tax Note (2) 312 on page 5 of CT8.

(Life Insurance corporations only. Others enter NIL.) From 312 +

Subtract Income Tax

(190 on page 6 of the CT23 or page 4 of the CT8) From 190 -

Subtotal (If negative, enter NIL) =

2305 -

Current year's CMT credit (If negative, enter NIL) 280 or 347 - 2305

= 1,916

2310 +

1,916

CMT Credit Carryovers from predecessor corporations Note (3)

2325 +

Amalgamation (✓) 2315 ☐ Yes Wind-up (✓) 2320 ☐ Yes

Subtotal 2301 + 2310 + 2325

2330 +

1,916

Adjustments (Attach schedule)

2332 ±

CMT Credit Carryover available 2330 ± 2332

2333 =

1,916

Transfer to Page 8 of the CT23
or page 6 of the CT8

Subtract: CMT credit utilized during the year to reduce income tax

(310 on page 8 of the CT23 or 351 on page 6 of the CT8.) From 310 or 351

CMT Credit expired during the year

2334 -

Subtotal =

2335 -

Balance at End of Year Note (4) 2333 - 2335

2336 =

1,916

Notes:

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).
- (3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (4) Amount in 2336 must equal the sum of 2370 + 2390.

Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

Year of Origin (oldest year first)	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	2360	2380
2341	2361	2281
2342	2362	2382
2343	2363	2383
2344	2364	2384
2345 2001/12/31	2365	2385
2346 2002/12/31	2366	2386
2347 2003/12/31	2367	2387
2348 2004/12/31	2368	2388
2349 2005/12/31	2369 1,916	2389
Totals	2370 1,916	2390

The sum of amounts 2370 + 2390 must equal the amount in 2336.

OS4
Schedule 4

Ontario loss continuity

Part 1 - Non-capital loss

Determination of current-year non-capital loss

Net income (loss) for Ontario tax purposes		(474,801)
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter a positive amount)		
Taxable dividends deductible under ITA sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
	Subtotal - if positive, enter "0"	(474,801)
Deduct: (increase a loss)		
ITA Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions		
Add: (decrease a loss)	Subtotal	(474,801)
Current-year farm loss		
Current-year non-capital loss (if positive, enter "0")		(474,801)

Continuity of non-capital losses and request for a carryback

Non-capital loss at end of preceding taxation year		
Deduct: Non-capital loss expired	-	
Non-capital losses at beginning of taxation year	=	
Add: Non-capital losses transferred on an amalgamation or the wind-up of a subsidiary corporation		+
Current-year non-capital loss (from calculation above)	474,801	
Deduct - Request to carry back non-capital loss to:		
First preceding taxation year to reduce taxable income	86,891	
Second preceding taxation year to reduce taxable income	269,049	
Third preceding taxation year to reduce taxable income	118,861	
	474,801	
Current-year non-capital loss net of carryback		+
	Subtotal	=
Deduct:		
Amount applied against taxable income (enter on line 704 of the CT23)		
Section 80 - adjustments for forgiven amounts		
Other adjustments		
		-
Non-capital losses - Closing balance		=

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

			Gross amount
Capital losses at end of preceding taxation year			
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation			+
Current-year capital loss			+
	Subtotal		=
Add:			
Allowable business investment loss expired as a non-capital loss	X 4/3		+
	Subtotal		=
Deduct:			
Amount applied against current year capital gain			-
Section 80 adjustments for forgiven amounts			-
Other adjustments			-
	Subtotal		=
Deduct - Request to carry back capital loss to:			
	Loss applied	Inclusion rate	Total
First preceding taxation year	+	50.0000 %	=
Second preceding taxation year	+	50.0000 %	=
Third preceding taxation year	+	50.0000 %	=
	Subtotal		-
Capital losses - Closing balance			=

OS4
Schedule 4

Ontario loss continuity

Part 3 - Farm loss

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year			
Deduct: Farm loss expired after 10 taxation years			
Farm losses at beginning of taxation year		=	
Add: Farm losses transferred on an amalgamation or the windup of a subsidiary corporation			+
Current-year farm loss			
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income			
Second preceding taxation year to reduce taxable income			
Third preceding taxation year to reduce taxable income			
	Subtotal		
Current-year farm loss net of carryback			+
		Subtotal	=
Deduct:			
Amount applied against taxable income (enter on line 724 of the CT23)			
Section 80 - Adjustments for forgiven amounts			
Other adjustments			
Farm losses - Closing balance			=

Part 4 - Restricted farm loss

Current-year restricted farm loss

Total losses for the year from farming business			A
Minus the deductible farm loss:			
\$2,500 plus B or C, whichever is less			
(Amount A above - \$2,500) divided by 2	B		
Maximum	C	6,250	
Deductible farm loss			-
Current-year restricted farm loss			

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year			
Deduct: Restricted farm loss expired after 10 taxation years			
Restricted farm losses at beginning of taxation year		=	
Add: Restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation			+
Current-year restricted farm loss			
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income			
Second preceding taxation year to reduce farming income			
Third preceding taxation year to reduce farming income			
Current-year restricted farm loss net of carryback			+
Deduct:			
Amount applied against taxable income (enter on line 734 of the CT23)			
Section 80 - Adjustments for forgiven amounts			
Other adjustments			
Restricted farm losses - Closing balance			=

OS4
Schedule 4

Ontario loss continuity

Part 5 - Listed personal property loss

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year		
Deduct: Listed personal property losses expired after seven taxation years		
Listed personal property losses at beginning of taxation year		
Current-year listed personal property loss		
Deduct – Request to carry back listed personal property loss to:		
First preceding taxation year to reduce listed personal property gains		
Second preceding taxation year to reduce listed personal property gains		
Third preceding taxation year to reduce listed personal property gains		
Listed personal property losses net of carryback		+
	Subtotal	=
Deduct:		
Amount applied against listed personal property gain		-
Other adjustments		-
Limited personal property losses - Closing balance		=

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

Year of origin	Non-capital losses *	Farm losses	Restricted farm losses	Listed personal property losses
2000/12/31				
2001/12/31				
2002/12/31				
2003/12/31				
2004/12/31				
2005/12/31				
Total				

* The carryforward period for non-capital losses arising in a taxation year ending after March 22, 2004, is changed from 7 to 10 taxation years.

Part 7 - Continuity of limited partnership losses

Partnership identifier	Losses at end of preceding taxation year	Losses transferred from amalgamation or windup of subsidiary	Current-year limited partnership loss	Limited partnership losses applied	Limited partnership losses closing balance
Total (enter this amount on line 754 of the CT23)					



Ministry of Finance
Corporations Tax Branch
PO Box 820
33 King Street West
Oshawa ON L1H 8E9

Ontario Capital Cost Allowance Schedule 8

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name Tay Hydro Electric Distribution Company Inc.		Ontario Corporations Tax Account No. (MOF) 1800201	Taxation Year End 2005/12/31
--	--	---	---------------------------------

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

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	4,304,958	70,652			4,375,610	35,326	4,340,284	4			173,611	4,201,999
8	29,753	2,380			32,133	1,190	30,943	20			6,189	25,944
10	40,501	4,744			45,245	2,372	42,873	30			12,862	32,383
45	29,513	27,999			57,212	13,850	43,362	45			19,513	37,699
Totals	4,404,725	105,475				52,738	4,457,462				212,175	4,298,025

Enter in box 650 on the CT23

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

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

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

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

Corporation's Legal Name Tay Hydro Electric Distribution Company Inc.	Ontario Corporations Tax Account No. (MOF) 1800201	Taxation Year End 2005/12/31
--	---	---------------------------------

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

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

Ontario Cumulative eligible capital - balance at beginning of taxation year (if negative, enter zero)		110,142	A
Add: Cost of eligible capital property acquired during the taxation year	+		B
Amount transferred on amalgamation or wind-up of subsidiary	+		C
Other adjustments	+		D
Total of B + C + D	=		E
Subtotal A + E	=	110,142	F

Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	+		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the <i>Income Tax Act</i> (Canada)	+		H
Other adjustments	+		I
Total of G + H + I	=		J
Ontario cumulative eligible capital balance F - J	=	110,142	K

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

Current year deduction	110,142 K x 7%*	=	7,710	L
------------------------	-----------------	---	-------	---

*The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.

Enter amount in box 651 of the CT23

Ontario cumulative eligible capital - closing balance K - L (if negative, enter zero)	=	102,432	M
---	---	---------	---

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

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

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

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

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

Corporation's Legal Name Tay Hydro Electric Distribution Company Inc.	Ontario Corporations Tax Account No. (MOF) 1800201	Taxation Year End 2005/12/31
--	---	---------------------------------

For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes

Part 1 - Capital gains reserves

Description of property	Ontario balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Ontario balance at the end of the year
Totals	A	B	C

The total capital gains reserve at the beginning of the taxation year **A** plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary **B**, should be entered on Schedule 6; and the total capital gains reserve at the end of the taxation year **C**, should also be entered on Schedule 6.

Part 2 - Other reserves

Description	Ontario balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Ontario balance at the end of the year
Reserve for doubtful debts			
Reserve for undelivered goods and services not rendered			
Reserve for prepaid rent			
Reserve for December 31, 1995 income			
Reserve for refundable containers			
Reserve for unpaid amounts			
Other tax reserves			581,195
Totals	D	E	F 581,195

The amount from **D** plus the amount from **E** should be entered in **607** of the CT23.

The amount from **F** should be entered in **654** of the CT23.

Part 3 - Continuity of non-deductible reserves

Reserve	Ontario opening balance and transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
Totals					

Enter in box **653**
of the CT23

Enter in box **606**
of the CT23

Corporation's Legal Name Tay Hydro Electric Distribution Company Inc.	Ontario Corporations Tax Account No. (MOF) 1800201	Taxation Year End 2005/12/31
---	--	--

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
Tay Utility Contracting Inc.	1800203	2005/12/31	92,427
Tay Hydro Inc.	1800202	2005/12/31	11,932
Township of Tay		2005/12/31	
Aggregate of taxable capital			104,359

Transfer to **540** of the CT23



Corporation's Legal Name Tay Hydro Electric Distribution Company Inc.	Ontario Corporations Tax Account No. (MOF) 1800201	Taxation Year End 2005/12/31
--	---	---------------------------------

Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding at the taxation year end for 120 days or more and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)	
Customer & Retailer Deposits	116,367
Development Charges	118,678
Long Term Debt	2,572,821
Total	2,807,866

Transfer to 353 on the CT23

**Ontario****Ministry of Finance**

Corporations Tax Branch

PO Box 620

33 King Street West

Oshawa ON L1H 8E9

Corporate Minimum Tax - Associated Corporation

Corporation's Legal Name Tay Hydro Electric Distribution Company Inc.	Ontario Corporations Tax Account No. (MOF) 1800201	Taxation Year End 2005/12/31
--	---	---------------------------------

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
Tay Utility Contracting Inc.	1800203	2005/12/31	488,933	97,870
Tay Hydro Inc.	1800202	2005/12/31	2,240,894	23,680
Township of Tay		2005/12/31		
Totals			2,729,827	121,550

*Transfer to 249
of the CT23**Transfer to 250
of the CT23*