

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

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *2001 T2 Corporation Income Tax Guide*.

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

055

Do not use this area

Identification

Business number (BN) (item 11)

001 86673 1649 RC 0001

Corporation's name (item 12)

002

Wasaga Distribution Inc.

Has the corporation changed its name since the last time we were notified?

003

☐ Yes

☒ No

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

010

☐ Yes

☒ No

City

Province

015

016

Country (other than Canada)

Postal code

017

018

Mailing address (if different from head office address) (item 14)

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

020

☐ Yes

☒ No

021

C/o

022

023

City

Province

025

026

Country (other than Canada)

Postal code

027

028

Location of books and records (item 15)

031

950 River Road West

032

City

Province

035

Wasaga Beach

036

ON

Country (other than Canada)

Postal code

037

038

L0L 2P0

040 Type of corporation at end of taxation year (item 16)

1

☐ Canadian controlled private corporation (CCPC)

4

☐ Corporation controlled by a public corporation

2

☐ Other private corporation

5

☒ Other corporation (please specify, below)

3

☐ Public corporation

If the type of corporation changed during the taxation year, provide the effective date of the change

043

To which taxation year does this return apply? (item 17)

From

060

2001/10/01

to

061

2001/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year?

063

☐ Yes

☒ No

If yes, provide date control was acquired

065

Is the corporation a professional corporation that is a member of a partnership? (item 18)

067

☐ Yes

☒ No

Is this the first year of filing after:

Incorporation? (item 19)

070

☐ Yes

☒ No

Amalgamation? (item 20)

071

☐ Yes

☒ No

If yes, please provide Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21)

If yes, please provide Schedule 24

072

☐ Yes

☒ No

Is this the final taxation year before amalgamation? (item 22)

076

☐ Yes

☒ No

Is this the final return up to dissolution? (item 23)

078

☐ Yes

☒ No

Is the corporation a resident of Canada? (item 24)

080

☒ Yes

☐ No

If no, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an Income Tax treaty? (item 24)

If yes, please provide Schedule 91

082

☐ Yes

☒ No

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)

085

1

☐

Exempt under 149(1)(e) or (l)

2

☐

Exempt under 149(1)(j)

3

☐

Exempt under 149(1)(t)

4

☒

Exempt under other paragraphs of section 149

Do not use this area

091

092

093

094

095

096

097

T2 E (01)

Page 1 of 8

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

Attachments - Continued from page 2

Guide item	APPENDIX 20	Yes	Schedule
129	Is the corporation subject to Part XIII.1 tax?	<input type="checkbox"/>	92 *
152	Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/>	T1134-A
44	Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/>	T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over \$100,000	<input type="checkbox"/>	T1135
44	Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
-	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
-	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
-	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174

Additional information

Is the corporation inactive? (item 48)	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (item 50) (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 (item 51)	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. (item 52)	284 Distribution revenue	285 100.000 %	
	286	287 %	
	288	289 %	
Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFL (item 77)	300	(356,151) A
Deduct:		
Charitable donations from Schedule 2 (item 78)	311	
Gifts to Canada or a province from Schedule 2 (item 79)	312	
Cultural gifts from Schedule 2 (item 80)	313	
Ecological gifts from Schedule 2 (item 81)	314	
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320	
Part VI.1 tax deduction from Schedule 43 (item 83)	325	
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331	
Net capital losses of preceding taxation years from Schedule 4 (item 85)	332	
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333	
Farm losses of prior taxation years from Schedule 4 (item 87)	334	
Limited partnership losses of prior years from Schedule 4 (item 88)	335	
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340	
Prospector's and grubstaker's shares (item 90)	350	
Subtotal		B
Subtotal		C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	355	D
Taxable income (amount C plus amount D) (item 92)	360	0
Income exempt under paragraph 149(1)(t) (item 93)	370	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)		Z

Small business deduction**Canadian-controlled private corporations throughout the taxation year**Income from active business carried on in Canada from Schedule 7 (item 95) **400** ATaxable income from line 360 or amount Z, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96) **405** BBusiness limit (for associated corporations, enter business limit from Schedule 23) (item 97) **410** C**Reduction to business limit:** (item 98)Amount C X **415** *** D = E
11,250Reduced business limit (amount C minus amount E) (if negative, enter "0") **425** 0 F**Small business deduction** - 16% of the least of amounts A, B, C, and F **430** 0 G

(enter amount G of line 9 on page 7)

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

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

*** **Large corporation tax for preceding year** - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.**Accelerated tax reduction (item 99)****Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**Reduced business limit (amount from line 425) x 3/2 = ANet active business income (amount from line 400)* BTaxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax C**Deduct:**Aggregate investment income (amount from line 440) DAmount C minus amount D (if negative, enter "0") ▶ EThe least of amounts A, B, or E above FAmount Z from Part 9 of Schedule 27 x 100 / 7 = GAmount QQ from Part 13 of Schedule 27 HResource allowance (amount from line 346 of Schedule 1) x 3 = IAmount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) JLeast of amounts on lines 400, 405, 410, and 425 of the small business deduction KTotal of amounts G, H, I, J, and K ▶ LAmount F minus amount L (if negative, enter "0") MAmount M x Days in the taxation year after December 31, 2000 = N
Days in the taxation year**Accelerated tax reduction** - 7% of amount N O

(Enter amount O on line 637 of page 7)

* If the amount at line 450 of Schedule 7 is positive, specified 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.

APPENDIX 20

General tax reduction for Canadian-controlled private corporations (item 100)**Canadian-controlled private corporations throughout taxation year**

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

General tax reduction (item 101)**Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation**

Taxable income from line 360 or amount Z of page 3					A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =	B		
Amount QQ from Part 13 of Schedule 27			C		
Resource allowance (amount from line 346 of Schedule 1)		x 3 =	D		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			E		
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction			E1		
Total of amounts B, C, D, E and E1				F	
Amount A minus amount F (if negative, enter "0")				G	
Amount G	x	$\frac{\text{Number of days in the taxation year in 2001}}{\text{Number of days in the taxation year}}$	92	x 1% =	H
Amount G	x	$\frac{\text{Number of days in the taxation year in 2002}}{\text{Number of days in the taxation year}}$	92	x 3% =	I
General tax reduction - amount H plus amount I					J
(enter amount J on line 639 of page 7)					

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

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

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

Deduct:

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

Taxable income from line 360 on page 3

Deduct:

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

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

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

 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 on page 7

Net amount **E**

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

Refundable dividend tax on hand (item 103)

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

Deduct dividend refund for the previous taxation year **465**

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**

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

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

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 X 1/3 **A**

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

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

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

from page 3 (item 105)

550 _____ **0** **A****Corporate surtax calculation** (item 106)

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 the least of a, b and c below on line 6:

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 XX in Part 16 on page 8 of Schedule 31 (item 107)

602 _____ **C****Calculation for the refundable tax on Canadian-controlled private corporation's investment income**

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

Aggregate investment income from line 440 on page 6

i

Taxable income from line 360 on page 4

Deduct:

The least of amounts on lines 400, 405, 410, and 425 on page 4

Net amount

ii**Refundable tax on CCPC's investment income** - 6 2/3 % of the lesser of amounts 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 (item 109)

608

Manufacturing and processing profits deduction from amount BB or VV of Schedule 27 (item 110)

616

Investment corporation deduction (item 111)

620(Taxed capital gains **624** _____)

Additional deduction - credit unions from Schedule 17 (item 112)

628

Federal foreign non-business income tax credit from Schedule 21 (item 113)

632

Federal foreign business income tax credit from Schedule 21 (item 114)

636

Accelerated tax reduction from amount O of page 4 (item 115)

637

General tax reduction for CCPC's from amount L of page 5 (item 116)

638

General tax reduction from amount I of page 5 (item 116)

639

Federal logging tax credit from Schedule 21 (item 117)

640

Federal political contribution tax credit (item 118)

644

Federal political contributions

646

Federal qualifying environmental trust tax credit (item 119)

648

Investment tax credit from Schedule 31 (item 120)

652

Subtotal

F**Part I tax payable** - Line E minus line F (enter amount G on line 700 on page 8) (item 121)**0** **G**

Summary of tax and credits

Federal tax APPENDIX 20

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

Total federal tax 0

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 131) 750 ON

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

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 132) 760

Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 146) 765

Total tax payable 770 0 A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 147) 780

Dividend refund from Page 4 (items 148) 784

Federal capital gains refund from Schedule 18 (item 149) 788

Federal qualifying environmental trust tax credit refund (item 150) 792

Canadian film or video production tax credit refund from Form T1131 (item 151) 796

Film or video production services tax credit refund from Form T1177 (item 152) 797

Tax withheld at source (item 153) 800

Total payments on which tax has been withheld (item 153) 801

Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 154) 804

Provincial and territorial capital gains refund from Schedule 18 (item 155) 808

Provincial and territorial refundable tax credits from Schedule 5 (item 156) 812

Royalties deductible under Syncrude Remission Order 815

Tax remitted under Syncrude Remission Order (item 157) 816

Tax instalments paid (item 158) 840

Total credits 890 B

Refund Code 894 Overpayment

(item 159) (item 162)

Balance (line A minus line B) 0 I

Direct Deposit Request (item 163)

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

☐ Start ☐ Change information 910

914 Branch number

918 Account number

Institution number

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

Enter the amount on whichever line applies.

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

Balance unpaid (item 162)

Enclosed payment (item 161) 898

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

896 1 Yes ☐ 2 No ☐ NA ☒

Certification (item 164)

950 Lalonde

Surname

951 Michael

First name

954 Manager

Position, office or rank

955 2007/08/08

Date

956 (705) 429-2517

Telephone number

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

958

Name

959 () -

Telephone number

Language of correspondence - Langue de correspondance (item 165)

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



NET INCOME (LOSS) FOR INCOME TAX PURPOSES

• 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 151,470

Add:

Provision for income taxes - deferred	102	(215,038)	
Amortization of tangible assets	104	117,649	
Total of fields 101 to 199	500	(97,389)	▶ (97,389)

Deduct:

Capital cost allowance - Schedule 8	403	85,188	
Cumulative eligible capital deduction - Schedule 10	405	406	
Total of fields 300 to 394	499	324,638	
Total of fields 401 to 499	510	410,232	▶ 410,232

Net income (loss) for income tax purposes (enter on line 300 of the T2 return) (356,151)

Deduct:

Other deductions:

700 pre September 30, 2001 income exempt under section 149 (d.6)	390	324,638	
Total of fields 300 to 394 (Enter this amount at line 499)		324,638	<u>324,638</u>

Election under paragraph 88(1.1)(f)

190 ☐ Yes

Part 2 - Farm loss

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/09/30							
2001/09/30							
2001/12/31							
Totals							

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

Part 3 - Restricted farm loss

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/09/30							
2001/09/30							
2001/12/31							
Totals							

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

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



Is the corporation electing under regulation 1101(5q)?

101 1 ☒ Yes 2 ☐ No

1 Class	2 UCC at start of year	3 Cost of additions in the year	4 Net adjustments	5 Proceeds of dispositions in the year	7 Adjustment for additions (1/2 x (col 3 - 5))	8 Base amount for CCA	9 Rate %	10 CCA for the year (col 8 x 9 or a lower amount)	11 Recapture of CCA	12 Terminal loss	13 UCC at the end of the year
200	201	203	205	207	211		212	217	213	215	220
1		863,748				863,748	4	8,708			855,040
1		7,585,684				7,585,684	4	76,480			7,509,204
Totals		8,449,432				8,449,432		85,188			8,364,244



APPENDIX 20

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

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

Cumulative eligible capital - balance at beginning of taxation year (if negative, enter nil)	200	23,025	A
Add:			
Cost of eligible capital property acquired during the taxation year	222	B	
Transfer from predecessor or subsidiary corporation	224	C	
Other adjustments	226	D	
(add amounts B, C, and D)		x 3/4 =	E
Subtotal (amount A plus amount E)	230	23,025	F
Deduct:			
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	242	G	
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244	H	
Other adjustments	246	I	
(add amounts G, H, and I)		x 3/4 =	J
Cumulative eligible capital balance (amount F minus amount J)		23,025	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)			
Current year deduction	amount K	23,025 x 7% =	250 406 L
(Deduct amount L on line 405 of Schedule 1)			
Cumulative eligible capital balance at the end of the taxation year	300	22,619	M

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

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

(complete this part only if line K is negative)

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

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

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

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.
- 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.

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

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

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

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

Column 4: Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 cannot exceed \$200,000.

Column 5: Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Allocation of the business limit

Date filed (for departmental use only)025

Enter the calendar year to which the agreement applies0502001

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below?0751 Yes2 No

1 Names of associated corporations 100	2 Business Number 200	3 Association code 300	4 Allocation of business limit * 400	5 Year end to which this agreement applies 500
Wasaga Distribution Inc.	86673 1649 RC 0001	1		
Wasaga Resource Services Inc.	86758 4724 RC 0001	1		
Wasaga Genco Inc.	NR	1		
Geosands Inc.	86673 1441 RC 0001	1		
	RC	0		
TOTALS			\$	

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

\$

Names of all the corporations in the group	Last taxation year ending in the preceding calendar year				Current year
	Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part I.3 tax for business limit reduction	Grossed-up reduced business limit
Wasaga Distribution Inc.					
Wasaga Resource Services Inc.					
Wasaga Genco Inc.					
Geosands Inc.					
TOTALS	\$	\$	\$	\$	\$

* Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 364.

Reduction to the business limit under subsection 125(5.1)

The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before deduction of the surtax credits) for its last taxation year ending in the preceding calendar year. The amount to be entered at line 415 of the T2 return includes the gross Part I.3 tax payable for each corporation that has an "associated code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Note: If the taxation year of any of the associated corporations was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**BALANCE SHEET INFORMATION****Schedule 100**

APPENDIX 20

Assets	Code	Amount
Cash and deposits	1000	
Accounts Receivable	1060	775,647
Other current assets	1480	22,400
Land	1600	447,420
Buildings	1680	971,626
Machinery, equipment, furniture and fixtures	1740	12,998,812
Accumulated amortization of machinery, equipment, furniture and fixtures	1741	(5,935,499)
Other tangible capital assets	1900	(414,106)
Accumulated amortization of other tangible capital assets	1901	(3,634)
Other long term assets	2420	61,288
Deferred income taxes	2421	215,038
Total assets	2599	9,138,992

Liabilities	Code	Amount
Bank overdraft	2600	
Amounts payable and accrued liabilities	2620	232,602
Due to related parties	2860	60,405
Due to related parties	3300	3,593,269
Total liabilities	3499	3,886,276

Equity	Code	Amount
Common shares	3500	100
Contributed and other surplus	3540	5,182,978
Retained earnings / deficit	3600	69,639
Total equity	3620	5,252,717
Total liabilities and equity	3640	9,138,993

Retained earnings	Code	Amount
Retained earnings/deficit-start	3660	
Net income / loss	3680	151,470
Other items affecting retained earnings	3740	(81,831)
Total retained earnings	3849	69,639

**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	Amount
Trade sales of goods and services	8000	8,231,021
Total sales of goods and services	8089	8,231,021
Investment revenue	8090	7,581
Rental revenue	8140	76,274
Other revenue	8230	(77,366)
Total revenue	8299	8,237,510

Cost of sales	Code	Amount
Opening inventory	8300	
Purchases / cost of materials	8320	6,459,039
Cost of sales	8518	6,459,039
Gross profit / loss (item 8089 - item 8518)	8519	1,771,982

Operating expenses	Code	Amount
Advertising and promotion	8520	6,000
Amortization of tangible assets	8670	470,596
Interest and bank charges	8710	195,474
Salaries and wages	9060	11,999
Other expenses	9270	1,157,970
Total operating expenses	9367	1,842,039
Total expenses	9368	8,301,078
Net non-farming income	9369	(63,568)

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

Farming expenses	Code	Amount
Crop expenses	9660	
Total farm expenses	9898	
Net farm income	9899	
Net income / loss before taxes and extraordinary items	9970	(63,568)

Summary

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

Extraordinary items	9975 -	
Legal settlements	9976 -	
Unrealized gains / losses	9980 +	
Unusual items	9985 -	
Current income taxes	9990 -	
Deferred income tax provision	9995 -	(215,038)
Net income / loss after taxes and extraordinary items	9999 =	151,470



NOTES CHECKLIST

Schedule 141

APPENDIX 20

Involvement of accountant**0100** Who reported on/prepared the corporation's financial statements?

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

Other informationWere any notes to the financial statements prepared? **101** ☒ Yes ☐ No

If yes, complete the following:

- | | | | |
|--|---|--|--|
| Are any values presented at other than cost? | 102 <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> NA |
| Has there been a change in accounting policies since the last return? | 103 <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> NA |
| Are subsequent events mentioned in the notes? | 104 <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> NA |
| Is re-evaluation of asset information mentioned in the notes? | 105 <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> NA |
| Is contingent liability mentioned in the notes? | 106 <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> NA |
| Is information regarding commitments mentioned in the notes? | 107 <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> NA |
| Does the corporation have investments in joint venture(s) or partnerships? | 108 <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> NA |
| If yes, are you filing financial statements of the joint venture(s) or partnership(s)? | 109 <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input checked="" type="checkbox"/> NA |



APPENDIX 20

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4, and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 – Consent to release of information to a representative

Client's name: Wasaga Distribution Inc.

Business Number: 866731649

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Gaviller & Company LLP

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

GFS Partnership

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name.

(705) 445-2020

Representative's telephone number

(705) 444-5833

Representative's fax number

Part 2 – Details of consent

A. Which accounts?

I request that this consent apply to all accounts. ☒ OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 <input type="checkbox"/>	RC	_____	RC	_____
GST/HST	RT0001 <input type="checkbox"/>	RT	_____	RT	_____
Payroll deductions	RP0001 <input type="checkbox"/>	RP	_____	RP	_____
Import/Export	RM0001 <input type="checkbox"/>	RM	_____	RM	_____

B. Which years?

I request that this consent apply to all years. ☒ OR

I request that this consent apply only to the following years:

1. All year-ends up to:
2. All year-ends beginning in: and all years after that.
3. The following year-ends only:

BUSINESS CONSENT FORM

APPENDIX 20

Part 3 – Cancellation of consent to release of information to a representativeClient's name: Wasaga Distribution Inc.Business Number: 866731649I cancel all previous consents for all representatives. ☐ OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to cancel the consent for a particular individual of that firm, enter that individual's first and last name.

() -

Representative's telephone number

() -

Representative's fax number

Part 4 – Details of cancellation of consent**A. Which accounts?**I request that this cancellation of consent apply to all accounts. ☐ OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 <input type="checkbox"/>	RC	<u> </u>	RC	<u> </u>
GST/HST	RT0001 <input type="checkbox"/>	RT	<u> </u>	RT	<u> </u>
Payroll deductions	RP0001 <input type="checkbox"/>	RP	<u> </u>	RP	<u> </u>
Import/Export	RM0001 <input type="checkbox"/>	RM	<u> </u>	RM	<u> </u>

B. Which years?I request that this consent apply to all years. ☐ OR

I request that this consent apply only to the following years:

1. All year-ends up to:
2. All year-ends beginning in: and all years after that.
3. The following year-ends only:

Part 5 – SignaturePrint your name Michael LalondeTitle Manager

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here ►

Date 2007/08/08

**NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2001**

1. ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements:

- (a) The financial statements are prepared in accordance with the Ontario Energy Board Accounting Procedures Handbook and directives.
- (b) Revenues from subdividers and others with respect to capital work performed for which the company retains ownership are credited to Developer Contributions Received After 1999. These contributions are amortized to revenue at a rate of 4% using the straight line method.
- (c) Capital assets are stated at cost. Capital assets are depreciated over their estimated useful lives, using the straight line method. Assets constructed by others and donated to the Utility are recorded at cost to the developer. Depreciation rates are 4% except as follows:

Buildings	2%
Distribution stations	3.33%
Other capital assets	6.67 to 20%
Computer equipment	20%

- (d) Restructuring costs related to qualifying transition factors are being amortized as allowed by the Ontario Energy Board for rate setting purposes.
- (e) Payments in lieu of taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse.

2. RELATED PARTIES

The common shares of Wasaga Resource Services Inc., Wasaga Genco Inc. and Wasaga Distribution Inc. are owned by Geosands Inc. which is owned by the Town of Wasaga Beach.

During the year a services agreement was struck between Wasaga Resource Services Inc. and the company. Included in this agreement is an adjustment to the base consideration of \$1,137,364 paid by the company for its services up to 80% of the change in customer count. Also included is a relief clause stating that if the company realizes substantially greater costs in providing any new services to Wasaga Distribution Inc., compensation can be renegotiated and it would be considered reasonable to have 90% of the costs incurred by Wasaga Distribution Inc.

The loan payable to Wasaga Resource Services Inc. of \$174,745 has no set terms of repayment and no interest.

**NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2001****3. NOTE PAYABLE TO THE TOWN OF WASAGA BEACH**

There are no fixed terms of principal repayment. Interest on the note payable is determined on the principal amount outstanding on the 30th day following December 31st of each year in which principal is owing. The interest rate payable in any given year is the Government of Canada 10 year bond rate posted by the Bank of Canada on December 31st of each year. Interest may be payable in cash or in additional common shares issued by the company. The interest rate at December 31, 2001 was 3%. Interest of \$227,602 (\$32,128 related to 2000) pertaining to the note payable has been accrued as at December 31, 2001.

4. FINANCIAL INSTRUMENTS

The company's financial instruments consist of unbilled revenue, accounts payable and accruals and long term liabilities. It is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. TAX STATUS

The company is exempt from income taxes under section 149 of the Income Tax Act. The company is required to make payments in lieu of tax calculated on the same basis as income taxes on taxable income earned after September 30, 2001 and capital taxes.

6. PAYMENTS IN LIEU OF TAXES

The company has a loss carryforward of \$356,000 to use against future taxable income. The loss will expire in 2008.

7. COMPARATIVE BALANCES

These financial statements do not include comparative balances. These balances would not provide meaningful information due to the changes made to the services agreement with Wasaga Resource Services Inc. Also, the results of operations and cash flows in the prior year were for a two month period.

8. CONTINGENT LIABILITY

A class action claiming \$500,000,000 in restitutionary payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against Toronto Hydro Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged late payment charges on overdue utility bills at any time after April 1, 1981.

The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the Criminal Code.

The Municipal Electric Association is undertaking the defense of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the company.

Due to the uncertainty of the outcome, no liability has been recorded. The Company will treat this transaction as a current year expense when the liability is reasonably assured and the amount can be reasonably estimated.