

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, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business number (BN) (item 11)
Corporation's name (item 12)
002
Wasaga Distribution Inc.

001 86673 1649 RC 0001

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 (item 13)
Has the address changed since the last time we were notified?
011 950 River Road West
012
City Province, territory, or state
015 Wasaga Beach 016 ON
Country (other than Canada) Postal code/Zip code
017 018 L0L 2P0

To which taxation year does this return apply? (item 17)
From 060 2003/01/01 to 061 2003/12/31
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

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
022 950 River Road West
023
City Province, territory, or state
025 Wasaga Beach 026 ON
Country (other than Canada) Postal code/Zip code
027 028 L0L 2P0

Is the corporation a professional corporation that is a member of a partnership? (item 18)
067 ☐ Yes ☒ No

Location of books and records (item 15)
031 950 River Road West
032
City Province, territory, or state
035 Wasaga Beach 036 ON
Country (other than Canada) Postal code/Zip code
037 038 L0L 2P0

Is this the first year of filing after:
Incorporation? (item 19) 070 ☐ Yes ☒ No
Amalgamation? (item 20) 071 ☐ Yes ☒ No
If yes, complete Schedule 24

040 Type of corporation at end of taxation year (item 16)
1 ☒ Canadian controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
If the type of corporation changed during the taxation year, provide the effective date of the change 043

Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21)
If yes, complete Schedule 24 072 ☐ 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)
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, complete 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

Guide item	Attachments	Yes	Schedule
APPENDIX 26			
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 checked="" type="checkbox"/>	50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201 <input checked="" type="checkbox"/>	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, 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
132	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
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	6
103	(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 or an additional deduction?	217 <input type="checkbox"/>	17
150	Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
118	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221 <input type="checkbox"/>	21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
121	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
124	Is the corporation subject to Part 1.3 tax?	233 <input type="checkbox"/>	33/34/35
124	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
124	Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
128	Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
129	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
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
125	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	46
128	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
128	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

Attachments - Continued from page 2

Guide item APPENDIX 26

Yes Schedule

128	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
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253	<input type="checkbox"/>	T1131
130	Is the corporation subject to Part XIII.1 tax?		<input type="checkbox"/>	92 *
153	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	975,462	A
Deduct:			
Charitable donations from Schedule 2 (item 78)	311		
Gifts to Canada or a province, or a territory 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	39,746	
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		39,746	▶ 39,746 B
Subtotal (amount A minus amount B) (if negative, enter "0")			935,716 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	935,716	
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

* If the taxation year ends after December 31, 2002, use "3" instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the *T2 Corporation Income Tax Guide*.

Small business deduction**APPENDIX 26****Canadian-controlled private corporations throughout the taxation year**Income from active business carried on in Canada from Schedule 7 (item 95) **400** 975,462 **A**Taxable income from line 360 on page 3, **minus** 10/3 the amount at line 632* on page 7, **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 (item 96)**405** **B****Calculation of the business limit: (item 97)**

for all CCPCs, calculate the amount at line 4 below

\$200,000 x Number of days in the taxation year before 2003 = **1**Number of days in the taxation year 365\$225,000 x Number of days in the taxation year in 2003 365 = 225,000 **2**Number of days in the taxation year 365\$250,000 x Number of days in the taxation year in 2004 = **3**Number of days in the taxation year 365Add amounts at line 1, 2, and 3 225,000 **4**Business limit (see notes 1 and 2 below) **410** **C****Notes:** 1. For CCPCs that are not associated, enter the amount from line 4 at 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 at line 410

Business limit reduction: (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)

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 = **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 (item 96) **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, 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.

APPENDIX 26**Resource deduction (item 100)**

Taxable resource income		435		A
Amount A _____	x	<u>Number of days in the taxation year in 2003</u>	<u>365</u>	
		<u>Number of days in the taxation year</u>	<u>365</u>	x 1% = _____ B
Amount A _____	x	<u>Number of days in the taxation year in 2004</u>	<u>365</u>	
		<u>Number of days in the taxation year</u>	<u>365</u>	x 2% = _____ C
Resource deduction - amount B plus amount C			438	D
(enter amount D on line 10 of page 7)				

General tax reduction for Canadian-controlled private corporations (item 101)**Canadian-controlled private corporations throughout 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)		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	<u>Number of days in the taxation year in 2001</u>	<u>365</u>	x 1% = _____ K
		<u>Number of days in the taxation year</u>	<u>365</u>	
Amount J _____	x	<u>Number of days in the taxation year in 2002</u>	<u>365</u>	x 3% = _____ L
		<u>Number of days in the taxation year</u>	<u>365</u>	
Amount J _____	x	<u>Number of days in the taxation year in 2003</u>	<u>365</u>	x 5% = _____ M
		<u>Number of days in the taxation year</u>	<u>365</u>	
Amount J _____	x	<u>Number of days in the taxation year after 2003</u>	<u>365</u>	x 7% = _____ N
		<u>Number of days in the taxation year</u>	<u>365</u>	
General tax reduction for Canadian-controlled private corporations - total of amounts K, L, M and N				O
(enter amount O on line 638 of page 7)				

General tax reduction (item 102)**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 on 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		
Total of amounts B, C, D and E		F		
Amount A minus amount F (if negative, enter "0")		G		
Amount G _____	x	<u>Number of days in the taxation year in 2001</u>	<u>365</u>	x 1% = _____ H
		<u>Number of days in the taxation year</u>	<u>365</u>	
Amount G _____	x	<u>Number of days in the taxation year in 2002</u>	<u>365</u>	x 3% = _____ I
		<u>Number of days in the taxation year</u>	<u>365</u>	
Amount G _____	x	<u>Number of days in the taxation year in 2003</u>	<u>365</u>	x 5% = _____ J
		<u>Number of days in the taxation year</u>	<u>365</u>	
Amount G _____	x	<u>Number of days in the taxation year after 2003</u>	<u>365</u>	x 7% = _____ K
		<u>Number of days in the taxation year</u>	<u>365</u>	
General tax reduction - total of amounts H, I, J and K				L
(enter amount L on line 639 of page 7)				

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Refundable portion of Part I tax (item 103)

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income440X 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 income445X 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 3935,716

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 7x 25/9 =

Foreign business income tax credit from line 636 on page 7x 3 =

935,716X 26 2/3% =249,524D

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 amountE

Refundable portion of Part I tax - the least of amounts C, D, and E4500F

Refundable dividend tax on hand (item 104)

Refundable dividend tax on hand at the end of the preceding tax year460

Deduct dividend refund for the previous taxation year465A

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 corporation480B

Refundable dividend tax on hand at the end of the taxation year - amount A plus amount B4850

Dividend refund (item 105)

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 3X 1/3A

Refundable dividend tax on hand at the end of the taxation year from line 485 aboveB

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

Part I tax

APPENDIX 26

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

from page 3 (item 106) 550 0 A

Corporate surtax calculation (item 107)

Base amount from line A above 1

Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 93,572 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 c

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

Total of lines 2 to 6 93,572 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 on page 8 of Schedule 31 (item 108) 602 C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income

(for a CCPC throughout the taxation year) (item 109)

Aggregate investment income from line 440 on page 6 i

Taxable income from line 360 on page 3 935,716

Deduct:

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

Net amount 935,716 935,716 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 110) 608

Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111) 616

Investment corporation deduction (item 112) 620

(Taxed capital gains 624)

Additional deduction - credit unions from Schedule 17 (item 113) 628

Federal foreign non-business income tax credit from Schedule 21 (item 114) 632

Federal foreign business income tax credit from Schedule 21 (item 115) 636

Accelerated tax reduction from amount N of page 4 (item 116) 637

Resource deduction from line 438 of page 5 10

General tax reduction for CCPC's from amount O of page 5 (item 117) 638

General tax reduction from amount L of page 5 (item 117) 639

Federal logging tax credit from Schedule 21 (item 118) 640

Federal political contribution tax credit (item 119) 644

Federal political contributions 646

Federal qualifying environmental trust tax credit (item 120) 648

Investment tax credit from Schedule 31 (item 121) 652

Subtotal F

Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 122) 0 G

Summary of tax and credits

Federal tax APPENDIX 26

Part I tax payable from page 7 (item 123)	700
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704
Part II surtax tax payable from Schedule 46 (item 125)	708
Part IV tax payable from Schedule 3 (item 126)	712
Part IV.1 tax payable from Schedule 43 (item 127)	716
Part VI tax payable from Schedule 38 (item 128)	720
Part VI.1 tax payable from Schedule 43 (item 129)	724
Part XIII.1 tax payable from Schedule 92 (item 130)	727
Part XIV tax payable from Schedule 20 (item 131)	728
Total federal tax	0

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 132)	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 133)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147)	765	
Total tax payable	770	0 A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 148)	780	
Dividend refund from Page 4 (items 149)	784	
Federal capital gains refund from Schedule 18 (item 150)	788	
Federal qualifying environmental trust tax credit refund (item 151)	792	
Canadian film or video production tax credit refund from Form T1131 (item 152)	796	
Film or video production services tax credit refund from Form T1177 (item 153)	797	
Tax withheld at source (item 154)	800	
Total payments on which tax has been withheld (item 154)	801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804	
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808	
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order (item 158)	816	
Tax instalments paid (item 159)	840	
	Total credits	890
Refund Code 894 <input type="text"/>	Overpayment	
(item 160)	(item 163)	
	Balance (line A minus line B)	0

Direct Deposit Request (item 164)

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

☐ Start ☐ Change information 910 _____
Branch number
914 _____ 918 _____
Institution number Account number

If the result is negative, you have an **overpayment**.

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

Enter the amount on whichever line applies.

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

Balance unpaid (item 163) _____

Enclosed payment (item 162) 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 161)

896 1 Yes ☐ 2 No ☒ NA ☐

Certification (item 165)

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
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Language of correspondence - Langue de correspondance (item 166)

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



NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

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

Net income (loss) after taxes and extraordinary items per financial statements A 522,797

Add:

Provision for income taxes - current	101	324,328	
Amortization of tangible assets	104	512,636	
Total of fields 101 to 199	500	836,964	▶ <u>836,964</u>

Deduct:

Capital cost allowance - Schedule 8	403	351,566	
Cumulative eligible capital deduction - Schedule 10	405	1,473	
Total of fields 300 to 394	499	31,260	
Total of fields 401 to 499	510	384,299	▶ <u>384,299</u>

Net income (loss) for income tax purposes (enter on line 300 of the T2 return) 975,462

Deduct:

Other deductions:

700 Amortization Of Contributions In Aid Of Construction	390	31,260	
Total of fields 300 to 394 (Enter this amount at line 499)			<u><u>31,260</u></u>

Part 1 - Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31	39,746					39,746	
2002/12/31							
2003/12/31							
Totals	39,746					39,746	

Current year non-capital loss

Net income (loss) for income tax purposes975,462

Deduct:

Net capital losses deducted in the year

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

Amount of Part VI.1 tax deductible

Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)

Subtotal - if positive, enter "0"

Deduct: Section 110.5 - addition for foreign tax credits

Add: Current year farm loss

Current year non-capital loss (if positive, enter "0")

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year39,746

Losses expired after 7 years100-

Non-capital losses - beginning balance102=39,74639,746

Transfers from wind-up of wholly-owned subsidiary and amalgamation105+

Current year non-capital loss from above110

Deduct - Non-capital loss carry back to:

1st preceding taxation year against taxable income901

2nd preceding taxation year against taxable income902

3rd preceding taxation year against taxable income903

1st preceding taxation year against taxable dividends subject to Part IV tax911

2nd preceding taxation year against taxable dividends subject to Part IV tax912

3rd preceding taxation year against taxable dividends subject to Part IV tax913

Current year non-capital loss net of carryback

Subtotal+39,746

Deduct:

Amount applied against taxable income (enter on line 331 of T2 return)13039,746

Amount applied against dividends subject to Part IV tax135

Section 80 adjustments140

Other adjustments150

Non-capital losses - ending balance180=39,746

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator190Yes

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

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

APPENDIX 26

Part 2 - Farm loss

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
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					
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

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

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

Part 1 - Capital loss

Capital loss continuity and carry-back request

Actual capital losses at end of preceding taxation year	200	
Transfers from wind-up of wholly-owned subsidiary and amalgamation	205	
Current year capital loss	210	
		Subtotal
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	240	
Other adjustments	250	
		Subtotal
Deduct - capital loss carry back to: (see note 2)		
	Net loss applied	Inclusion rate
1st preceding taxation year	÷ 50.0000 %	= 951
2nd preceding taxation year	÷ 50.0000 %	= 952
3rd preceding taxation year	÷	= 953
		Subtotal
Capital losses - ending balance		280

Note 1
On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2
Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

Part 2 - Listed personal property loss

Year of origin	Balance at end of prior year	Adjustments	Applied	Current year loss net of carry-back	Ending balance
		Expired			
2000/12/31					
2001/12/31					
2002/12/31					
2003/12/31					
Totals					

Listed personal property loss continuity and carry-back request

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



LIMITED PARTNERSHIP LOSSES

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

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

Continuity of limited partnership losses that can be carried forward to future taxation years						
1	2	3	4	5	6	7
Partnership identifier	Losses at end of preceding taxation year	Losses transferred from amalgamation or wind-up of subsidiary	Current year limited partnership loss (from column 620)	Limited partnership losses applied (cannot exceed 650)	Limited partnership losses closing balance	
660	662	664	670	675	680	
Total (enter this amount on line 335 of the T2 return)						



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

CAPITAL COST ALLOWANCE

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	820,838					820,838	4	32,834			788,004
1	7,703,863	528,882			264,441	7,968,304	4	318,732			7,914,863
Totals	8,524,701	528,882			264,441	8,789,142		351,566			8,702,017

RELATED AND ASSOCIATED CORPORATIONS

Canada Customs and Revenue Agency
Agence des douanes et du revenu du Canada

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	
100 Wasaga Resource Services Inc.	200	300 86758 4724 RC 0001	400 2	500	550	600	650	700
Geosands Inc.		86673 1441 RC 0001	2					
Wasaga Genco Inc.		NR	2					
The Corporation of the Town of Wasaga Beach		10810 1577 RC 0001	1	100	100.000			100
		RC	0					
Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated								

- 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	21,036	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	21,036	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 =	248 J
Cumulative eligible capital balance (amount F minus amount J)		21,036	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)			
Current year deduction	amount K	21,036 x 7% =	250 1,473 L
(Deduct amount L on line 405 of Schedule 1)			
Cumulative eligible capital balance at the end of the taxation year	300	19,563	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		5
Total of lines 1, 2, and 5		6
Line T from schedule 10 of previous taxation years ending after February 27, 2000	409	7
Line 6 minus line 7		
Line N minus line O (cannot be negative)		O 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

Allocation of the business limit

Date filed (for departmental use only)025

Enter the calendar year to which the agreement applies0502003

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		2 Business Number	3 Association code
100		200	300
1	Wasaga Distribution Inc.	86673 1649 RC 0001	1
2	Wasaga Resource Services Inc.	86758 4724 RC 0001	1
3	Wasaga Genco Inc.	NR	1
4	Geosands Inc.	86673 1441 RC 0001	1
		RC	0

Allocate business limit using: % \$

	Taxation year		4 Business limit for the year (before allocation) \$	Allocating business limit			7 Year end to which this agreement applies if more than one taxation year end in a calendar year
	Start	End		5 Percentage of the business limit (%)	6 Allocation of business limit *	Provincial allocation for Alberta and Ontario (based on \$200,000)	
				350	400		500
1	2003/01/01	2003/12/31	225,000	100.000	225,000	200,000	
2	2003/01/01	2003/12/31	225,000				
3	2003/01/01	2003/12/31	225,000				
4	2003/01/01	2003/12/31	225,000				
TOTALS				100.000	A 225,000	200,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box.\$225,000

	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
1					
2					
3					
4					
TOTALS					

SHAREHOLDER INFORMATION

Schedule 50

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

Name of shareholder 100	Business Number * 200	Social Insurance Number * 300	Percentage common shares 400	Percentage preferred shares 500
The Corporation of the Town of Wasaga Beach	10810 1577 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**

APPENDIX 26

Assets	Code	Amount
Cash and deposits	1000	
Accounts Receivable	1060	722,639
Due from / investment in related parties	1400	725,961
Other current assets	1480	(51,346)
Land	1600	447,420
Buildings	1680	971,626
Machinery, equipment, furniture and fixtures	1740	14,030,160
Accumulated amortization of machinery, equipment, furniture and fixtures	1741	(6,939,338)
Other tangible capital assets	1900	(748,891)
Accumulated amortization of other tangible capital assets	1901	(3,634)
Other long term assets	2420	707,793
Total assets	2599	9,862,390

Liabilities	Code	Amount
Bank overdraft	2600	
Amounts payable and accrued liabilities	2620	196,821
Taxes payable	2680	316,450
Due to related parties	3300	3,593,269
Total liabilities	3499	4,106,540

Equity	Code	Amount
Common shares	3500	100
Contributed and other surplus	3540	5,182,978
Retained earnings / deficit	3600	572,772
Total equity	3620	5,755,850
Total liabilities and equity	3640	9,862,390

Retained earnings	Code	Amount
Retained earnings/deficit-start	3660	(16)
Net income / loss	3680	522,797
Other items affecting retained earnings	3740	49,991
Total retained earnings	3849	572,772

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	8,698,261
Total sales of goods and services	8089	8,698,261
Investment revenue	8090	112,826
Other revenue	8230	31,358
Total revenue	8299	8,842,445

Cost of sales	Code	Amount
Opening inventory	8300	
Purchases / cost of materials	8320	6,085,829
Cost of sales	8518	6,085,829
Gross profit / loss (item 8089 - item 8518)	8519	2,612,432

Operating expenses	Code	Amount
Advertising and promotion	8520	34,662
Amortization of tangible assets	8670	512,636
Interest and bank charges	8710	172,303
Salaries and wages	9060	43,588
Sub-contracts	9110	50,589
Other expenses	9270	1,095,713
Total operating expenses	9367	1,909,491
Total expenses	9368	7,995,320
Net non-farming income	9369	847,125

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	847,125

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 -	324,328
Deferred income tax provision	9995 -	
Net income / loss after taxes and extraordinary items	9999 =	522,797



NOTES CHECKLIST

Schedule 141

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are that not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information.
- For more information, see the *Guide to the General Index of Financial Information (GIFI) for Corporations* and the *T2 Corporation – Income Tax Guide*.
- For the purposes of this schedule, the person who reported on or prepared the financial statements of the corporation is referred to as the "accounting practitioner".

Part 1 – Accounting practitioner information

Choose only one of the following three options, whichever applies to the accounting practitioner:

096

- Chartered accountant 1 ☒
- Other professional designation 2 ☐
- No professional designation 3 ☐

Is 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.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner:

098

- Completed an auditor's report 1 ☒
- Completed a review engagement report 2 ☐
- Compiled the financial statements along with reviewing the books 3 ☐
- Conducted a compilation engagement 4 ☐

Part 3 – ReservationsIf 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 you answered Yes to the question at line 101, complete lines 102 to 107 below:

- Are any values presented at other than cost? 102 ☐ Yes ☒ No
- Has there been a change in accounting policies since the last return? 103 ☐ Yes ☒ No
- Are subsequent events mentioned in the notes? 104 ☐ Yes ☒ No
- Is re-evaluation of asset information mentioned in the notes? 105 ☐ Yes ☒ No
- Is contingent liability mentioned in the notes? 106 ☒ Yes ☐ No
- Is information regarding commitments mentioned in the notes? 107 ☐ Yes ☒ No

Does the corporation have investments in joint venture(s) or partnership(s)?

108 ☐ Yes ☒ No

If you answered Yes to the question at line 108, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)?

109 ☐ Yes ☒ No



APPENDIX 26

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.)

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 <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:

BUSINESS CONSENT FORM**APPENDIX 26****Part 3 – Cancellation of consent to release of information to a representative**Client'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	<input type="text"/>	RC	<input type="text"/>
GST/HST	RT0001 <input type="checkbox"/>	RT	<input type="text"/>	RT	<input type="text"/>
Payroll deductions	RP0001 <input type="checkbox"/>	RP	<input type="text"/>	RP	<input type="text"/>
Import/Export	RM0001 <input type="checkbox"/>	RM	<input type="text"/>	RM	<input type="text"/>

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

WASAGA DISTRIBUTION INC.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2003

1. Accounting policies

The financial statements of the company are the representations of management. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment based on available information. The financial statements have, in the opinion of management, been properly prepared within the framework of the accounting policies summarized below:

- (a) The financial statements are prepared in accordance with the Ontario Energy Board Accounting Procedures Handbook and directives.
- (b) Capital assets are stated at cost. Contributions received in aid of construction of capital assets are capitalized and amortized at the same rate as the related asset. Capital assets are depreciated over their estimated useful lives, using the straight-line method. Assets constructed by others and donated to the company are recorded at cost to the developer. Depreciation rates are as follows:

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

- (c) Significant restructuring costs related to qualifying transition factors are being amortized as allowed by the Ontario Energy Board for rate setting purposes. Transition costs related to industry restructuring that do not qualify for recapture through the rate setting process are recorded as Deferred charges - restructuring transition and are being amortized on a straight-line basis over five years.
- (d) Regulatory assets represent variances in the purchase and sale of electricity which will be recovered from rates. Ontario Energy Board has authorized the recovery of 25% of the December 31, 2002 regulatory asset balances beginning in April 2004 and has put a process in place to address the future recovery of remaining asset balances over the following three years.
- (e) Payments in lieu of taxes are calculated using the taxes payable method as directed by the Ontario Energy Board. Under the taxes payable method, no provision is made for future income taxes arising from the temporary difference between the tax basis of an asset or liability and its carrying amount on the balance sheet. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the company at that time. The unrecognized future tax liability is \$124,264 (\$112,338 - 2002) and the unrecognized future tax expense is \$12,264 (\$102,650 recovery - 2002) arising from differences between the carrying amount and tax value of capital assets. In 2002, the opening future tax liability of \$215,038 was expensed when the policy was implemented.

WASAGA DISTRIBUTION INC.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2003

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.

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 \$1,056,324 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 Wasaga Resource Services Inc. realizes substantially greater costs in providing any new services to the company, compensation can be renegotiated and it would be considered reasonable to have 90% of the costs incurred by the company.

3. Note payable to the Town of Wasaga Beach

There are no fixed terms of principal repayment. Interest 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, 2003 was 4.66% (4.88% in 2002).

4. Financial instruments

The company's financial instruments consist of unbilled revenue, accounts payable and accruals, due to and from Wasaga Resources Services Inc. 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. Fair value does not vary significantly from recorded value.

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 and capital taxes. There is a temporary difference of 5% between the tax rate per financial statement (38%) and the tax rate per tax return (33%).

6. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

7. Other assets

Other assets consist of the following:

	2003	2002
	\$	\$
Qualifying transition factors	227,261	157,130
Net regulatory assets	429,186	552,112
	656,447	709,242

WASAGA DISTRIBUTION INC.**NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003****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 Electricity Distributors Association is undertaking the defence 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.